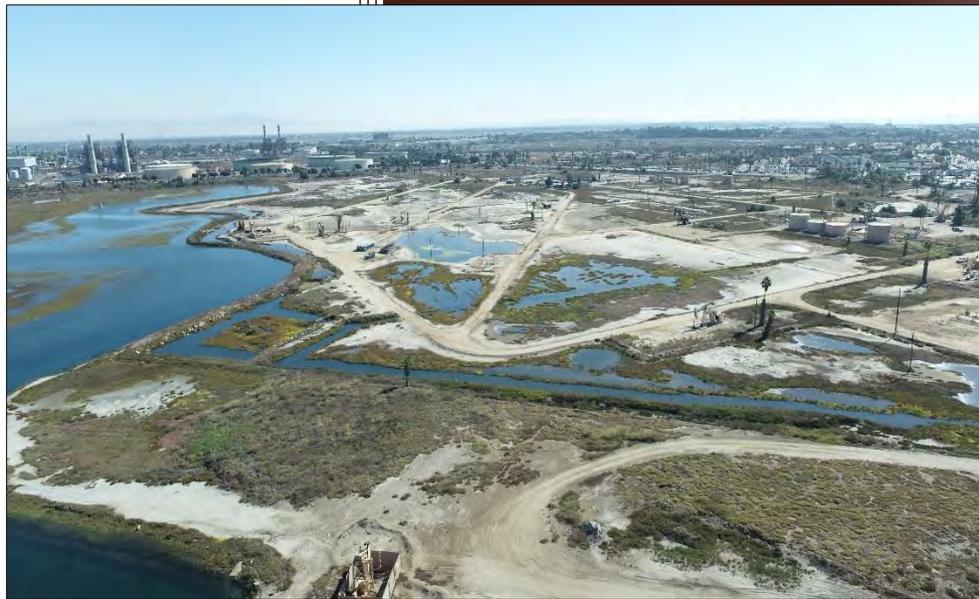




**THE DORÉ GROUP**  
INTERNATIONAL REAL ESTATE CONSULTATION  
AND FORENSIC VALUATION

## **Real Estate Appraisal Report**

### **Los Cerritos Wetlands, Long Beach, CA**



**Prepared For:**

**John McKeown  
Synergy Oil & Gas LLC  
6433 E 2<sup>nd</sup> Street  
Long Beach, CA 90803**

**Mark Stanley  
Los Cerritos Wetlands Authority  
100 N Old Gabriel Canyon Road  
Azusa, CA 91702**



THE DORÉ GROUP

INTERNATIONAL REAL ESTATE CONSULTATION  
AND FORENSIC VALUATION

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May 17, 2024

Mr. John McKeown  
Synergy Oil & Gas, LLC  
6433 E 2<sup>nd</sup> Street  
Long Beach, CA 90803

Mr. Mark Stanley  
Los Cerritos Wetlands Authority  
100 N. Old Gabriel Canyon Road  
Azusa, CA 91702

Re: Real Estate Appraisal Report  
Los Cerritos Wetlands  
NEC and NWC of 2nd Street and Studebaker Road  
Long Beach, Los Angeles County, California 90803

File Name: TDG 2024 040

Dear Mr. John McKeown and Mr. Mark Stanley:

Pursuant to your request, I performed an appraisal of the above-referenced property as more particularly described in the appraisal report to follow. More specifically, the subject property (Los Cerritos Wetlands") is identified as two separate sites: Site 1 - LCWA Site (approximately 4.87± net acres, or 212,140 square feet) and Site 2 - Synergy Oil Site (approximately 150.50± net acres, or 6,555,991 square feet). The subject lands have legal and physical access to the parcels.

Site 1 consists of one legal parcel of land totaling 4.87 net acres located at the northeast corner of 2nd Street and Studebaker Road, in the City of Long Beach, Los Angeles County, State of California, and can be identified by Assessor Parcel Number APN 7237-019-809.

Site 2 consists of seven legal parcels of land totaling 150.50 net acres and includes 147.50 acres of wetlands and 3.00 acres of disturbed land located at the northwest corner of 2nd Street and Studebaker Road, in the City of Long Beach, Los Angeles County, State of California, and can be identified by the following Assessor Parcel Number(s): 7237-017-010, 7237-017-011, 7237-017-012, 7237-017-013, 7237-017-014, 7237-017-018, and 7237-017-019.

The clients and intended users are John McKeown with Synergy Oil & Gas, LLC, and Mark Stanley with Los Cerritos Wetlands Authority. Other intended users include the State of California Department of General Services. It may not be distributed to or relied upon by other persons or entities without written permission of the Dore Group. The intended use of this appraisal is to assist in a real estate exchange transaction.

The appraisal was prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Foundation, and the Code of Professional Ethics, and the Standards of Professional Conduct of the Appraisal Institute.

I certify that I have no present or contemplated future interest in the property beyond this estimate of value. As noted, I have not previously performed services, as an appraiser, regarding the property that is the subject of this report within the three-year period immediately preceding the acceptance of this assignment.

Your attention is directed to the Hypothetical Conditions, Extraordinary Assumptions, and General Conditions and Assumptions sections of this report (beginning on page 12). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, I note the following:

Hypothetical Conditions:

- There are no Hypothetical Conditions for this appraisal.

Extraordinary Assumptions:

- I have assumed that Site 2 “Synergy Oil Site” is clear of all environmental contamination and below-ground improvements. This is based on the Indemnity Agreement which requires the seller/owner to indemnify any LCWA for claims arising from third parties related to claims that wastes generated from any Company Parties’ activities or omissions were not properly disposed of by the Company Parties. See Addenda.
- I have assumed that the transitional use for the future visitor center is for continued use by Lyon Living Development on a 3.0-acre parcel.
- I have assumed, the parties 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”) adhere to the Option Agreement (and Amendments) for an exclusive option to acquire the LCWA property (5.1-acre parcel of undeveloped property) in exchange for the transfer of the Los Cerritos Wetlands, LLC property (154-acre operating oil field) to LCWA.

- I have assumed, the parties Los Cerritos Wetlands Authority, a joint powers authority formed by the California Coastal Conservancy, the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, the City of Long Beach, and the City of Seal Beach (“LCWA”), and Los Cerritos Wetlands, LLC, a California limited liability company adhere to the Land Exchange Agreement (Draft Version 5-10-2024) for the option to acquire 5.1-acre parcel of property owned by LCWA in exchange for LCWA acquiring interests in Mitigation Bank Site, Revegetation Site, and Public Access Improvements Site.

Based on the appraisal described in the accompanying report, subject to the Hypothetical Conditions, Extraordinary Assumptions, and General Conditions & Assumptions, I have made the following value conclusion(s):

**Market Value of LCWA Site (4.87 acres)  
owned by Los Cerritos Wetlands Authority**

***\$18,030,000***  
***Eighteen Million Thirty Thousand Dollars***

**Market Value of Synergy Oil Site (150.50 acres)  
owned by Los Cerritos Wetlands LLC**

***\$15,310,000***  
***Fifteen Million Three Hundred and Ten Thousand Dollars***

The market exposure time<sup>1</sup> preceding May 1, 2024, would have been 12 months, and the estimated marketing period<sup>2</sup> as of May 1, 2024, is 12 months.

Thank you for the opportunity of submitting this appraisal. If I can be of further service, please do not hesitate to call.

Respectfully submitted,  
The Doré Group, Inc.



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Lance W. Doré, MAI, FRICS  
President / CEO

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<sup>1</sup> Exposure Time: see definition in the Addenda.

<sup>2</sup> Marketing Time: see definition in the Addenda.

## TABLE OF CONTENTS

Summary of Salient Facts & Conclusions .....	6
Hypothetical Conditions and Extraordinary Assumptions .....	11
Scope of Work .....	18
Regional Map.....	21
Regional Description: Los Angeles County .....	22
Area Map .....	29
City Description: Long Beach .....	30
Land Exchange Agreement Summary.....	34
Option Agreement and First Amendment Summary .....	35
Property to be Appraised .....	36
Property Description .....	41
Wetlands Overview .....	46
Southern California Wetlands Overview .....	50
Wetlands of the Subject Property .....	52
CoStar – Industrial Submarket Overview- Long Beach.....	57
Land Use Controls.....	60
Zoning Map – Site 1 Zoning Map – Site 2 .....	64
Assessment and Taxes.....	66
Aerial Map – Site 1. LCWA Site .....	68
Aerial Map – Site 2. Synergy Oil Site .....	69
Topography Map .....	70
Plat Map - Site 1 APN 7237-019-809 .....	71
Plat Map- Site 2. ....	72
Flood Maps .....	77
Subject Photographs .....	79
Highest and Best Use.....	83
Highest and Best Use as Improved.....	96
Valuation Methodology.....	97
Sales Comparison Approach – Site 1 (LCWA Site) .....	98
Land Comparables .....	98
Land Comparable Location Map.....	100
Sales Comparison Approach – Site 2 (Synergy Oil Site).....	113
Land Comparables (Wetlands) .....	113
Market value assuming transitional use for future visitor center.....	124
Final Reconciliation.....	128
Certification Statement .....	129
Addenda .....	130
Indemnity Agreement .....	131
Land Comparable Data Sheets .....	134

## SUMMARY OF SALIENT FACTS & CONCLUSIONS

### GENERAL

**SUBJECT PROPERTY:**

**Site 1:** LCWA Site – 4.87± net acres of industrial land Northeast corner of 2<sup>nd</sup> Street and Studebaker Road, Long Beach, Los Angeles County, CA 90803

**Site 2:** Synergy Oil Site – 150.50 net acres of land Northwest corner of 2<sup>nd</sup> Street and Studebaker Road, Long Beach, Los Angeles County, CA 90803.

**ASSESSOR'S PARCEL NUMBER(S)/OWNERSHIP:**

Site 1 - LCWA Site		
APN	Net Acres	Ownership
7237-019-809	4.87	Los Cerritos Wetlands Authority
<b>Total:</b>	<b>4.87</b>	
Site 2- Synergy Oil Site		
APN	Acres	Ownership
7237-017-010	0.12	Los Cerritos Wetlands LLC
7237-017-011	6.97	Los Cerritos Wetlands LLC
7237-017-012	1.75	Los Cerritos Wetlands LLC
7237-017-013	118.98	Los Cerritos Wetlands LLC
7237-017-014	11.18	Los Cerritos Wetlands LLC
7237-017-018	1.19	Los Cerritos Wetlands LLC
7237-017-019	10.31	Los Cerritos Wetlands LLC
<b>Total:</b>	<b>150.50</b>	

Please note, the total acreage is based on a survey for analysis purposes.

**LEGAL DESCRIPTION:** See in the Addenda.

**DATE OF VALUE:** May 1, 2024

**INSPECTION DATE:** November 2, 2023.  
It is assumed no physical changes have occurred since the inspection date to date of value.

**DATE OF REPORT:** May 17, 2024

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<b>INTEREST APPRAISED:</b>	Fee Simple Interest as encumbered subject to the Land Exchange Agreement (Draft Version 5-10-2024) including the condition of title for the Mitigation Bank Site and Revegetation Site and Public Access Improvement Site that a Conservation Easement may be recorded before, or after the Closing.
<b>INTENDED USE:</b>	The intended use of this appraisal is to assist in a real estate exchange transaction.
<b>INTENDED USER(S):</b>	The clients and intended users are Riley Paone with Lyon Living, and Mark Stanley with Los Cerritos Wetlands Authority. Other intended users include the California Department of General Services. It may not be distributed to or relied upon by other persons or entities without written permission of the Dore Group. The intended use of this appraisal is to provide market value.
<b>CURRENT LISTING / CONTRACT(S):</b>	To the best of my knowledge, the subject property is not currently listed for sale, or under contract.
<b>PROPERTY HISTORY:</b>	Based on our research of public records, the subject property Site 1 (LCWA Site) transferred easements on March 14, 2023, Quitclaim Deed #2023-0161202 from ZEWCT to Los Cerritos Wetlands Authority. The subject property Site 2 (Synergy Oil Site) totaling 157.85 acres and including nine parcels was sold on December 11, 2013, from Synergy Oil & Gas LLC to Los Cerritos Wetlands LLC (Grant Deed 2013-1748575). This includes the transfer of 7237-020-003 and totals 157.85 acres. The sale price was undisclosed. According to public records, the subject (Site 1 and Site 2) has not sold in the last three years.
<b>APPRAISAL HISTORY:</b>	I have not appraised the subject property within the last three years.

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**HIGHEST AND BEST USE:**

A complete as vacant and as improved highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.

**Site 1: LCWA Site**

**As Vacant:** Industrial Use

**As Improved:** Not applicable

**Site 2: Synergy Oil Site**

**As Vacant:** Open Space/Conservation (Wetlands)

**As Improved:** Not warranted

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**PROPERTY**

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**LAND AREA:**

Site 1 - LCWA Site			
APN	Gross Acres	Easement(s)	Net Acres
7237-019-809	5.11	0.24	4.87
<b>Total:</b>	<b>5.11</b>	<b>0.24</b>	<b>4.87</b>

Site 2- Synergy Oil Site			
APN	Acres		
7237-017-010	0.12	-	0.12
7237-017-011	6.97	-	6.97
7237-017-012	1.75	-	1.75
7237-017-013	118.98	-	118.98
7237-017-014	11.18	-	11.18
7237-017-018	1.19	-	1.19
7237-017-019	10.31	-	10.31
<b>Total:</b>	<b>150.50</b>	<b>-</b>	<b>150.50</b>

**TOPOGRAPHY:**

**Site 1:** The topography consists of level terrain. Overall, elevation ranges approximately from 9 to 15 feet, with an average elevation of 11 feet. The average slope is 0.8% and -17.2%.

**Site 2:** The topography consists of level terrain. Overall, elevation ranges approximately from 0 to 11 feet, with an average elevation of 3 feet. The average slope is 2.0% and -1.8%. General topographic details and maps for the subject are provided later in this report.

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<b>ACCESS:</b>	<p><b>Site 1:</b> Primary access to the industrial site is obtained via North Studebaker Road.</p> <p><b>Site 2:</b> Access is available via paved roads: Studebaker Road, 2<sup>nd</sup> Street, and Pacific Coast Hwy.</p>
<b>AVAILABLE UTILITIES:</b>	<p><b>Electricity:</b> Southern California Edison (SCE) <b>Gas:</b> City of Long Beach <b>Water:</b> Long Beach Water Department <b>Sewer:</b> Long Beach Water Department</p> <p>The subject's utility service is typical for this area and deemed adequate to support its current uses.</p>
<b>IMPROVEMENTS:</b>	<p><b>Site 1:</b> Site 1 is not improved.</p> <p><b>Site 2:</b> Site 2 is not improved, except for the oil and gas operations that use equipment for extraction purposes. The equipment value was not included in the appraisal.</p>
<b>PERSONAL PROPERTY:</b>	<p>The land valued in this assignment did not include any personal property, fixtures, equipment, or intangibles.</p>
<b>ZONING/JURISDICTION:</b>	<p><b>Site 1 LCWA Site:</b> SP-2-Ind (Industrial Site)/City of Long Beach</p> <p><b>Site 2. Synergy Oil Site:</b> SP-2-CHWR (Coastal Habitat/Wetlands/Recreation)/ City of Long Beach</p>

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## DEFINITIONS

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### Market Value Defined (California Code of Civil Procedures Section 1263.320)

- a) The Fair Market Value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.
- b) The Fair Market Value of property taken for which there is no relevant, comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable.

### PROPERTY RIGHTS APPRAISED

The property right of ownership appraised was the Fee Simple Interest as encumbered subject to the Land Exchange Agreement (Draft Version 5-10-2024) including the condition of title for the Mitigation Bank Site and Revegetation Site and Public Access Improvement Site that a Conservation Easement may be recorded before, or after the Closing.

Fee simple interest does include mineral rights, unless otherwise stated. The fee simple title can be defined as follows:

*“Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”<sup>3</sup>*

**Site 1. LCWA Site.** Per PTR (Order No. 997-30046857-H-BB7) prepared by Fidelity National Title Company, dated April 22, 2024, and amended May 3, 2024, the owner is Los Cerritos Wetlands Authority.

**Site 2. Synergy Site.** Per PTR (Order No. 010-30051785-H-BB7) prepared by Fidelity National Title Company, dated March 29, 2024, the owner is Los Cerritos Wetlands, LLC.

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<sup>3</sup> 7<sup>th</sup> Edition Appraisal Institute, *The Dictionary of Real Estate Appraisal 2021*

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## HYPOTHETICAL CONDITIONS AND EXTRAORDINARY ASSUMPTIONS

Acceptance of and/or use of this report constitutes acceptance of the indicated Hypothetical Conditions and Extraordinary Assumptions; these can only be modified in a written document(s) executed by both parties.

### HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis.”<sup>4</sup>

The following Hypothetical Conditions apply to this specific appraisal assignment:

- There are no Hypothetical Conditions for this appraisal.

### EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.”<sup>5</sup>

The following Extraordinary Assumptions apply to this specific appraisal assignment:

- I have assumed that Site 2 “Synergy Oil Site” is clear of all environmental contamination and below-ground improvements. This is based on the Indemnity Agreement which requires the seller/owner to indemnify any LCWA for claims arising from third parties related to claims that wastes generated from any Company Parties’ activities or omissions were not properly disposed of by the Company Parties. See Addenda.
- I have assumed that the transitional use for the future visitor center is for continued use by Lyon Living Development on a 3.0-acre parcel as identified in the Land Exchange Agreement (Draft Version 5-10-2024).
- I have assumed, the parties 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”) adhere to the Option Agreement (and Amendments) for an exclusive option to acquire the LCWA property (5.1-acre parcel of undeveloped property) in exchange for the transfer of the Los Cerritos Wetlands, LLC property (154-acre operating oil field) to LCWA.

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<sup>4</sup> *Uniform Standards of Professional Appraisal Practice (USPAP) 2020-2023 Pg. 4*

<sup>5</sup> *Uniform Standards of Professional Appraisal Practice (USPAP) 2020-2023 Pg. 4*

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- I have assumed, the parties Los Cerritos Wetlands Authority, a joint powers authority formed by the California Coastal Conservancy, the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, the City of Long Beach, and the City of Seal Beach (“LCWA”), and Los Cerritos Wetlands, LLC, a California limited liability company adhere to the Land Exchange Agreement (Draft Version 5-10-2024) for the option to acquire 5.1-acre parcel of property owned by LCWA in exchange for LCWA acquiring interests in Mitigation Bank Site, Revegetation Site, and Public Access Improvements Site.

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## GENERAL CONDITIONS AND ASSUMPTIONS

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The appraisal has been completed subject to the following General Conditions and Assumptions:

- The appraisal was prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Foundation and the Code of Professional Ethics, and the Standards of Professional Conduct of the Appraisal Institute. The development process used was a complete analysis that is documented in this appraisal report.
- By use of this appraisal report, each party that uses this report agrees to be bound by all of the Hypothetical Conditions and Extraordinary Assumptions stated herein. The opinions are only as of the date stated in the appraisal report. Changes since that date in external and market factors, or in the subject property itself, can significantly affect the conclusions presented in the appraisal report.
- This appraisal is to be used only for the purpose stated herein. While the distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed as this report is intended to be used in whole and not in part.
- The referenced size estimate for the subject land of 4.87 acres and 150.50 acres were based on the Land Title Survey provided by the Client. These figures are assumed to be accurate and were relied upon in the valuation of the property.
- **Site 1. LCWA Site.** I was provided with a Preliminary Title Report (Order No. 997-30046857-H-BB7) prepared by Fidelity National Title Company, dated April 22, 2024, and amended May 3, 2024. There were exceptions within this report that included easements for power lines, water and gas pipes, oil pipelines, conduits, poles, and towers granted to Los Angeles Gas and Electric Corporation (Exception B, #2); the ownership of said Land does not include a right of access to or from the street, highway, or freeway abutting said Land, however, it establishes that the right of access to said Frontage Road is hereby expressly limited to the Southerly 172.72 feet of the here-in-above described course having a length of 322.72 feet and to those hereinabove described courses having lengths of 96.00 feet, 106.99 feet, 407.83 feet and 661.57 feet. Access is available per the PTR (Exception B, #3); an easement for the State of California road, slope, and storm drain purposes for the improvement and extension of Westminster Avenue and Studebaker Road granted to the County of Los Angeles (Exception B, #4); easement for use of pipelines, granted to Richfield Oil Corporation (Exception B, #5); an easement for road purposes granted to the County of Los Angeles (Exception B, #6); for joint use agreement executed by Southern California Edison Company and the County of Los Angeles for a fuel pipeline and for electrical facilities (Exception B, #7); for easement in, over and upon the parcel for pedestrian and vehicular access in the location of existing roads, sidewalks, and driveways, and for sanitary sewer or storm drain facilities, and for any and all drainage facilities executed by SCE and the City of Long Beach and assigned to AES Alamos, LLC

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and Pacific Terminals, LLC (Exception B, #8, #10, #12, #13, #14); an easements for public utilities garnted to SCE (Exception B, #16, #17); Deed Restriction #2021-1838325 pertaining to Special Conditions per Development Permit No. 9-18-395 allows for 1) construction and operation of two oil production facilities, 2) construction and operation of an above-ground oil pipeline, 3) decommissioning of existing oil facilities on two sites and 4) conversion of existing building to Visitor’s Center for Los Cerritos Welands (Exception B, #24). These easements are typical and were considered in the valuation. A copy of the report is found in the Addenda. I have assumed no changes occurred since I reviewed this title report.

- **Site 2: Synergy Oil Site.** I was provided with a Preliminary Title Report (Order No. 010-30051785-H-BB7) prepared by Fidelity National Title Company, dated March 29, 2024. There were exceptions within this report that included easement for the right to lay, construct, maintain, operate, repair, and remove pipelines and appurtenances for the transportation of oil, petroleum, gas, gasoline, water or other substances with the right of ingress and egress granted to Richfield Oil Corporation (Exception B, #5); easements for street and alley and incidental purposes granted to the City of Long Beach and to the County of Los Angeles (Exception B, #7 and #8); easements for public sewer and sewers granted to the City of Long Beach (Exception I, #9); easement for wires, underground conduits, cables granted to Southern California Edison Company (Exception B, #14); easement for public utilities granted to the General Telephone Company of California (Exception B, #15); easement for sewer purposes granted to County Sanitation District No. 3 of Los Angeles County (Exception B, #16); easement for flood control granted to Los Angeles County Flood Control District (Exception B, #21); Deed Restriction #2021-1838326 pertaining to Special Conditions per Development Permit No. 9-18-395 allows for 1) construction and operation of two oil production facilities, 2) construction and operation of an above-ground oil pipeline, 3) decommissioning of existing oil facilities on two sites and 4) conversion of existing building to Visitor’s Center for Los Cerritos Welands (Exception B, #32). These easements are typical and were considered in the valuation. A copy of the report is found in the Addenda. I have assumed no changes occurred since I reviewed this title report.
- All files, work papers, and documents developed in connection with this assignment are the property of The Doré Group. No part of this appraisal, its value estimates, or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media without The Doré Group's prior written consent or a Freedom of Information Act (FOIA) request and CPRA (California’s Public Records Act) request. If the appraisal report is referred to or included in any offering material or prospectus, the report shall be deemed referred to or included for informational purposes only and The Doré Group, its employees and the appraiser(s) have no liability to such recipients. The Doré Group disclaims any and all liability to any party other than the party that retained The Doré Group to prepare the appraisal report.
- The appraised value was based on the assumption that there are no tax liens affecting the subject property. I assumed that any special assessments affecting the subject property

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are typical and appropriate for the area and do not have an impact on the value conclusion.

- No opinion is expressed with regard to potential seismic impact, and it was assumed that the subject's potential risks are similar to those shared by most properties in the subject area and generally within California. I make no warranty as to the seismic stability of the subject land. The assumption is made that any future development of the property, if any, will occur in accordance with all appropriate regulations and ordinances regarding grading, fill, and applicable building codes.
- Water rights are not valued separately in this analysis, and I have assumed that these rights will be addressed in a separate analysis not part of this appraisal. The market does recognize water as an amenity and this value attribute has been reflected in the overall analysis and value conclusions.
- The information contained in this appraisal report, or upon which the report is based, has been gathered from sources the appraiser assumes to be reliable and accurate. The owner of the subject property may have provided some of such information. Neither the appraiser, nor The Doré Group, shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits, and factual matters. Any authorized user of the appraisal report is obligated to bring to the attention of The Doré Group any inaccuracies or errors that it believes are contained in the report. Any plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted. Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.
- No part of the appraisal report shall be used in conjunction with any other analyses. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the appraisal report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. Any authorized user(s) of this appraisal report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by The Doré Group in writing to use or rely thereon, hereby agrees to indemnify and hold The Doré Group, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the appraisal report by any such unauthorized person(s) or entity(ies).
- The appraiser may not divulge the material (evaluation) contents of the report, analytical findings, or conclusions, or give a copy of the report to anyone other than the client, legal authorities via subpoena, or the Appraisal Institute.

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- The appraisal report is based on the assumption of: (a) responsible ownership and competent management of the subject property; (b) no hidden or unapparent conditions of the subject property, subsoil or structures that render the property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the appraisal report is based.
  - The presence of hazardous substances may affect the value of the subject property. No hidden or unapparent conditions of the subject property, subsoil, or structure, including without limitation, asbestos, formaldehyde foam insulation, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which would make the property more or less valuable, were discovered by or made known to the appraiser(s). The appraiser(s) is not qualified to test for such substances and no responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, the appraiser(s) assumed there was no existence of hazardous materials or conditions, in any form, on or near the subject property. See Hypothetical Condition.
  - No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the subject property was presumed to be good and merchantable and the property, as subject to the Estate to be Appraised, and was appraised assuming there are no adverse easements, encroachments, liens, encumbrances, special assessments, or other restrictions and all parties adhere to conditions of the Option and Exchange Agreements.
  - Unless stated herein, the subject property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.
  - Except as may be otherwise stated in the letter of engagement, the appraiser shall not be required to give testimony in any court or administrative proceeding relating to the subject property or the appraisal. If the appraiser is subpoenaed pursuant to a court order, the client agrees to pay The Doré Group's regular per diem rate plus expenses.
  - In the event of a claim against The Doré Group, its affiliates, their respective officers or employees, or the appraiser(s) in connection with or in any way relating to this appraisal report or this engagement, the maximum damages recoverable shall be the amount of the monies actually collected by The Doré Group or its affiliates for this appraisal report and under no circumstances shall any claim for consequential damages be made.

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- Necessary licenses, permits, consents, legislative or administrative authority from any local, state, or federal government, or private entity, are assumed to be in place or reasonably obtainable.

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## SCOPE OF WORK

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According to the *Uniform Standards of Professional Appraisal Practice*, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

In preparing this report, I investigated numerous land sales and listings from the area and confirmed all data with buyers, sellers, brokers, property developers, and/or public officials when possible. I collected, confirmed, and reported data that are applicable in the valuation process. Data collection involved the use of various sources including the Multiple Listing Service, RealQuest (data collection service), CoStar, Los Angeles, Orange, and San Diego Counties deed records, and in-house materials. The data collected and confirmed have been reported to an extent sufficient for the particular appraisal problem involved.

The clients and intended users are John McKeown with Synergy Oil & Gas, LLC, and Mark Stanley with Los Cerritos Wetlands Authority. Other intended users include the California Department of General Services. It may not be distributed to or relied upon by other persons or entities without written permission of the Dore Group. The intended use of this appraisal is to assist in a real estate exchange transaction.

**REPORT TYPE:** This is an appraisal report as defined by Uniform Standards of Professional Appraisal Practice. This format provides an appraisal report of the appraisal process, subject and market data and valuation analyses.

**PROPERTY IDENTIFICATION:** The subject has been identified by the legal description and the assessor's parcel numbers.

**PROPERTY RIGHTS APPRAISED:** Fee Simple Interest as encumbered subject to the Land Exchange Agreement (Draft Version 5-10-2024) including the condition of title for the Mitigation Bank Site and

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Revegetation Site and Public Access Improvement Site that a Conservation Easement may be recorded before, or after the Closing.

**INSPECTION:**

A complete inspection of the subject land and the surrounding environments has been conducted. The subject was inspected on November 2, 2023. It is assumed no physical changes have occurred from the inspection date to the date of value. Photographs were taken on the date of inspection of the subject land.

**MARKET AREA AND ANALYSIS OF MARKET CONDITIONS:**

A complete analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.

**HIGHEST AND BEST USE ANALYSIS:**

A complete as vacant and as improved highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses are considered, and the maximally productive use was concluded.

**IMPROVEMENTS:**

No building improvements.

**PERSONAL PROPERTY, FIXTURES, AND INTANGIBLE ITEMS:**

The land valued in this assignment did not include any personal property, fixtures, equipment, or intangibles.

**VALUATION ANALYSES:**

**Cost Approach:**

A cost approach was not applied as there are no improvements on which to provide a cost new, or depreciated basis.

**Sales Comparison Approach:**

A sales approach was applied as there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

**Income Approach:**

An income approach was not applied as the subject does not generate income because land is typically not an income-generating asset.

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**PRIOR APPRAISAL SERVICES:**

I have not performed valuation services, as an appraiser, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

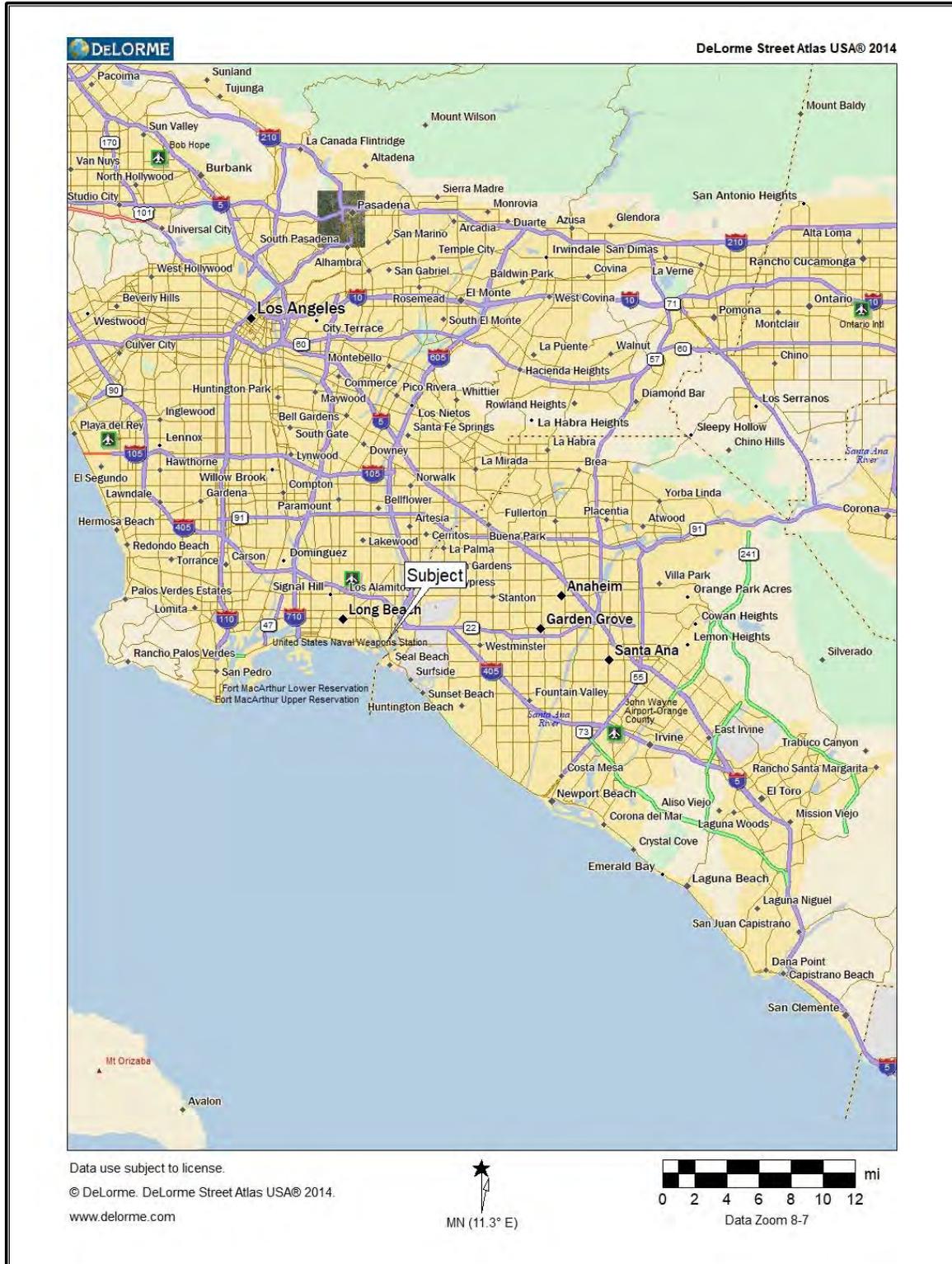
**DOCUMENTATION:**

The Doré Group was provided with the document(s) listed below. Unless noted, the document(s) did not indicate any unusual or detrimental conditions that have an impact on value. These documents are assumed to be accurate and are relied upon in the valuation of the subject property.

- 2023103 Los Cerritos Wetlands Methodology Consulting Report.
- Visitor Center Site Plan.
- California Coastal Commission Report #9-18-0395.
- ALTA/ACSM Land Title Survey prepared by Guida Surveying Inc.
- Mitigation Bank documents.
- Land Exchange Agreement (draft).
- Option Agreement.
- First Amendment to Option Agreement.
- Second Amendment to Option Agreement (draft).

No responsibility is assumed for any missing pertinent data contained within these documents and the concluded values do not reflect knowledge of their content.

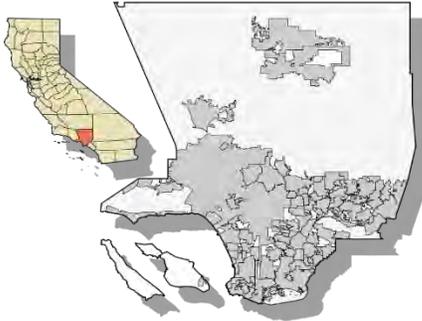
# REGIONAL MAP



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## REGIONAL DESCRIPTION: LOS ANGELES COUNTY



One of California's oldest counties, Los Angeles County is situated in the southwest corner of the state and is bordered by Kern County (north), 70 miles of the Pacific Ocean coastline and Orange County (south), Ventura County (west), and San Bernardino County (east). With a land area of 4,752 square miles, it is home to 88 incorporated cities and is the most populous county in the U.S. Most of the population resides in the southern and southwestern portions of the county, with major

population centers also located in the Los Angeles Basin, San Fernando Valley, and San Gabriel Valley and secondary centers in the Santa Clarita Valley, Crescenta Valley, and Antelope Valley.

The county is divided into the following major areas:

- EAST: Eastside, San Gabriel Valley, Pomona Valley
- WEST: Westside, Beach Cities
- SOUTH: South Bay, Palos Verdes Peninsula, South Los Angeles, Gateway Cities, Los Angeles Harbor Region
- NORTH: San Fernando Valley, portions of the Conejo Valley and Antelope Valley, Santa Clarita Valley
- CENTRAL: Downtown Los Angeles, Mid-Wilshire

### TRANSPORTATION

An extensive and well-developed freeway system provides access to, from and throughout Los Angeles County. Primary freeways include Interstates 5, 105, 405, 605, 10, 110, 210, and 710. There are also numerous state highways and a vast urban and suburban street network. All thoroughfares are impacted by moderate to severe traffic congestion during commute hours and freeway-to-freeway interchanges regularly rank in the top ten most congested in the nation.

Bus service is provided by Los Angeles Metro and numerous municipal operators. Los Angeles International Airport, one of the busiest airports in the world, is the primary commercial airport serving the region. Additional airports include Long Beach Municipal Airport (Long Beach), Bob Hope Airport (Burbank), and LA/ Palmdale Regional Airport (Palmdale), as well as numerous smaller scale commercial and non-commercial facilities.

Los Angeles is a major freight railroad transportation hub due to large volumes of freight arriving/departing out of the county's port facilities and industrial hubs; Union Pacific and Burlington Northern Santa Fe provide freight rail service. Amtrak, Los Angeles Metro Rail, and

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Metrolink provide commuter and long-distance passenger rail service; Amtrak also runs several intercity passenger rail lines from Los Angeles' Union Station, including the Pacific Surfliner, the Coast Starlight, the Southwest Chief, and the Sunset Limited. California High-Speed Rail is a high-speed rail system currently under construction. The proposed line will connect Los Angeles with San Francisco by 2029, with future extensions to San Diego and Sacramento. Due to the project's nearly \$70 billion cost and large scope, it is surrounded by much controversy and will likely face significant delays.

The county has two main seaports – the Ports of Los Angeles and Long Beach – which handle over a quarter of all container traffic entering the U.S., making the complex the largest and most important port in the country and the third-largest port in the world in shipping volume. The Port of Los Angeles is also the largest cruise ship center on the West Coast, handling more than a million passengers annually.

## **SERVICES**

Los Angeles County offers a complete array of services to residents and visitors. The Los Angeles Department of Water & Power and Southern California Gas Company provide most residents with water, gas and electricity. Law enforcement and fire protection are provided by the Los Angeles County Sheriff and Fire Departments, as well as individual city police and fire departments. There are approximately 78 public school districts overseen by the Los Angeles County Office of Education. The county is home to three world-class research institutions and 118 public and private colleges and universities – including several California State Universities (Long Beach, Northridge, and Los Angeles) and University of Southern California.

## **RECREATION | TOURISM**

Los Angeles is one of the nation's top tourist destinations due to its wide variety of recreational attractions, including numerous beaches, major amusement parks, golf courses, and a multitude of historical, cultural, and sporting venues and events. Primary attractions include Venice and Malibu Beaches, Six Flags (Hurricane Harbor and Magic Mountain), Universal Studios, Raging Waters, Hollywood and Beverly Hills, the Queen Mary, and the Los Angeles Zoo. The Los Angeles Convention Center has 720,000 square feet of exhibition space and 147,000 square feet of meeting space and hosts several major annual conventions. The 4,300-acre Griffith Park is the most visited city park in the county. There are a host of other natural attractions, including the Santa Monica and San Gabriel Mountains, Angeles and Los Padres National Forests, Santa Catalina and San Clemente Islands, Castaic Lake, the Los Angeles, Rio Hondo, Santa Clara, and San Gabriel Rivers, and the Mojave Desert, providing for outdoor recreation.

## **POPULATION | DEMOGRAPHICS**

As mentioned, Los Angeles County is the most populous county in the U.S. and is home to 88 incorporated cities, the largest being Los Angeles (3,766,109), Long Beach (458,222), and Glendale

(191,284). The city of Los Angeles is the county’s governmental center, stands as the largest city in the state, and ranks second in size nationwide.

The California Department of Finance estimated the county’s population at 9,761,210 as of January 2023, which is a slight decrease of -0.7% from 2022. This population comprises close to one-quarter of the state’s total population. Most of the recent population growth in Los Angeles County has been due to natural increase (births outnumbering deaths), while net migration was slightly negative again last year. The county’s high cost of living and lack of affordable housing units for low and middle-income households are contributing to the slowdown in population growth.

HISTORICAL POPULATION AND PROJECTIONS (2020 - 2060)						
	2020	2030	2040	2050	2060	% Change (2020-2060)
Los Angeles County	10,171,593	10,322,678	10,286,350	10,061,774	9,697,634	-4.7%
California	39,782,419	41,860,549	43,353,414	44,049,015	44,228,057	11.2%

Source: California Dept of Finance

According to the 2021 American Community Survey/US Census data, Los Angeles County had 3,375,587 households with 2.86 persons per household. The median age was 37.8 years.

10 LARGEST INDUSTRIES IN LA COUNTY		
Employer	No. of Employees	% Of Total
Educational & Health Services	867,600	19.19%
Trade, Transportation and Utilities	846,800	18.73%
Professional & Business Services	657,000	14.53%
Government	572,100	12.66%
Leisure & Hospitality	499,900	11.06%
Manufacturing	321,800	7.12%
Information	228,200	5.05%
Financial Activities	214,200	4.74%
Construction	156,600	3.46%
Other Services	150,200	3.32%

Source: 2022 LA County Annual Comprehensive Financial Report

## REGIONAL ECONOMY

Trends in employment are a key indicator of economic health and strongly correlate with real estate demand. Los Angeles is known as the capital of entertainment, manufacturing, and international trade in the U.S., but its economic base is broad and driven by the aerospace, automotive, biotechnology, and fashion

industries. Two busy seaports, the busiest airport, three world-class research institutions, and 118 colleges and universities contribute significantly to the region’s \$584 billion annual economic activity.

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## EMPLOYMENT | UNEMPLOYMENT RATE

According to the California Employment Development Department, the county had a labor force of 5,024,300 in June 2023. Of this total, 4,758,700 were employed and the unemployment rate was 5.3%.

## PERSONAL | HOUSEHOLD INCOME

According to the latest Census figures, Los Angeles County had a per capita income of \$38,388, as compared to the state's income of \$42,396. The county's median household income was \$77,456, compared to \$84,907 in the state. 14.2% of the county's population lived below the poverty level, which is slightly higher than the state (12.3%).

LA COUNTY & SURROUNDING COUNTIES HOME TRENDS			
Median Sold Price of Single-Family Homes			
County	Jul-23	Jul-22	YTY% Chg
Los Angeles	\$865,000	\$861,176	0.4%
Orange	\$1,051,000	\$970,000	8.4%
Riverside	\$565,000	\$570,000	-0.9%
San Bernardino	\$505,000	\$505,500	-0.1%
San Diego	\$860,000	\$820,000	4.9%
Ventura	\$840,000	\$840,883	-0.1%

Source: CRM LS

## REAL ESTATE DEVELOPMENT

Los Angeles County has a wide range of property types and limited vacant land in populated areas, typical of a large metropolitan area.

## RESIDENTIAL

According to the California Regional Multiple Listing Service, the median price

for all homes was \$865,000 in July 2023, up 0.4% from July 2022.

Los Angeles apartment market conditions provide mixed signals. Several data points suggest the market has stabilized in 2023. Rents, which saw slight declines late last year, reached a floor in early December. Renter demand has improved in recent months compared to the negative net absorption witnessed late last year. While property managers are providing more generous incentives than a year ago, the percentage of properties offering concessions, around 20%, has held steady since October 2022.

However, on a market-wide basis, vacancies, at 4.4%, continue to increase and is up from a recent low of 3.7% in 22Q1. Both demand and supply have precipitated the increase. Net absorption during the past 12 months, 2,800 units, represents a dramatic deceleration from the record 32,000 units absorbed in 2021. Renters grew cautious last year as inflation reached decades-high levels and greater economic uncertainty surfaced. Also, absorption was insufficient to offset the 10,000 net new units completed during this time. While rents are rising on a year-over-year basis, rates have only increased by 1.5% during the past 12 months.

With 26,000 units under construction, representing 2.5% of inventory, and moderate tenant demand anticipated in the near term, vacancies are expected to continue to rise through the remainder of the year. The impact of completions going forward will disproportionately affect the

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locations where activity is concentrated. One-third of the units underway are in three submarkets, Downtown Los Angeles, Koreatown, and Greater Inglewood, which comprise only 15% of existing inventory in Greater Los Angeles. In contrast, many other submarkets will face limited supply pressures.

Based on conversations with local multifamily sales brokers, the increase in debt costs and tighter lending standards have impacted transaction activity since the second half of last year. The number of properties that traded in the past three months is well below the 640 properties that traded quarterly on average, during the past decade. Many buyers and sellers have different expectations for pricing. Sellers want the elevated pricing seen in early 2022, whereas buyers seek a discount, given higher debt costs making it more difficult to achieve targeted investment returns. Several local brokers have said many buyers expect a 10-20% discount relative to early 2022 pricing. The rise in debt costs and additional transfer taxes passed by the City of Los Angeles and Santa Monica (see sales section for additional detail) will likely suppress near-term transaction volumes and lead to downward pressure on asset values.

## **OFFICE**

According to CoStar, uncertainty and pessimism surround Los Angeles' office sector. Vacancies are at 14.9% and continue to reach new heights. The pace at which vacancy has increased has accelerated since the second half of 2022. The rapid rise in debt costs last year and resulting economic uncertainty have led to more restrained leasing activity. The dramatic increase in sublease availabilities since early 2020, from 5.3 million SF to 11.7 million SF, demonstrates that numerous tenants have decided to downsize their office footprints. The outlook for the market is also bleak, with vacancies anticipated to continue to increase through at least the remainder of the year.

With the challenging leasing environment, developers have become more selective in commencing new office projects. Starts in 2021-22 averaged only 1.2 million SF, less than half the 3 million-SF annual average from 2014-20. Construction underway, 3.7 million SF, is down from a peak of 8.8 million SF in the second half of 2020.

One exception to the hesitancy seen by developers is 1950 Avenue of the Stars, a 731,000-SF tower in Century City that commenced construction in early 2023. Developer JMB Realty secured over 50% pre-leasing with Creative Artists Agency, committing to 400,000 SF in the project. Century City has been one of the better performing locations in the past several years and remains a choice location for image-conscious tenants. While vacancies have increased in areas like the Greater L.A. office market since early 2020, Century City has been one of the few locations in the metro to see vacancy come down from a recent peak.

JMB Realty likely also realized that the new office space has fared best in the current environment. During the past three years, leasing activity has held up best in L.A.'s newest assets, with only

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assets built since 2010 experiencing positive net absorption during the past three years. Century City has not seen an office building deliver since 2006. Numerous firms in Greater Los Angeles see the value in top-tier space to attract talent and entice workers to the office.

Weak market fundamentals have led to waning investor interest in office assets in the metro, with the past several quarters seeing some of the softest activity in the market's history. 22Q3 through 23Q1 saw \$2.5 billion in office sales. Dollar volumes were less than half the \$5.2 billion that sold during 21Q4 through 22Q2, the prior three quarters.

Some investors are likely waiting for distressed opportunities, which are starting to surface. As one of the most prominent examples of distress in the L.A. market, this February, Brookfield, the largest owner of office buildings in the submarket, defaulted on its loans for Gas Company Tower (\$465 million in loans) and 777 S. Figueroa St. (\$318.6 million in loans). The two buildings are held in the Brookfield DTLA Fund Office Trust Investor REIT, which owns four additional towers downtown. The lenders have yet to exercise options to foreclose on the properties, suggesting lenders are not optimistic about future space demand for the towers.

## **RETAIL**

Los Angeles' diverse demographics, distinctive mix of industries, creative economy, entrepreneurship, and tourist attractions create a dynamic retail market. Demand for retail space is supported by the metro's 10 million residents, the quarter million daily commuters who flow into the metro, and 40 million annual overnight visitors. In aggregate, population losses are impacting L.A.'s retail market. Cumulative net absorption from 2018 to 2023 year-to-date has been negative, while the population base has been declining.

L.A.'s diverse demand drivers have been changing disparately in the past two years, which is leading to growing availabilities in some portions of the market, but not others. Since the start of 2021, the increased preference for convenience has led to additional demand for neighborhood centers. While retail availability has been rising sharply, availability in neighborhood centers, which have benefitted from strong demand from a diverse array of tenants including grocers, is declining. Consumer foot traffic has shown a clear preference for convenient centers with easy access and multiple shopping methods. Tight availabilities and growing demand for space have resulted in stronger rent growth for neighborhood centers relative to the wider retail market.

Conversely, availability is mounting in malls and power centers. Submarkets in the west, where tech and financial firms are most notably positioned, are also experiencing softer demand as workers are spending less near their offices. These submarkets, such as the Downtown L.A and Santa Monica Submarkets, also generally have the most overnight travelers.

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Several large retail developments are under construction, but many were underway well before the pandemic began. Instead, more recent construction comprises small retail pads, usually with drive-thru capabilities.

Sales activity over the past 12 months comprises many shopping malls, leading to outsized sales volume despite the rising interest rate environment. Of these large malls that have traded in the past 12 months, none signal redevelopment plays. Investor appetite has been strong for grocery store anchored shopping centers.

## **INDUSTRIAL**

As a key industrial hub in the U.S., Los Angeles is the center of the 2 billion-square foot Southern California industrial market. Demand draws from the 20 million Southern California residents and from goods entering the twin ports of Los Angeles and Long Beach, which combined handle nearly a third of all imports to the United States.

Demand for industrial properties has been impacted by losses in imports entering the ports from Asia. Loaded inbound containers declined by 27% during the 3 months ending in February 2023 compared to the previous 3-month period. Consequentially, market conditions have softened, and the vacancy rate has risen from 2.0% to 3.4%. The sudden downshift in market conditions has yet to translate to material changes in asking rent, where rents are still 9.6% higher than a year ago and have grown by 53.3% over the past five years.

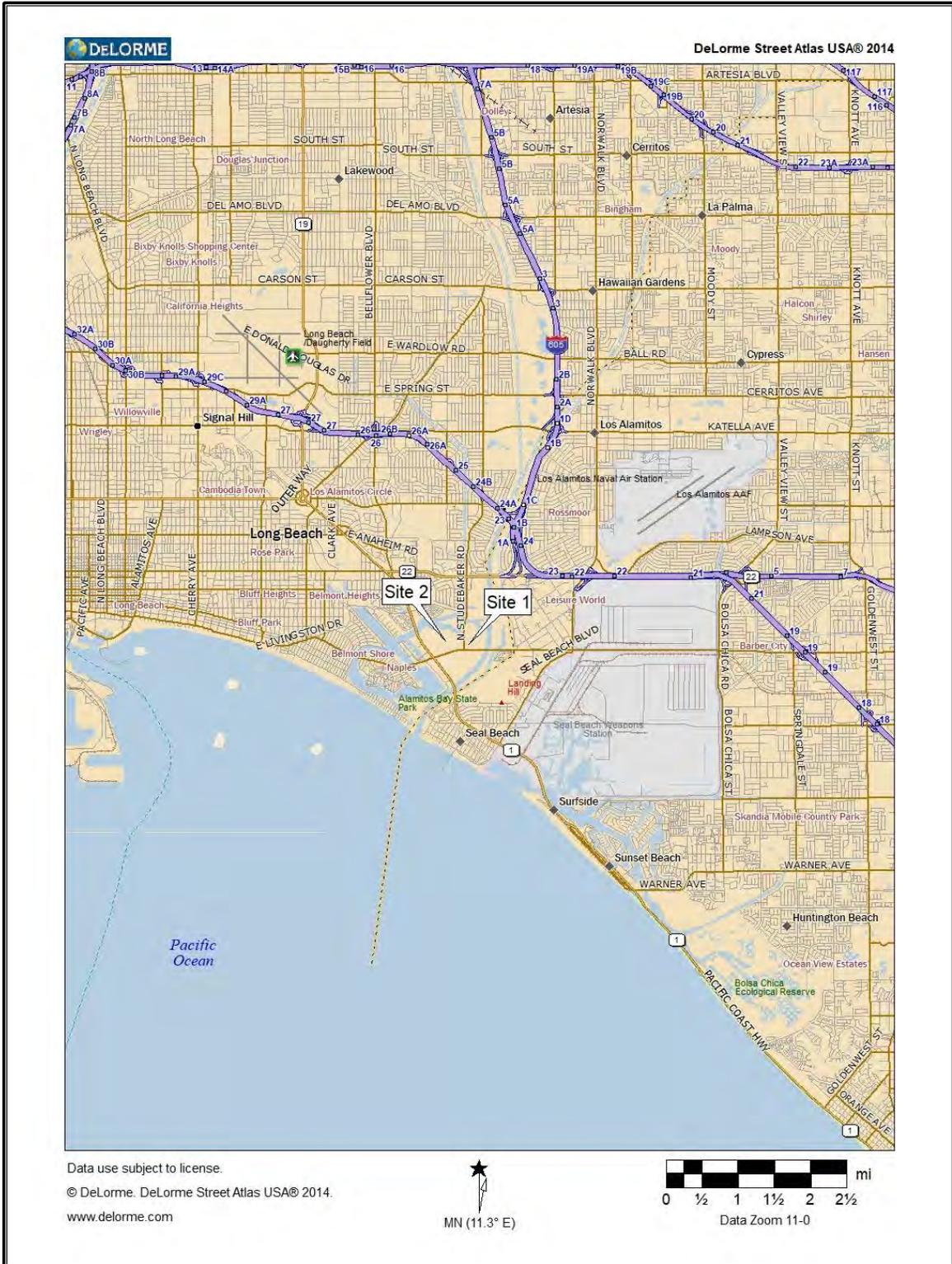
Despite recent slowing in demand, the outlook in the space market is steady because, unlike the national landscape, available space is constrained by the limited supply growth created by the obstacles to deliver industrial product in Los Angeles. Most industrial development in Southern California takes place in the Inland Empire, where land is cheaper and in greater supply. In recent years, some properties have been scraped and redeveloped into modern logistics facilities, while others, especially in West Los Angeles, have been converted to creative offices.

With tighter capital market conditions across the nation, local sales activity has finally started to moderate in 2023. Fewer properties are trading for redevelopment purposes and sale-leaseback deals have become more common.

## **CONCLUSION**

In the coming years leading up to 2030, the county will be positively impacted by a slow and steadily increasing population base, a relatively strong GDP, a well-developed distribution network, and its established reputation as a thriving metropolitan and manufacturing area and touristic destination. It is anticipated that the regional economy will continue to improve, and employment will increase, strengthening the demand for real estate.

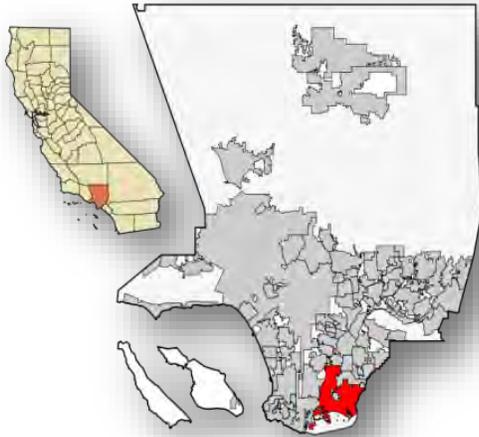
# AREA MAP



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## CITY DESCRIPTION: LONG BEACH



### LOCATION / ACCESS

The city of Long Beach encompasses 50 square miles and is in the southern portion of Los Angeles County. Boundaries are formed by the cities of Carson, Compton, and the unincorporated area of Rancho Dominguez (west), the Orange County cities of Seal Beach and Los Alamitos (east), the cities of Lakewood, Paramount, and Signal Hill (north), and the Pacific Ocean (south). The city is strategically located in the Southern California region and is less than a 30-minute drive to Los Angeles and Orange County.

Long Beach has a well-maintained system of freeways and surface streets. Several freeways connect the city to greater Los Angeles and Orange County, including Interstates 710, 405 and 605, State Routes 19, 91, and 1 (the historic Pacific Coast Highway). Long Beach Transit operates a 38-route bus system, as well as the free Passport Shuttle, Aqualink (catamaran) and AquaBus (water taxis). The Los Angeles County Metropolitan Transportation Authority operates a light rail service that runs between the Long Beach Transit Mall and downtown Los Angeles and Greyhound Bus Service offers long-distance bus service. Air travel is offered by Long Beach Airport. As this is a relatively small airport without international service, many area residents opt to use Los Angeles International Airport. John Wayne Airport (Santa Ana), Bob Hope Airport (Burbank), and LA/Ontario Airport (Ontario) are additional alternatives.

The Port of Long Beach is a major shipping center and is the second busiest container port in the nation (after the Port of Los Angeles). The Port, which transports goods between the U.S. and Pacific Rim, occupies 3,200 acres and 25 miles of waterfront and is less than two miles southwest of downtown Long Beach.

### POPULATION / DEMOGRAPHICS

According to the California Department of Finance, the city of Long Beach had a January 1, 2023, population of 458,222. This is a decrease of -0.4% from the January 2022 population of 460,245.

According to the 2022 American Community Survey/US Census, the city of Long Beach had 170,965 households with 2.57 persons per household and a median age of 36.7 years.

### SERVICES

Long Beach is supported by a budget of \$2.3 billion and is serviced by 5,500+ employees. There are schools, police and fire protection, public facilities, and utilities. The city is home to one major university (California State University, Long Beach), as well as DeVry University, a community college (Long Beach

City College), and three public unified school districts (Long Beach, ABC, and Paramount). There are four city-maintained police stations (Long Beach Police Department), 25 fire stations (Long Beach Fire Department). The city has 11 public libraries, numerous cultural centers, 3,100 acres of city parks, and 64 miles of bike paths/walking trails. Multiple public utilities cater to the needs of local residents, supplying gas and electricity through Long Beach Gas & Oil.

10 LARGEST EMPLOYERS - LONG BEACH		
Employer	No. of Employees	% Of Total
Long Beach Unified School District	12,049	5.10%
City of Long Beach	5,395	2.28%
Long Beach Memorial Medical Center	4,950	2.09%
Veteran Affairs Medical Center	3,524	1.49%
California State University Long Beach	3,336	1.41%
Long Beach City College	3,321	1.41%
The Boeing Company	2,019	0.85%
St. Mary Medical Center	1,547	0.65%
CSULB Research Foundation	1,261	0.53%
Molina Healthcare Inc	1,119	0.47%

Source: 2022 Long Beach Annual Comprehensive Financial Report

## LOCAL ECONOMY / INCOME

Long Beach’s economic base, much like the city itself, is diverse, with significant contributions from international trade, oil, aerospace and aviation, healthcare, education, and tourism. Long Beach is a major industrial port, ranked second busiest in the United States. Trade valued annually at more than \$180 billion moves through the Port of Long Beach. The Port supports more than 30,000 jobs in the city and 316,000 jobs throughout Southern

California. Aerospace and aviation continue to play an important role in Long Beach’s economy. The Long Beach Airport area complex is a vital economic hub, generating sales valued at more than \$6.0 billion annually. The city’s oil industry can also be a strong contributor to the local and state economy.

## EMPLOYMENT | UNEMPLOYMENT

According to the California Employment Development Department, the city of Long Beach had a total labor force of 231,700 as of September 2023, of which 5.4% were unemployed.

## PERSONAL INCOME

According to the 2022 American Community Survey, the city had a median household income of \$80,493, up from \$51,173 in 2010. This compares to California (\$84,907). Approximately 13.8% of all city residents live below the poverty level.

## TOURISM

Long Beach is visited by more than 5 million visitors every year, bringing nearly \$1 billion to the local economy. There are an estimated 5,000 hotel rooms throughout the city. In addition to 11 miles of beaches, the following are primary attractions bringing tourists to the city:

- The Queen Mary is an art deco ocean liner that was purchased by the city in 1967 for conversion to a permanently docked hotel and maritime museum.
- The Aquarium of the Pacific is a top Zagat-rated family destination that has been visited by more than 13 million people since opening.
- El Dorado Regional Park includes fishing lakes, an archery range, youth campground, bike trails, and picnic areas, as well as the El Dorado Nature Center.

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- Long Beach Marina is the largest city-owned and operated marina system in the nation with 3,400 slips. Alamitos Bay Marina has an additional 1,991 slips.
  - Downtown Long Beach is a pedestrian-friendly mixed-use district that has been the focus of significant redevelopment and is now home to upscale and trendy apartments, condominiums, loft units, and retail development.
  - The city also hosts several annual events including the Long Beach Toyota Grand Prix (a Formula One race held every April with an estimated attendance of 200,000), the Long Beach International City Marathon, and the Congressional Cup.
  - The Long Beach Convention Center includes a 224,000 square-foot exhibit hall, 83,000 square feet of meeting room space, 1,600-seat ballroom, 13,600-seat arena, and the Long Beach Performing Arts Center.

## **REAL ESTATE DEVELOPMENT**

The city has a variety of property types typical of a metropolitan area including residential, retail, office, and industrial. After a period of decline, the city's central business district began the process of revitalization beginning in the mid 1990's transforming the neighborhood into the focus of the city's cultural, employment, retail, services, and visitor activities and a trendy place to live, work, and shop.

### **Residential**

Long Beach has many different residential neighborhoods that are defined and delineated by residents and the local media. According to California's Department of Finance, the city had a total of 182,441 housing units in 2023. These consisted of 75,962 single-family detached units, 10,940 single-family attached units, 21,505 2-4 units, 71,775 5+ units, and 2,259 mobile homes. Of these, 94.9% were occupied. The California Regional Multiple Listing Service (CRMLS) reports a median home price of \$686,000 in October 2023, up from \$646,000 (+6.2%) the previous year.

## **CONCLUSION**

The same positive factors affecting the region, including diversified employment, the Port of Long Beach, the established tourism industry, the year-round mild climate, and overall quality of life, are the primary reasons why the city is expected to continue to thrive over time.

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## EXPLANATION OF PREVIOUS RECORDING

According to the Grant Deed, #2013-1748575, recorded on December 11, 2013, Synergy Oil & Gas, LLC (Grantor) transferred the property to Los Cerritos Wetlands, LLC (Grantee). The property includes eight parcels that can be identified by the Assessor Parcel Numbers: 7237-017-010, 7237-017-011, 7237-017-012, 7237-017-013, 7237-017-014, 7237-017-019, 7237-017-018, and 7237-020-003, totaling 157.85 acres. Please note, the parcel APN 7237-020-003 is not part of my analysis. The Grantor and the Grantee are comprised of the same parties who continue to hold the same proportionate in the property.

Based on the Grant Deed, the Grantor reserves the following rights:

- mineral rights underlying the property including all oil, natural gas, petroleum, other hydrocarbons, and any other minerals and all products derived from hydrocarbons, and the perpetual right of drilling, exploring, operating, storing, and removing the minerals;
- rights to all surface and subsurface equipment, facilities, and pipelines utilized in connection with the development, production, processing, storing, and marketing of hydrocarbons;
- rights to all contracts, documents, deeds, leases, licenses, operating agreements, division orders, construction contracts, or other agreements associated with the mineral estate;
- dominant estates and easements to use and occupy the surface and subsurface of the property.

A copy of the Grant Deed can be found in Addenda.

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## LAND EXCHANGE AGREEMENT SUMMARY

A draft version 5-10-2024 of the Land Exchange Agreement has been provided by the Client. The Land Exchange Agreement, entered into by and between the Los Cerritos Wetlands Authority, a joint powers authority formed by the California Coastal Conservancy, the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, the City of Long Beach and the City of Seal Beach (“LCWA”), and Los Cerritos Wetlands, LLC, a California limited liability company (the “Company”) for the option to acquire 5.1-acre parcel of property owned by LCWA in exchange for LCWA acquiring interests in Mitigation Bank Site, Revegetation Site, and Public Access Improvements Site.

The Mitigation Bank Site consists of approximately 77.3 acres, including approximately 67.9 acres and approximately 9.4 acres of additional open space (“Northern Open Space”) over which the Company reserves the right to enter onto to implement a mitigation bank restoration plan under the BEI. A portion of 67.9 acres will be designated by the U.S. Army Corps of Engineers (the “Army Corps”) and the California Coastal Commission as the Upper Los Cerritos Wetlands Mitigation Bank.

The Revegetation Site consists of approximately 69.92 acres located on the southerly portion of the Company’s property commonly referred to as the Synergy Oil Field. The Company shall retain the right in perpetuity to establish and maintain a mitigation bank on the Revegetation Site at its discretion, which may be accomplished by amendment to the BEI for the Upper Los Cerritos Wetlands Mitigation Bank, and to retain all proceeds associated with the sale of wetlands mitigation credits per the BEI. LCWA shall bear no responsibilities related to any mitigation bank as may be established on the Revegetation Site unless expressly agreed to by a separate agreement between the Parties.

The Public Access Improvements Site consists of approximately 2.95+ acres, which include an existing building that is intended to be used by LCWA as a Visitors’ Center, a parking lot, and a planned public access trail constructed by the Company along the perimeter of the Mitigation Bank Site.

The Land Exchange aims to support LCWA in establishing a comprehensive program focused on acquiring, protecting, conserving, restoring, maintaining, and operating the Los Cerritos Wetlands area.

The Land Exchange Agreement (Draft Version 5-10-2024) can be found in Addenda.

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## OPTION AGREEMENT AND FIRST AMENDMENT SUMMARY

An option agreement was signed between Los Cerritos Wetlands, LLC and the Los Cerritos Wetlands Authority on September 2, 2016, for an exclusive option to acquire the LCWA property ( 5.1-acre parcel of undeveloped property) in exchange for the transfer of the Los Cerritos Wetlands, LLC property (154-acre operating oil field) to LCWA. Upon exercise of this option, Los Cerritos Wetlands, LLC will transfer to LCWA the Mitigation Bank Site, and LCWA will transfer the 5.1-acre parcel (LCWA Site) to Los Cerritos Wetlands, LLC. Also, an Irrevocable Offer of Dedication of fee title to the Revegetation Site will be transferred to LCWA after all oil production activities and clean up and remediation of the Revegetation site occur.

The Option Agreement included several conditions precedent that are required to be completed before the Los Cerritos Wetlands, LLC can exercise its option under the Agreement, including the appraisal of both Sites, review, and approval by a public entity, and an execution of a Land Exchange Agreement.

The Option shall be exercised within 6 months after the receipt of all entitlements, or 8 years from the Effective date of this Agreement whichever occurs first. The Option may be extended for a period of an additional four years.

The entitlements included:

- 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 Los Cerritos Wetlands LLC Property;
- City of Long Beach certification of the Los Cerritos Wetlands Restoration and Wetlands Consolidation Project Environmental Impact Report ("EIR") under CEQA;
- 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.

A First Amendment to the Option Agreement dated September 2, 2016, was executed on June 10, 2022, and amended the Condition Precedent to Exercise of the Option which stated "Optionee shall exercise the Option within 6 months of satisfaction of conditions precedent to the exercise of the Option including specifically those set forth in Section 3 a. and 3.b. of the Option Agreement, the execution of a Land Exchange Agreement as specified in the Land Exchange Framework attached as Exhibit G, and 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". We have also reviewed and included in the Addenda the 2<sup>nd</sup> Amendment of the Option Agreement (Draft 5/10/204), which updates the terms.

A copy of these documents can be found in Addenda.

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## PROPERTY TO BE APPRAISED

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### **SITE 1. LCWA SITE.**

All rights and title to **Site 1 (LCWA Site)** belong to Los Cerritos Wetlands Authority, subject to the following, as well as listed Extraordinary Assumptions and Hypothetical Conditions upon which this analysis is predicated:

*(Following are Title Exceptions cited on the Preliminary Title Report, Order No.: 997-30046857-H-BB7, dated April 22, 2024, and amended May 3, 2024, issued by Fidelity National Title Company.*

### **EXCEPTIONS**

A.- B. Exceptions A and B note the taxes for the subject. Please see the Assessment section of this appraisal for details. The appraised value was based on the assumption that there were no tax liens affecting the subject property. Per the Los Angeles County Assessor and the Preliminary Title Report, the subject property was current in the payment of real estate taxes as of the date of value.

1. An easement for power lines, water and gas pipes, oil pipelines, conduits, poles, and towers granted to Los Angeles Gas and Electric Corporation, in the document recorded April 21, 1925, in Book 3962, Page 202 of Official Records.
2. An easement for the State of California road, slope, and storm drain purposes for the improvement and extension of Westminster Avenue and Studebaker Roads in the document recorded January 30, 1963, in Book D1904, Page 438 of Official Records.

This easement is typical for tracts of industrial land and is considered in the valuation.

3. Unrecorded License(s) for use of pipelines granted to Richfield Oil Corporation, as disclosed in Easement Deed recorded January 30, 1963, in Book D1904, Page 438 of Official Records.
4. An easement for road purposes in, on, over, and across the parcel granted to the County of Los Angeles in the document recorded July 2, 1965.

This easement is typical for tracts of industrial land and is considered in the valuation.

5. The Terms, Provisions, and Easement(s) contained in the document entitled "Joint Use Agreement" recorded May 5, 1966.

Exception 7 notes easements for fuel pipelines and electrical facilities. This easement is typical for industrial tracts of industrial land and is considered in the valuation.

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6. The Terms, Provisions, and Easement(s) contained in the document entitled "Declaration of Easements" granted to Southern California Edison Company and the City of Long Beach, and recorded December 12, 1997, and assigned to AES Alamosa, LLC and recorded on May 18, 1998, and to Pacific Terminals LLC (undivided interest easements for the various purposes) recorded on August 1, 2003.

Exceptions 8, 10, and 12 note easements for pedestrian and vehicular access in the location of existing roads, sidewalks, and driveways; for sanitary sewer or storm drain facilities in the location of such facilities that presently exist; and any drainage facilities that presently exist, easements for access, sewage, and drainage created by that certain Declaration.

These easements are typical and considered in the valuation.

7. An instrument entitled Covenant and Agreement #97-1958954 for Lot Line Adjustment, recorded December 12, 1997.
8. An easement for public utilities granted to Southern California Edison and recorded November 27, 2018. This easement is typical and considered in valuation.
9. A memorandum of Option agreement effective September 2, 2016, recorded May 6, 2019, by and between LCWA and Los Cerritos Wetlands, LLC to exchange property and property rights pursuant to a Land Exchange Agreement. Please see the Option Agreement Summary section for more information.
10. Deed Restriction #2021-1838325 pertaining to Special Conditions per Development Permit No. 9-18-395 allows for 1) construction and operation of two oil production facilities, 2) construction and operation of an above-ground oil pipeline, 3) decommissioning of existing oil facilities on two sites and 4) conversion of existing building to Visitor's Center for Los Cerritos Wetlands.

I have considered the exceptions and reflected these in my opinion of market value. I noted there were easements for roads and utility purposes and fuel pipelines. These easements are typical for industrial tracts of land. The exceptions noted in the Report were considered in the analysis.

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## **SITE 2. SYNERGY OIL SITE**

All rights and title to **Site 2 (Synergy Oil Site)** belong to Los Cerritos Wetlands, LLC subject to the following, as well as listed Extraordinary Assumptions and Hypothetical Conditions upon which this analysis is predicated:

*(Following are Title Exceptions cited on the Preliminary Title Report, Order No.: 010-30051785-H-BB7, dated March 29, 2024, issued by Fidelity National Title Company.*

### **EXCEPTIONS**

A/I. Exceptions A and I note the taxes for the subject. Please see the Assessment section of this appraisal for details. The appraised value was based on the assumption that there were no tax liens affecting the subject property. Per the Los Angeles County Assessor and the Preliminary Title Report, the subject property was current in the payment of real estate taxes as of the date of value.

Exception 1 states that water rights, claims, or title to water, whether or not disclosed by the public records.

1. An easement for the right to lay, construct, maintain, operate, repair, renew, change the size of, increase the number of, and remove pipelines and appurtenances for the transportation of oil, petroleum, gas, gasoline, water, or other substances with the right of ingress and egress granted to Richfield Oil Corporation, in the document recorded February 20, 1957.

2. An easement for street and alley and incidental purposes granted to the City of Long Beach and to the County of Los Angeles, in the document recorded September 7, 1965, and January 11, 1966.

This easement is typical for large tracts of land and is considered in the valuation.

3. The terms and provisions contained in the document entitled Counterpart, Alamitos Bay Boundary Agreement No. 4 recorded February 18, 1972.

4. A non-exclusive easement and right of way to establish and maintain a public sewer or sewers and appurtenances in, through, on, and along the property recorded August 23, 1973, granted to the City of Long Beach.

This easement is typical for large tracts of land and is considered in the valuation.

5. Easements for wires, underground conduits, cables, and incidental purposes granted to Southern California Edison Company, recorded December 9, 1974.

Exception 7 notes easements for electrical cables and conduits. These easements are typical for large tracts of land and are considered in the valuation.

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6. An easement for public utilities granted to General Telephone Company of California, recorded April 30, 1975. This easement is typical and considered in valuation.

7. A perpetual easement and right of way for sewer purposes and the right to lay, construct, maintain, reconstruct, use, and operate a sewer and appurtenances in, under, over, through, and across the real property, granted to County Sanitation District No. 3 of Los Angeles County, recorded April 22, 1985. This easement is typical and considered in valuation.

8. An easement for flood control granted to Los Angeles County Flood Control District, recorded in the document Book 19857, Page 28 of Official records, and an easement for flood control, recorded November 8, 1955, in the document Book 49471, Page 50 of Official records. These easements are typical and considered in valuation.

9. Deed Restriction #2021-1838326 pertaining to Special Conditions per Development Permit No. 9-18-395 allows for 1) construction and operation of two oil production facilities, 2) construction and operation of an above-ground oil pipeline, 3) decommissioning of existing oil facilities on two sites and 4) conversion of existing building to Visitor's Center for Los Cerritos Wetlands.

10. Notices of Violation of the Coastal Act #2007-1748753, #2007-1748754, #2007-1748755, and #2007-1748756 dated July 24, 2007, that occurred on the parcels APNs 7237-017-013, 7237-017-014, 7237-017-019, and 7237-020-021. The violation consisted of the undertaking of development activity without the authorization required by the Coastal Act. The violation included grading, placing fill on the parcels, removal of major vegetation, extraction of material (except existing oil extraction), and altering the hydrology of wetlands.

The exceptions noted in the Report were considered in the analysis.

Per review of the Preliminary Title Report please note the following:

Per Deed of Trust (Doc. No. 2021-1109303), it is recommended that one confirm the validity of utilizing a new and unsigned written legal description of a partial taking from a larger parcel owned/purchased by private parties to a Grant Deed by legal representation and as acceptable by the title company. If the intent of the parties was to transfer all rights to use and occupy the surface and the mineral estate above a plane 500 feet below the surface over the entire 150.50 acre+/- subject property a corrective deed or perhaps a quitclaim and new deed might be necessary. It is recommended that the title company provide additional guidance. I have considered this does not affect the value. See Extraordinary Assumptions.

Per Preliminary Title Report Deed of Trust (Doc. No. 2023-0919910) it is recommended that the title company confirms as to who holds what rights over the 150.50 acres+/- . The current preliminary report identifies that Los Cerritos Wetlands LLC holds the surface estate over all, but the information herein indicates otherwise. Additional entities identified in the preliminary report appear to or may have rights to occupy and utilize the surface. There may be others who have unrecorded rights to

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occupy and utilize the surface as well. The above items may require address in the Exchange Agreement as specific conditions or representations & warranties, etc. I have considered this does not affect the value. See Extraordinary Assumptions.

## PROPERTY DESCRIPTION

**LOCATION:**

**Site 1:** LCWA Site – 4.87± net acres of industrial land  
 Northeast corner of 2<sup>nd</sup> Street and Studebaker Road, Long Beach,  
 Los Angeles County, CA 90803

**Site 2:** Synergy Oil Site – 150.50 net acres of land  
 Northwest corner of 2<sup>nd</sup> Street and Studebaker Road, Long Beach,  
 Los Angeles County, CA 90803.

**ASSESSOR PARCEL  
 NUMBER(S)/ LAND AREA:**

Site 1 - LCWA Site			
APN	Gross Acres	Easement(s)	Net Acres
7237-019-809	5.11	0.24	4.87
<b>Total:</b>	<b>5.11</b>	<b>0.24</b>	<b>4.87</b>
Site 2- Synergy Oil Site			
APN			Acres
7237-017-010	0.12	-	0.12
7237-017-011	6.97	-	6.97
7237-017-012	1.75	-	1.75
7237-017-013	118.98	-	118.98
7237-017-014	11.18	-	11.18
7237-017-018	1.19	-	1.19
7237-017-019	10.31	-	10.31
<b>Total:</b>	<b>150.50</b>	<b>-</b>	<b>150.50</b>

Please note, Site 2 includes 147.50 acres of wetlands and 3.00 acres of disturbed land.

**LEGAL DESCRIPTION:** Please see in the Addenda.

**CURRENT USE:** Oil and Gas Extraction/Industrial Use

**ACCESS:** Site 1: There is paved road access to the site 1 via Studebaker Road.

Site 2: Access is available via paved roads: Studebaker Road, 2<sup>nd</sup> Street, and Pacific Coast Hwy.

**ADJACENT USES:** The subject neighborhood is generally characterized as a commercial and industrial zone. The following adjacent uses border the property:

**North:** Los Cerritos Channel/ Mobile Home Park  
**South:** Commercial/Retail Development  
**West:** Commercial/Retail Development  
**East:** Industrial Land

**TOPOGRAPHY:**

**Site 1:** The topography consists of level terrain. Overall, elevation ranges approximately from 9 to 15 feet, with an average elevation of 11 feet. The average slope is 0.8% and -17.2%.

**Site 2:** The topography consists of level terrain. Overall, elevation ranges approximately from 0 to 11 feet, with an average elevation of 3 feet. The average slope is 2.0% and -1.8%. The subject has Los Cerritos Channel views to the north. General topographic details and maps for the subject are provided later in this report.

**SOIL CONDITIONS:**

The soil conditions observed at the subject appear to be typical of the region and adequate to support development.

**Site 1:**

Map unit symbol	Map unit name	Rating	Component name (%)	Acres in AOI	Percent of AOI
1231	Urban Land, drained - Typic Xerorthents, dredged spoil - Typic Fluvaquents complex, 0 to 2 percent slopes	Not Rated	Urban Land , commercial (65%)	4.1	100.00%
Acres are approximate				4.1	

**Site 2:**

Map unit symbol	Map unit name	Rating	Component name (%)	Acres in AOI	Percent of AOI
1100	Urban Lan, 0 to 2 percent slopes, dredged fill substratum	Not Rated	Urban Land (95%)	0.8	0.53%
1230	Bolsa, drained - Typic Xerorthents, dredged spoil - Typic Fluvaquents complex, 0 to 2 percent slopes	Grade 1- Excellent	Bolsa, drained (55%)	133.8	88.73%
1231	Urban Land, drained - Typic Xerorthents, dredged spoil - Typic Fluvaquents complex, 0 to 2 percent slopes	Not Rated	Urban Land , commercial (65%)	0.7	0.46%
W	Water	Not Rated	Water 100%	15.5	10.28%
Acres are approximate				150.8	100.00%

**HAZARDOUS SUBSTANCES:**

I did not observe any evidence of toxic or hazardous substances during inspection of the sites. The Doré Group was not provided with an Environmental Impact Report. No warranty is made as to the condition of the property relative to hazardous chemicals or toxic wastes. The Client is urged to retain an expert in this field if the existence of such materials is suspected.

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**UTILITIES:**

The services providers in the area are shown below.

<b>Electricity:</b>	Southern California Edison (SCE)
<b>Sewer:</b>	Long Beach Water Department
<b>Water:</b>	Long Beach Water Department
<b>Natural Gas:</b>	City of Long Beach
<b>Adequacy:</b>	The subject's utility service is typical for this area and deemed adequate to support its current uses.

**FLOOD ZONE:**

The subject property is located in areas mapped by the Federal Emergency Management Agency (FEMA). Site 1 is not in a flood hazard zone X500 which is classified as an area inundated by 500-year flooding. Site 2 is in a flood hazard zone AE which is classified as an area inundated by 100-year flooding.

**Site 1:**

**FEMA Special Flood Hazard Area:** No

**Map Number:** 06073C1988G

**Zone:** X500

**Map Date:** April 21, 2021

**Site 2:**

**FEMA Special Flood Hazard Area:** Yes

**Map Number:** 06073C1988G

**Zone:** AE

**Map Date:** April 21, 2021

**WETLANDS / WATERSHED:**

Please see the wetlands section of this report.

**EARTHQUAKE HAZARD:**

The subject is located in an Alquist-Priolo Special Study area, and it could be subject to moderate and severe ground shaking in the event of a major seismic occurrence on any of the active faults in the Southern California area.

Any major seismic event has the potential for liquefaction, subsidence, and significant earthshaking. No opinion is expressed with regard to the potential impact, and it was assumed that the potential risks are similar to those shared by most properties in the subject area. No warranty is made as to the seismic stability of the subject land.

The assumption was made that any future development of the property will occur in accordance with all appropriate regulations and ordinances

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regarding grading, fill, and applicable building codes. According to geographic maps reviewed for this appraisal, the subject land is within the Newport-Inglewood-Rose Canyon Fault Zone. The San-Andreas Fault Zone lies approximately 44 miles northeast of the subject. There are numerous smaller fault zones within 20 to 30 miles of the subject's lands.

This type of influence is typical for the area and is not considered to affect the subject to any lesser or greater degree than the comparables used in this analysis. Therefore, it was not considered to adversely impact the value conclusion, especially considering that the subject property is unimproved land.

**ENVIRONMENTAL  
ISSUES/BIOLOGIC  
CONDITIONS<sup>6</sup>:**

**Site 1.** The biological survey of this area identified mulefat thickets, non-native grassland, and areas containing ornamental species.

**Site 2.** Habitat areas include alkali heath flats, California cordgrass marsh, mudflats – tidal Parish's glasswort patches, pickleweed mats, saltgrass flats, and shoregrass flats tidal channel. Special status plant species, including California boxthorn, wooly seablite, Coulter's gold fields, estuary seablite, Lewis' primrose, Southern tarplant, and Southwestern spiny rush, and special status wildlife, including Belding's savannah sparrow, burrowing owl, California least tern, Pacific green sea turtle, salt marsh wandering skipper, mudflat tiger beetle, and white-tailed kites have been observed on-site. In addition, the specialstatus plant species salt marsh bird's beak and ventura marsh milk-vetch and special status wildlife, including invertebrates such as the San Diego fairy shrimp; birds such as the American peregrine falcon, California black rail, California brown pelican, Ridgeway's rail, Northern harrier, Short-eared owl, Western snowy plover, and white-tailed kite; and mammals such as the south coast marsh vole and the Southern California salt marsh shrew, have the potential to occur at this site.

See Hypothetical Condition.

**SIGNIFICANT LAND  
ATTRIBUTES:**

**Site 1:** None

**Site 2:** Los Cerritos Channel views

**MINERAL RIGHTS:**

I was not provided a Mineral Potential Report detailing any potential Mineral Rights associated with the subject. Per an agreement between the parties no mineral rights transfer with the property. As reported, the subject is an oil and gas extraction operation. These rights are not valued.

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<sup>6</sup> Information provided by the Southeast Area Specific Plan.

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<b>WATER RIGHTS:</b>	All water rights will transfer with the subject property.
<b>ENCUMBRANCES/ EASEMENTS:</b>	Please see the Property to be Appraised Section of this report. As proposed, upon the transfer of the OTD Parcel, Los Cerritos Wetlands, LLC shall record a deed restriction on the OTD Parcel that serves to permanently prohibit the extraction or production of oil or gas on or from the OTD Parcel. The form and content of the deed restriction are subject to the approval of the Executive Officer of the Conservancy, which approval shall not be unreasonably withheld.
<b>IMPROVEMENTS:</b>	<b>Site 1:</b> Site 1 is not improved. <b>Site 2:</b> Site 2 is not improved, except for the oil and gas operations that use equipment for extraction purposes. The equipment value was not included in the appraisal.
<b>PERSONAL PROPERTY:</b>	The land valued in this assignment did not include any personal property, fixtures, equipment, or intangibles.
<b>COMMENTS:</b>	The subject land (Site 1 and Site 2) reflected a level terrain with paved road access. Site 2 has Los Cerritos Channel views. The subject property (Site 1 and Site 2) is located within the Southeast Area Specific Plan.

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## WETLANDS OVERVIEW

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According to National Wetlands Inventory, the subject property has wetlands known as Estuarine and Marine Wetland. A full description of the wetlands is provided later in this report.

Site 2 – Synergy Oil Site consisting of seven parcels and totaling 150.50 acres of land - has a Coastal Habitat/Wetlands/Recreation zoning designation. Based on this designation, the most likely use for this site is for wetlands. As such, we have included a wetlands market overview.

Wetlands are defined by several State and Federal government agencies. Some of the definitions of the wetlands are presented below:

### STATE OF CALIFORNIA DEFINITIONS

In conjunction with adopting a wetlands policy on March 9, 1987, the California Fish and Game Commission assigned the Department of Fish and Game (DFG) the task of recommending a wetlands definition. The DFG found the U.S. Fish and Wildlife Service (USFWS) wetlands definition and classification system to be the most biologically valid. The DFG staff use this definition as a guide in identifying wetlands while conducting on-site inspections for the implementation of its Commission's wetlands policy (see USFWS definition below).

Wetlands found in the "coastal zone" are regulated under the California Coastal Act of 1976 (CCA) and the Federal Coastal Zone Management Act (CZMA), and are within jurisdiction of the California Coastal Commission. Under the CCA, wetlands are defined as "land within the coastal zone which may be covered periodically or permanently with shallow water and include saltwater marshes, freshwater marshes, open or closed brackish water marshes, swamps, mudflats, and fens." (Pub. Res. Code §30121)

However, further precision in wetlands jurisdiction is provided to the Coastal Commission under the California Code of Regulations. Under these provisions wetlands are defined as:

"...land where the water table is at near, or above the land surface long enough to promote the formation of hydric soils or to support the growth of hydrophytes, and shall also include types of wetlands where vegetation is lacking and soil is poorly developed or absent as a result of frequent drastic fluctuations of surface water levels, wave action, water flow, turbidity or high concentration of salts or other substances in the substrate. Such wetlands can be recognized by the presence of surface water or saturated substrate at some during each year and their location within, or adjacent to vegetated wetland or deep water habitats." (14 CCR 13577)

While the above examples are either biological or regulatory in nature, other definitions in State law provide for the acquisition, enhancement, and preservation of wetlands. For instance, under the Keene-Nejedly California Wetlands Preservation Act, wetlands are defined as:

"...streams, channels, lakes reservoirs, bays, estuaries, lagoons, marshes, and the lands underlying and adjoining such waters, whether permanently or intermittently submerged to the extent that such waters and lands support and contain significant fish, wildlife, recreational, aesthetic, or scientific purposes." (Pub. Res. Code §5812)

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Lastly, under California Wildlife Protection Act "wetlands" means "lands which may be covered periodically or permanently with shallow water and which include saltwater marshes, freshwater marshes, open or closed brackish water marshes, swamps, mudflats, fens, and vernal pools." (Fish & Game Code §2785)

#### FEDERAL DEFINITIONS

The U.S. Army Corps of Engineers (Corps) used the following regulatory definition of wetlands for developing a field method for determining the jurisdictional boundaries for regulatory purposes. The Corps definition utilizes the "three-parameter test" for permitting and planning purposes. These three parameters are hydrophytic vegetation, hydric soils, and wetland hydrology. Under this definition, an area is considered a wetland only if all three conditions are present. The Corps definition states:

The term "wetlands" means those areas that are inundated or saturated by surface water or groundwater at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions. Wetlands generally include swamps, marshes, bogs, and similar areas. (33 CFR 328.3(b); 40 CFR 230.3(t))

The U.S. Fish and Wildlife Service defines wetlands in a different manner. Their definition states:

"Wetlands are lands transitional between terrestrial and aquatic systems where the water table is usually at or near the surface or the land is covered by shallow water. For purposes of this classification, wetlands must have one or more of the following three attributes: (1) at least periodically, the land supports hydrophytes, (2) the substrate is predominantly undrained hydric soil; and (3) the substrate is non-soil and is saturated with water or covered by shallow water at some time during the growing season of each year." (Cowardin, 1979)

The USFWS definition includes swamps; freshwater, brackish water, and saltwater marshes; bogs; vernal pools, periodically inundated salt flats; intertidal mudflats; wet meadows; wet pastures; springs and seeps; portions of lakes, ponds, rivers and streams; and all other areas which are periodically or permanently covered by shallow water, or dominated by hydrophytic vegetation, or in which the soils are predominantly hydric in nature.

#### CLASSIFICATION

Wetlands may be further defined through classification. In California, wetlands are commonly classified according to the length of time that an area is inundated or saturated by water or the types of plants and animals an area supports. For example, if an area is only saturated or inundated for part of the year it can be classified as seasonal or perennial wetlands. Likewise, areas that are inundated or saturated throughout the entire year may be referred to as permanent wetlands.

Other classification systems also exist. Cowardin (1979) recognizes the following five major wetland classifications: marine, estuarine, lacustrine, riverine, and palustrine. Marine and estuarine wetlands are associated with the ocean and include coastal wetlands, such as tidal marshes. Lacustrine wetlands are associated with lakes, while riverine wetlands are found along rivers and streams. Palustrine wetlands may be isolated or connected wet areas and include marshes, swamps, and bogs.

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## WETLANDS, WATERSHEDS AND VERNAL POOLS

There is also sub distinction for wetlands which includes watersheds and vernal pools. As noted, wetlands are important elements of a watershed because they serve as the link between land and water resources.

Watershed areas, also called drainage basins, are areas in which all water, sediments, and dissolved materials flow or drain from the land into a common river, lake, ocean or other body of water.

Vernal pools are a type of wetland. Vernal pools are seasonal depressional wetlands that are covered by shallow water for variable periods from winter to spring, but may be completely dry for most of the summer and fall. They range in size from small puddles to shallow lakes and are usually found in a gently sloping plain of grassland, such as the subject property. Although generally isolated, they are sometimes connected to each other by small drainages.

Specifically, vernal pools are subject to regulation by the U.S. Army Corps of Engineers (Clean Water Act, Section 404), U.S. Fish and Wildlife Services (jurisdiction over the Federal Endangered Species Act), State Water Resources Control Board (authority over Section 401, Certification of the Clean Water Act), California Department of Fish and Game (jurisdiction over California Endangered Species Act and the California Wetlands Conservation Policy), and lastly the U.S. Environmental Protection Agency (various jurisdictions including enforcement of the National Environmental Policy Act). These agencies act as an additional layer of regulation over the existing zoning.

### **PURPOSE OF WETLANDS**

Coastal wetlands include a number of natural communities that share the unique combination of aquatic, semi-aquatic, and terrestrial habitats that result from periodic flooding by tidal waters, rainfall, or runoff. Wetlands provide a habitat for a vast array of organisms, including many endangered species. During peak annual migration periods, hundreds of thousands of birds migrating along the Pacific Flyway descend upon these coastal wetlands in search of refuge and food. Coastal wetlands provide a vital link between land and open sea, exporting nutrients and organic material to ocean waters, and harboring juveniles of numerous aquatic species including many fish. Water flow in these highly productive communities circulates food, nutrients, and waste products throughout the system. Wetlands buffer the effects of storms, reducing shoreline erosion, and improve water quality by filtering and assimilating many pollutants from sewage outfalls and agricultural runoff. In addition, wetlands provide a unique opportunity for nature study.

### **TYPES OF WETLANDS**

Most of California's coastal wetlands are estuarine salt marshes with associated tidal channels and mudflats. Estuaries are formed where freshwater streams meet the sea, and contain variably brackish water. Salt marshes develop along the shores of protected estuarine bays and river mouths, as well as in more marine-dominated bays and lagoons. Wetlands that are less common along the California coast are freshwater marshes, riparian wetlands, bogs, and vernal pools. Freshwater marshes occur in ponds and slow-moving streams. Like salt water marshes, they are vegetated mostly with herbaceous plants,

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predominantly cattails, and species of sedges, and rushes. Freshwater marshes have mineral soils that are less fertile than those of salt marshes, and exhibit a greater variety of plant species than do salt marshes. Riparian wetlands, which occur on the banks of streams, rivers, and lakes, commonly feature woody vegetation such as red alder, wax myrtle, and willow. Bogs, unlike marshes and streams, have detrital soils composed of peat, and are vegetated mostly with mosses. Vernal pools occur in small depressions underlain by dense, impenetrable claypan soils that allow water to accumulate in winter and spring. The pools support small, usually annual plants, which flower as the water in the pools, begin to evaporate.

### **FUNCTION OF WETLANDS**

Wetlands are unique among biological communities in that they are characterized by both aquatic and terrestrial features and ecologists have estimated that a healthy salt marsh produces five to ten times as much oxygen and corresponding carbohydrate biomass per acre as a wheat field. Marsh plants capture the energy of sunlight and form the basis of the highly productive wetland food web. A key part of the wetland's success is the breakdown of plant matter into detritus, which is then consumed by filter feeders, deposit feeders, and other omnivores and scavengers. This assemblage of producers and consumers creates a large food web, with fish, birds, and humans as ultimate links.

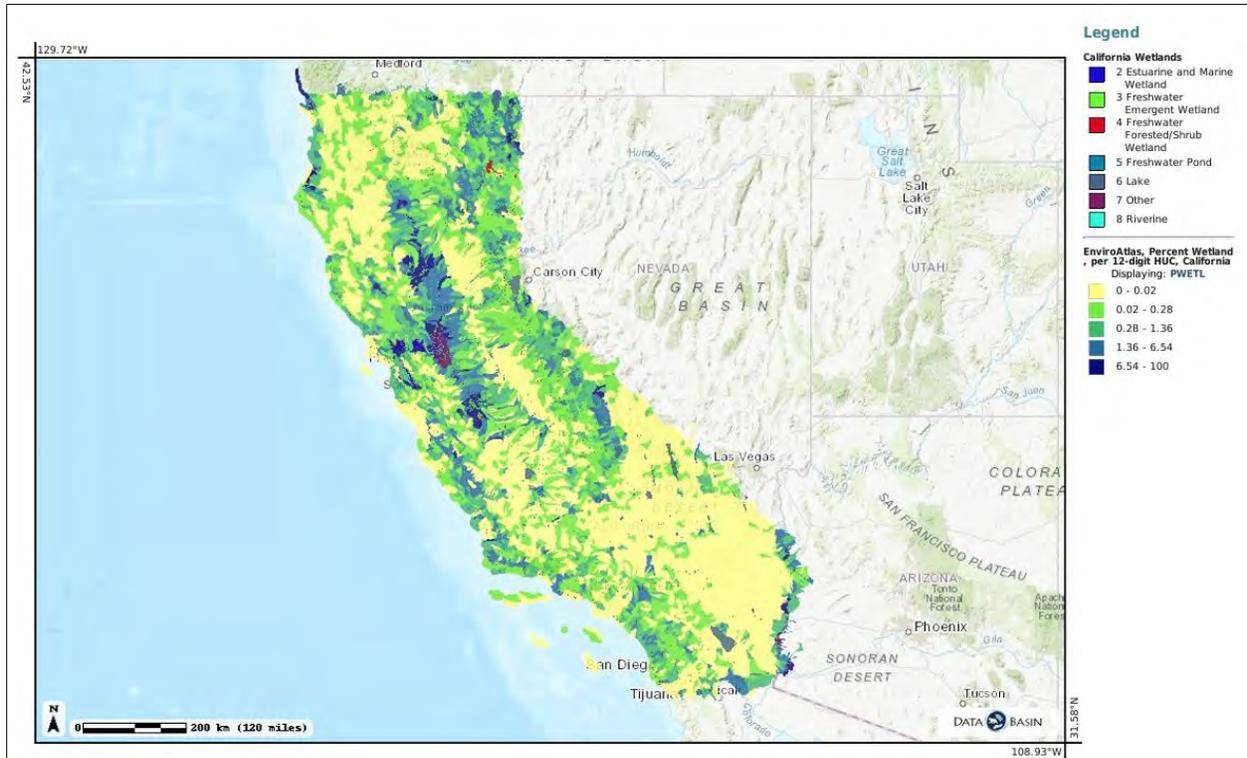
### **WETLANDS HABITAT**

Coastal wetlands are home to a variety of animals. Numerous fish species, including California killifish, bay goby, striped bass, top smelt, and starry flounder are residents of wetlands and depend upon them for reproduction. Subtidal eelgrass beds shelter larval and juvenile fish, as well as many species of invertebrates. Salt marshes are home to insects such as the salt marsh water boatman, wandering skipper, and numerous species of beetles and flies, which graze on leaves and seeds, help to pollinate the wetland flowers, and prey upon a variety of small animals. Clapper rails build platform nests in the low marsh, whereas Belding's savannah sparrows nest in and feed on the pickleweed of the higher marsh. Salt marsh mammals include shrews, harvest mice, and other rodents; harbor seals haul out on pickleweed and salt grass in south San Francisco Bay.

Although relatively few bird species are year-round residents of coastal wetlands, many species temporarily inhabit salt marshes during their annual migrations. Coastal California is part of the Pacific Flyway, one of the four principal bird migration routes in North America. During the spring and fall months, coastal wetlands support flocks of waterfowl such as brant, pintails, mallard, and canvasbacks, and shorebirds such as sandpipers, curlews, willets, and godwits, which stop here to rest, feed, and in some cases overwinter.

### **WETLANDS SUPPLY**

The following are summaries of the wetland area in California.



**California Wetlands**

<https://databasin.org/datasets/3179034e3d414ad1a2b2e2932c8ca573/>

**Credits:** U.S. Fish and Wildlife Service, Division of Habitat and Resource Conservation  
**Layers:** California Wetlands

**SOUTHERN CALIFORNIA WETLANDS OVERVIEW**

Southern California is a distinct bioregion of California that extends from Point Conception in Santa Barbara County to Punta Banda, south of Ensenada, Baja Mexico. The bioregion includes the marine-coastal interface and extends inland to encompass the coastal wetlands and watersheds of Southern California. The embayment, marshes and estuaries are among the most productive and densely populated habitats on the Pacific coast. Within the coastal zone, over 60 species of fishes are known to frequent bays and estuaries, while no less than 195 species of birds have been identified.

Coastal wetlands are nursery areas for both commercial and recreational fisheries, such as halibut. Other animals, such as the endangered Light-footed Clapper Rail, depend on healthy marsh habitats for nesting, while sea birds (such as the California Brown Pelican) use lagoons and river mouths as roosting areas. Migrating birds also use south coast wetlands. For example, the Arctic Tern travels thousands of miles to nest in the Bolsa Chica wetlands, just south of the subject property. Songbirds migrate from the south to nesting areas such as Goleta Slough. The physical features, climate, and hydrology of coastal Southern California have produced an unusual set of conditions and a diversity of plants and animals that sharply distinguish the region from any other in North America. Unlike the broad, gradually sloping coastal plains of the Atlantic and Gulf Coasts, Southern California has steep, coastal mountains that descend sharply to the ocean. Summers are hot and dry in this semi-arid, Mediterranean climate, while winters are cool with rainfall varying in amount and intensity, from droughts to steady rains to torrential downpours. The San

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Gabriel and San Bernardino Mountains create run-off that cut numerous short, steep river channels that carry large sediment loads to sea.

Southern California's wetlands have been significantly altered by development and encroachment of an increasing population base over the past 150 years, leading to extensive loss and degradation of coastal wetlands and stream corridors. Because of the reduced supply of wetlands in the Southern California area, the available wetlands areas have increased demand for preservation because of the ecological importance of these systems.

## **BUYER PROFILE**

Based on the limited supply of wetlands over the past 100 to 150 years, public policy has mandated a strong demand to preserve and enhance any of the remaining wetlands. Therefore, the buyer profile is mostly identified by those public and quasi-public agencies whose mandate it is to preserve the remaining wetlands. Development potential is not a realistic use because of various physical and legal conditions exhibited by the subject (see the discussion in the Highest and Best Use section). Therefore, the demand for conservation and preservation land has limited the buyer profile to the public and quasi-public agencies. Typical conservation-oriented buyers in the market include the Wildlife Conservation Board, Trust for Public Land, The Nature Conservancy, California Fish and Game, The California State Coastal Conservancy, and local conservation groups.

## **SUMMARY**

Overall, the subject is identified as a wetlands property within the city of Long Beach, Los Angeles County, California. The wetland orientation is characterized by both its physical and legal attributes. Wetlands within the State of California have experienced significant decreases over the past several decades and the remaining wetlands are under increased pressure from public mandate to remain as wetlands, with the long-term goals to increase wetlands habitat with the recognition that wetlands are a critical element within ecological systems. Because of reduced supply and public mandate to preserve the remaining wetlands, the overall demand for this type of property is strong. This is also a result of the increased activity in development between 2010 and 2023 where development pressures are often required to mitigate impacts in sensitive areas that remain for developable lands. When the supply of land decreases (for development) there is a consummate increase in demand for conservation lands.

## WETLANDS OF THE SUBJECT PROPERTY

The subject's wetland areas and characteristics are presented below:

### Site 1

Map unit symbol	Map unit name	Acres	Description
PUSC <sub>x</sub>	Freshwater Pond	2.77	Seasonally flooded basins with little or no vegetation.

### Site 2

Map unit symbol	Map unit name	Acres	Description
PUSAx	Freshwater Pond	23.35	Temporarily flooded basins with little or no vegetation.
PUBH <sub>x</sub>	Freshwater Pond	0.77	Unconsolidated bottom permanently flooded.
PEM1C <sub>x</sub>	Freshwater Emergent Wetland	33.13	Seasonally flooded wetlands dominated by herbaceous vegetation.
PUS/EM1Ax	Freshwater Pond	3.52	Temporarily flooded basins with little or no vegetation.
E2EM1N	Estuarine & Marine Wetland	12.08	Regularly flooded, intertidal salt marsh characterized by erect, rooted, herbaceous hydrophytes
E2EM1P	Estuarine and Marine Wetland	9.78	Irregularly flooded, intertidal salt marsh characterized by erect, rooted, herbaceous hydrophytes.
E2USN	Estuarine and Marine Wetland	2.16	Regularly flooded, inertial flat with less than 30 percent vegetative cover.
E2USP	Estuarine and Marine Wetland	0.96	Irregularly flooded, inertial flat with less than 30 percent vegetative cover.
E1UBL	Estuarine and Marine Deepwater	11.52	Permanently flooded deepwater tidal habitat with low energy and variable salinity, influenced and often semienclosed by land.
Acres are approximate		97.27	

According to Wetland Classification Codes System the subject's wetlands have the following classification codes and can be described as follows:

#### **CLASSIFICATION CODE: PUSC<sub>x</sub>**

System **Palustrine (P)**: The Palustrine System includes all nontidal wetlands dominated by trees, shrubs, persistent emergents, emergent mosses or lichens, and all such wetlands that occur in tidal areas where salinity due to ocean-derived salts is below 0.5 ppt. It also includes wetlands lacking such vegetation, but with all of the following four characteristics: (1) area less than 8 ha

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(20 acres); (2) active wave-formed or bedrock shoreline features lacking; (3) water depth in the deepest part of basin less than 2.5 m (8.2 ft) at low water; and (4) salinity due to ocean-derived salts less than 0.5 ppt.

Class **Unconsolidated Shore (US)**: Includes all wetland habitats having two characteristics: (1) unconsolidated substrates with less than 75 percent areal cover of stones, boulders or bedrock and; (2) less than 30 percent areal cover of vegetation. Landforms such as beaches, bars, and flats are included in the Unconsolidated Shore class.

Water Regime **Seasonally Flooded (C)**: Surface water is present for extended periods especially early in the growing season but is absent by the end of the growing season in most years. The water table after flooding ceases is variable, extending from saturated to the surface to a water table well below the ground surface.

Special Modifier **Excavated (x)**: This Modifier is used to identify wetland basins or channels that were excavated by humans.

**CLASSIFICATION CODE: PUSAx**

System **Palustrine (P)**: The Palustrine System includes all nontidal wetlands dominated by trees, shrubs, persistent emergents, emergent mosses or lichens, and all such wetlands that occur in tidal areas where salinity due to ocean-derived salts is below 0.5 ppt. It also includes wetlands lacking such vegetation, but with all of the following four characteristics: (1) area less than 8 ha (20 acres); (2) active wave-formed or bedrock shoreline features lacking; (3) water depth in the deepest part of basin less than 2.5 m (8.2 ft) at low water; and (4) salinity due to ocean-derived salts less than 0.5 ppt.

Class **Unconsolidated Shore (US)**: Includes all wetland habitats having two characteristics: (1) unconsolidated substrates with less than 75 percent areal cover of stones, boulders or bedrock and (2) less than 30 percent areal cover of vegetation. Landforms such as beaches, bars, and flats are included in the Unconsolidated Shore class.

Water Regime **Temporary Flooded (A)**: Surface water is present for brief periods (from a few days to a few weeks) during the growing season, but the water table usually lies well below the ground surface for most of the season.

Special Modifier **Excavated (x)**: This Modifier is used to identify wetland basins or channels that were excavated by humans.

**CLASSIFICATION CODE: PEM1Cx**

System **Palustrine(P)**: The Palustrine System includes all nontidal wetlands dominated by trees, shrubs, persistent emergents, emergent mosses or lichens, and all such wetlands that occur in tidal areas where salinity due to ocean-derived salts is below 0.5 ppt. It also includes wetlands lacking such vegetation, but with all of the following four characteristics: (1) area less than 8 ha

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(20 acres); (2) active wave-formed or bedrock shoreline features lacking; (3) water depth in the deepest part of basin less than 2.5 m (8.2 ft) at low water; and (4) salinity due to ocean-derived salts less than 0.5 ppt.

Class **Emergent (EM)**: Characterized by erect, rooted, herbaceous hydrophytes, excluding mosses and lichens. This vegetation is present for most of the growing season in most years. These wetlands are usually dominated by perennial plants.

Subclass **Persistent (1)**: Dominated by species that normally remain standing at least until the beginning of the next growing season. This subclass is found only in the Estuarine and Palustrine systems.

Water Regime **Seasonally Flooded (C)**: Surface water is present for extended periods especially early in the growing season but is absent by the end of the growing season in most years. The water table after flooding ceases is variable, extending from saturated to the surface to a water table well below the ground surface.

Special Modifier **Excavated (x)**: This Modifier is used to identify wetland basins or channels that were excavated by humans.

**CLASSIFICATION CODE: E2EM1N**

System **Estuarine (E)**: The Estuarine System consists of deepwater tidal habitats and adjacent tidal wetlands that are usually semienclosed by land but have open, partly obstructed, or sporadic access to the open ocean, and in which ocean water is at least occasionally diluted by freshwater runoff from the land. The salinity may be periodically increased above that of the open ocean by evaporation. Along some low-energy coastlines, there is appreciable dilution of seawater. Offshore areas with typical estuarine plants and animals, such as red mangroves (*Rhizophora mangle*) and eastern oysters (*Crassostrea virginica*), are also included in the Estuarine System.

Subsystem **Intertidal (2)**: The substrate in these habitats is flooded and exposed by tides; including the associated splash zone.

Class **Emergent (EM)**: Characterized by erect, rooted, herbaceous hydrophytes, excluding mosses and lichens. This vegetation is present for most of the growing season in most years. These wetlands are usually dominated by perennial plants.

Subclass **Persistent (1)**: Dominated by species that normally remain standing at least until the beginning of the next growing season. This subclass is found only in the Estuarine and Palustrine systems.

Water Regime **Regularly Flooded (N)**: Tides alternately flood and expose the substrate at least once daily.

**Classification Code: E2EM1P**

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System **Estuarine (E)**: The Estuarine System consists of Deepwater tidal habitats and adjacent tidal wetlands that are usually semi enclosed by land but have open, partly obstructed, or sporadic access to the open ocean, and in which ocean water is at least occasionally diluted by freshwater runoff from the land. The salinity may be periodically increased above that of the open ocean by evaporation. Along some low-energy coastlines, there is appreciable dilution of sea water. Offshore areas with typical estuarine plants and animals, such as red mangroves (*Rhizophora mangle*) and eastern oysters (*Crassostrea virginica*), are also included in the Estuarine System.

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Class **Emergent (EM)**: Characterized by erect, rooted, herbaceous hydrophytes, excluding mosses and lichens. This vegetation is present for most of the growing season in most years. These wetlands are usually dominated by perennial plants.

Subclass **Persistent (1)**: Dominated by species that normally remain standing at least until the beginning of the next growing season. This subclass is found only in the Estuarine and Palustrine systems.

Water Regime **Irregularly Flooded (P)**: Tides flood the substrate less often than daily.

**Classification Code: E2USN**

System **Estuarine (E)**: The Estuarine System consists of Deepwater tidal habitats and adjacent tidal wetlands that are usually semi enclosed by land but have open, partly obstructed, or sporadic access to the open ocean, and in which ocean water is at least occasionally diluted by freshwater runoff from the land. The salinity may be periodically increased above that of the open ocean by evaporation. Along some low-energy coastlines, there is appreciable dilution of sea water. Offshore areas with typical estuarine plants and animals, such as red mangroves (*Rhizophora mangle*) and eastern oysters (*Crassostrea virginica*), are also included in the Estuarine System.

Subsystem **Intertidal (2)**: The substrate in these habitats is flooded and exposed by tides; includes the associated splash zone.

Class **Unconsolidated Shore (US)**: Includes all wetland habitats having two characteristics: (1) unconsolidated substrates with less than 75 percent areal cover of stones, boulders or bedrock and (2) less than 30 percent areal cover of vegetation. Landforms such as beaches, bars, and flats are included in the Unconsolidated Shore class.

Water Regime **Regularly Flooded (N)**: Tides alternately flood and expose the substrate at least once daily.

Please see Addenda for more information. .



**U.S. Fish and Wildlife Service  
National Wetlands Inventory**

**Los Cerritos Wetlands**



November 13, 2023

**Wetlands**

- |  |   |  |
|--|---|--|
|  Estuarine and Marine Deepwater |  Freshwater Emergent Wetland       |  Lake     |
|  Estuarine and Marine Wetland   |  Freshwater Forested/Shrub Wetland |  Other    |
|  |  Freshwater Pond                   |  Riverine |

This map is for general reference only. The US Fish and Wildlife Service is not responsible for the accuracy or currentness of the base data shown on this map. All wetlands related data should be used in accordance with the layer metadata found on the Wetlands Mapper web site.

National Wetlands Inventory (NWI)  
This page was produced by the NWI mapper

## CoSTAR – INDUSTRIAL SUBMARKET OVERVIEW- LONG BEACH

Demand for industrial space in the Long Beach Submarket has held up in 2023, while vacancies have risen in other parts of the metro. Access to the ports helps draw tenants and growth in cargo entering the ports has largely outpaced the amount of industrial space added to the submarket over the past two decades. Even as trade activity has slowed in 2023, tenants have held firmly to their occupied space. Rent growth, meanwhile, has slowed from peak levels in 2022, yet rents grew by 4.1% during the past 12 months. Apart from trade, Long Beach has a robust aerospace industry that includes a cluster of rocket companies. The 1.3 million-square foot former Boeing C-17 manufacturing site was recently leased to two new tenants. Relativity Space plans to use nearly 1 million square feet as its corporate headquarters and main manufacturing location for the Terran R rocket.

The submarket has had three major projects delivered since the start of 2022 with more than 160,000 square feet combined. All projects are fully leased. However, two warehouses with a combined 94,000 square feet are under construction and available for lease. Transaction activity has slowed, much like the rest of the nation, as investors adjust to higher interest rates. However, many years of strong rent gains help alleviate the changes in cap rates, as investors have found macro-market opportunities in assets where tenants are paying below-average rents.

KEY INDICATORS							
Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	18,068,531	4.8%	\$20.42	7.1%	11,500	0	94,328
Specialized Industrial	9,044,010	1.7%	\$20.85	2.3%	1,539	0	0
Flex	1,917,076	3.7%	\$20.93	3.7%	(17,174)	0	0
<b>Submarket</b>	<b>29,029,617</b>	<b>3.8%</b>	<b>\$20.59</b>	<b>5.3%</b>	<b>(4,135)</b>	<b>0</b>	<b>94,328</b>
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.2%	5.4%	3.9%	11.9%	2009 Q1	1.4%	2016 Q3
Net Absorption SF	(44.7K)	124,084	(12,580)	2,103,870	2014 Q2	(1,281,850)	2007 Q3
Deliveries SF	0	208,554	60,440	1,021,100	2020 Q3	0	2023 Q3
Rent Growth	4.1%	4.6%	5.5%	12.5%	2022 Q2	-3.6%	2009 Q4
Sales Volume	\$164M	\$93.5M	N/A	\$378.1M	2022 Q4	\$17.1M	2011 Q3

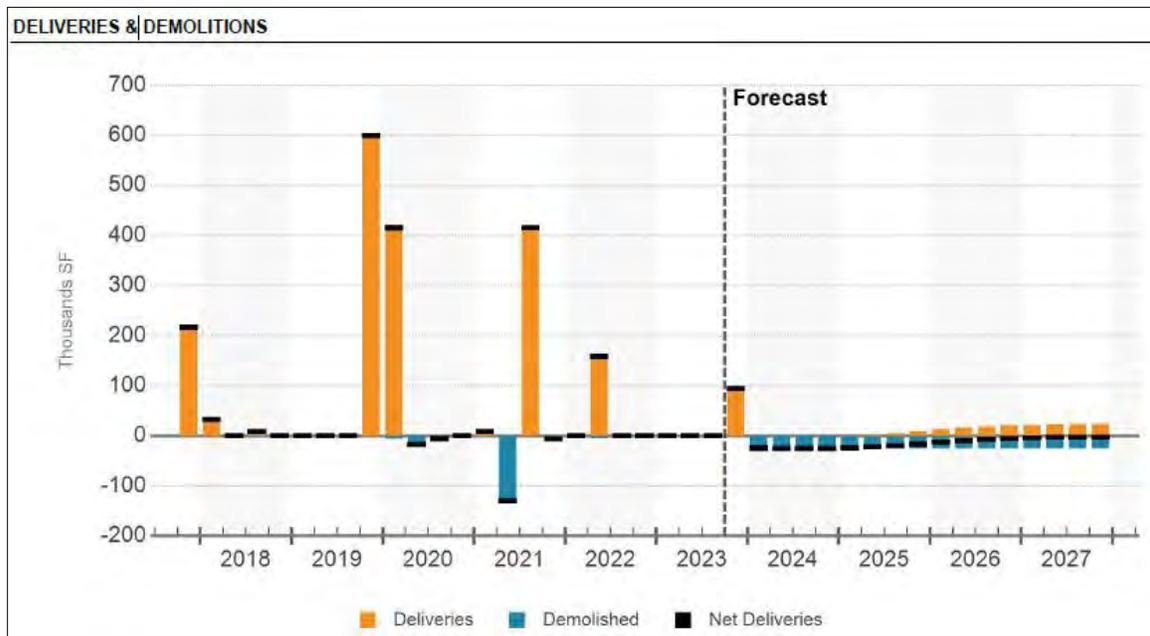
Long Beach, a coastal city, offers more than just its prominent port complex. It stands as the second-largest city in Los Angeles County by population and boasts a lively downtown area linked to the regional Metro light rail system. The Port complex remains a major driving force in the city's economy, within the Southern California port complex handling nearly one-third of all U.S. cargo volume.

Industrial construction is limited in the submarket due to the high cost of land and local and regional development challenges. In the 2<sup>nd</sup> Q of 2022, one of the most substantial developments

was carried out by Duke Realty, which later became part of Prologis. They successfully completed three buildings, totaling 160,000 square feet, located at 2851 Orange Avenue. In the preceding year, the investor and developer Bridge delivered a 415,000-square foot 5-star warehouse located at 2400 E Artesia Boulevard, which was leased to the logistics company Matheson.

Currently, there are two warehouses under construction at 1601 San Francisco Ave, positioned between Anaheim St. and Pacific Coast Highway. These buildings encompass 48,400 square feet and 45,900 square feet, respectively, on a 4-acre parcel that was previously used as a storage yard with two smaller structures. The project features a clear height of 32 feet and a robust 1200-amp power supply. These buildings are slated for completion by the end of 2023 and are available for lease.

Over the past decade, Long Beach has seen more additions to its supply compared to neighboring submarkets in the South Bay. In the last ten years, a total of 2.7 million square feet of new supply has been introduced in this submarket. During the same period, 580,000 square feet of existing inventory was removed, resulting in a net supply growth of over 10%.



## Construction

Long Beach Industrial

### RECENT DELIVERIES

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 <a href="#">Building 1</a> 1180 Spring St	★ ★ ★ ★ ★	40,850	2	Jul 2021	Jun 2022	Duke Realty Corporation Prologis, Inc.
2 <a href="#">Building 2</a> 2851 Orange Ave	★ ★ ★ ★ ★	49,487	2	Jul 2021	Jun 2022	Duke Realty Corporation Prologis, Inc.
3 <a href="#">Building 3</a> 2861 Orange Ave	★ ★ ★ ★ ★	72,526	2	Jul 2021	Jun 2022	Duke Realty Corporation Prologis, Inc.

### UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 <a href="#">Building 1</a> 1601 San Francisco Ave	★ ★ ★ ★ ★	48,385	1	Apr 2022	Dec 2023	-
2 <a href="#">Building 2</a> 1601 San Francisco Ave	★ ★ ★ ★ ★	45,943	1	Apr 2022	Dec 2023	-

### PROPOSED

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 <a href="#">3854 N Lakewood Blvd</a>	★ ★ ★ ★ ★	169,000	1	Nov 2023	Apr 2025	-
2 <a href="#">1470 Cota Ave</a>	★ ★ ★ ★ ★	10,000	1	Dec 2023	Apr 2024	-
3 <a href="#">1351 Seabright Ave</a>	★ ★ ★ ★ ★	6,257	1	Mar 2024	Aug 2024	- Jin Zhao

The subject is located in the City of Long Beach submarket as defined by CoStar. Site 1 – LCWA Site is vacant land and has a highest and best use of industrial site. The demand for industrial land in Long Beach is shaped by its strategic location, economic diversification, and the changing landscape of industries. The city’s proximity to major ports and its role in the broader Southern California region make it prime destination for businesses looking to establish or expand their industrial operation.

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## LAND USE CONTROLS

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**ZONING CODE:**

**Site 1 – LCWA Site**

SP-2-IND (Industrial)/ Southeast Area Specific Plan (SEASP) was adopted by the Long Beach City Council on September 19, 2017.

**JURISDICTION:**

City of Long Beach/ Specific Plan

**ZONING DESCRIPTION:**

The industrial designation is intended to regulate the predominantly energy-related uses that are located in the eastern half of the SEASP area. This designation allows for retail sales, hospitality, and industrial uses including utilities and oil extraction operations.

**PERMITTED USES:**

Retail sales, restaurants/eating places, service, and recreation and entertainment uses consistent with the MU-CC (Mixed-Use Community Core) designation are allowed.

It includes **automobile** (auto dealing with handheld machines only), **entertainment** (live or movie theater, restaurant with entertainment), **financial, professional, and personal services** (basic personal and professional services, non-medical; bank, credit union, business support services, fitness centers, dance/ballet studios, office equipment sales, rental or repair), **retail** (basic retail sales, boats, kayaks, and paddle boards) and **temporary lodging** (overnight visitor-serving accommodation). Residential uses are not permitted.

Parks and interpretive centers, oil and gas operations are permitted. New oil and gas production facilities may only be approved in the industrial areas in accordance with an approved Development Plan.

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All industrial and oil production uses shall provide mitigation to address project-related noise, odor, or air emissions through compliance with the California Environmental Quality Act and the LCP.

Heavy industrial, commercial, distribution, warehousing, or public storage uses are not permitted.

<b>LOT COVERAGE (MAXIMUM %):</b>	80%
<b>FLOOR AREA RATIO:</b>	1.0
<b>MINIMUM LOT SIZE (NET):</b>	20,000 square feet
<b>CURRENT USE LEGALLY CONFORMING:</b>	The subject consists of one 4.87-acre parcel of vacant industrial land and is considered legal conforming use.
<b>GENERAL PLAN:</b>	The General Plan use designation is Industrial use which includes all industrial activities: light industrial research parks, warehousing or storage activities, industrial manufacturing and machining operations. This land use designation conforms to the current zoning.
<b>OVERLAY ZONE:</b>	The subject property is located within the Coastal Zone. Any future development in the coastal zone is only allowed with a coastal development permit.
<b>ZONING CODE:</b>	<b><i>Site 2 – Synergy Oil Site</i></b> SP-2-CHWR (Coastal Habitat, Wetlands, and Recreation)/ Southeast Area Specific Plan (SEASP) was adopted by the Long Beach City Council on September 19, 2017.
<b>JURISDICTION:</b>	City of Long Beach/ Specific Plan

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**ZONING DESCRIPTION:**

This area provides for coastal restoration, access, visitor-serving recreation (boating, public launching, kayaking, paddle boarding, and similar uses that support coastal recreation and access opportunities), and biological reserves. Public access to coastal waters (via trails, or viewing areas) is encouraged in these areas, where appropriate, with consideration given to coastal habitat and wetlands resources that comprise a significant portion of this designation.

Uses such as interpretive centers and public parking associated with coastal resources are also permitted in this designation. This designation also allows for ongoing oil operations and encourages the consolidation of wells.

**PERMITTED USES:**

Entertainment (private special event facility<sup>7</sup>), mining (oil and gas extraction<sup>8</sup>), retail sales (boats, paddle boards, kayaks, outdoor flower, plant, fruit, vegetable sales or wetland nurseries), temporary lodging (camping facility), miscellaneous and other uses (boat storage facilities, telecommunications facility, visitor centers, park, gardens, parklets). All these uses are allowed with Conditional Use Permits.

**CURRENT USE LEGALLY CONFORMING:**

The subject consists of approximately 150.50 acres of wetlands and is considered legal conforming use.

**GENERAL PLAN:**

The General Plan use designation is Open Space. This designation allows for parks, beaches, golf courses, marinas, flood control channels and basins, rivers, utility rights-of-way, oil islands, inland bodies of nature, nature preserves, marine habitats, estuaries, wetlands, and lagoons. Limited commercial recreation uses that supplement recreation services and complement existing programming and facilities. This land use designation conforms to the current zoning.

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<sup>7</sup> Private Event Facility in this zone would only be allowed on privately-owned parcels located outside of wetlands.

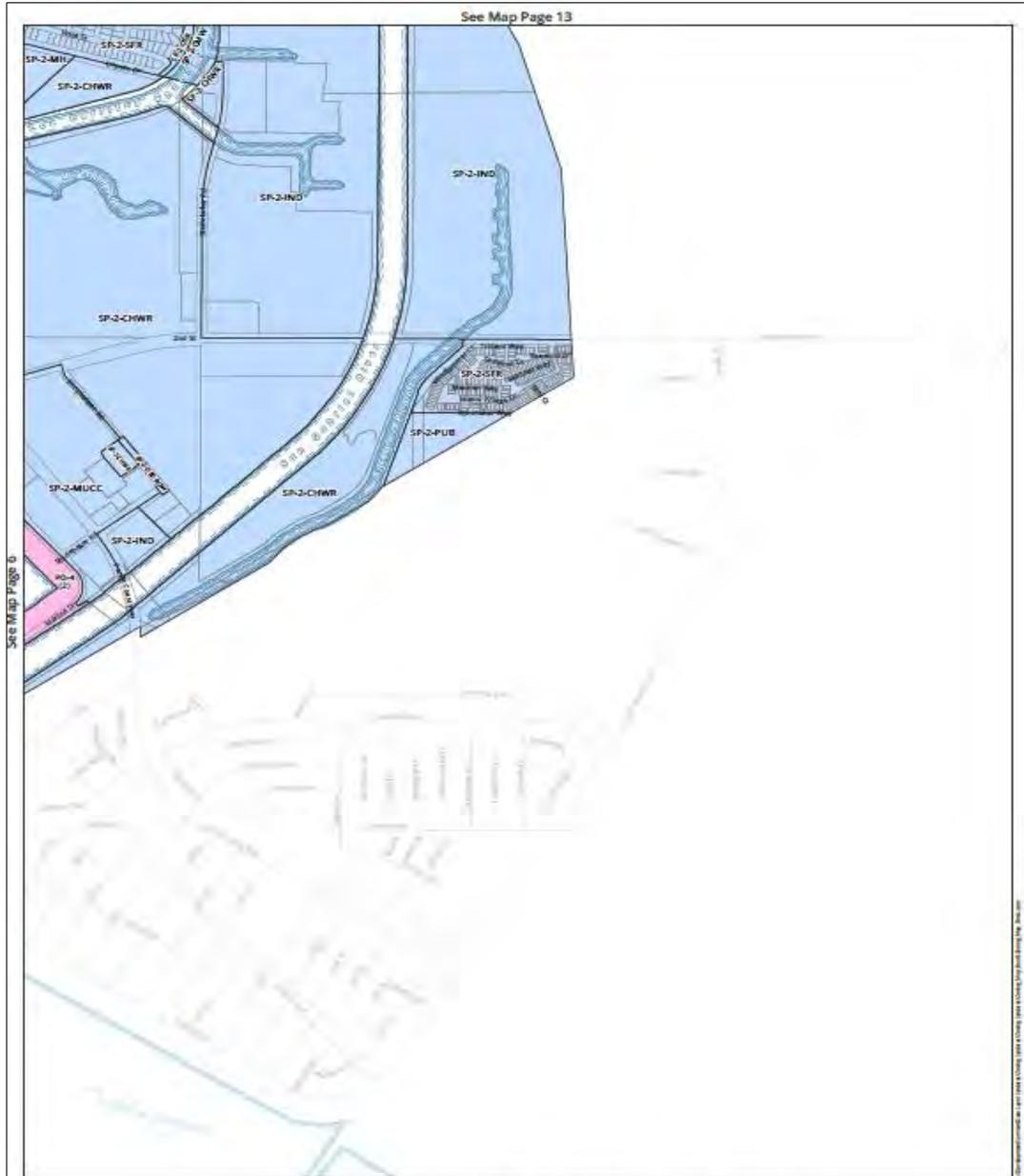
<sup>8</sup> Only allowed in the area located outside of wetlands.

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**OVERLAY ZONE:**

The subject property is located within the Coastal Zone. Any future development in the coastal zone is only allowed with a coastal development permit.

# ZONING MAP – SITE 1



City of Long Beach Use District Map: Page 7

- Zoning Districts**
- Residential Zones**
- R-1-L; R-1-M; R-1-N;
  - R-1-S; R-1-T; RM
  - R-2-A; R-2-L; R-2-L;
  - R-2-N; R-2-S
  - R-3-4; R-3-S; R-3-T
  - R-4-H; R-4-M; R-4-N;
  - R-4-R; R-4-U; RP

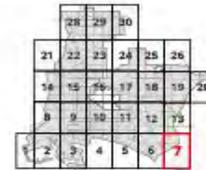
- Commercial Zones**
- CCA; CCP; CH; CHW;
  - CN; CNA; CNP; CS
  - CS
- Mixed-Use Zones**
- RMU3; RML4
  - MU 1; MU 2; MU 3
  - CCN; CCR; CNR; CO;
  - CT

- Industrial Zones**
- IG; IL; IM; IP
- Institutional Zone**
- I
- Park Zone**
- P
- Public Right-of-Way Zone**
- PR

- Planned Development**
- PD
  - Specific Plan
  - SP
- Other City Layers**
- Parcels
  - Waterways
  - City Boundary

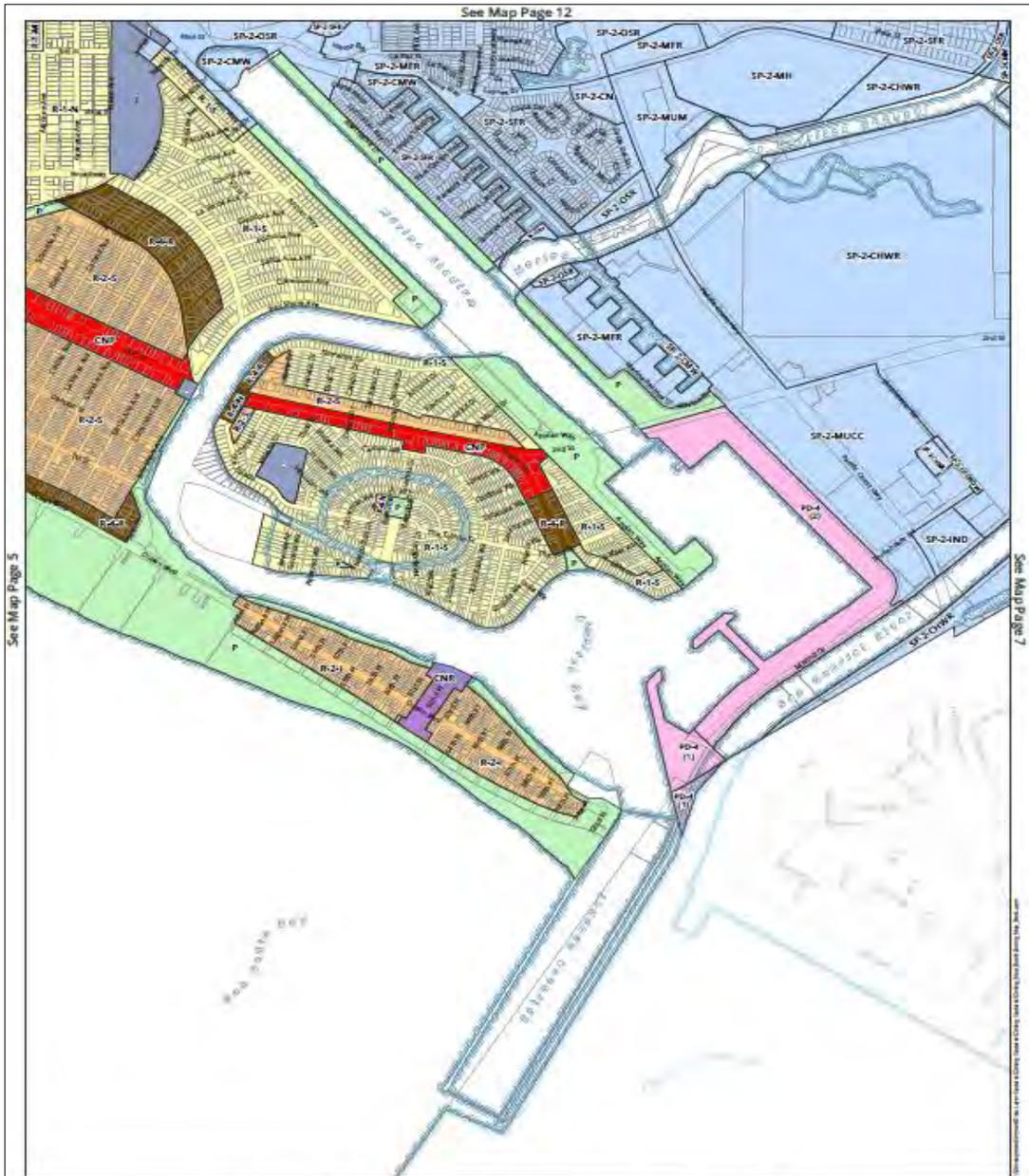


Page 7  
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# ZONING MAP – SITE 2



**City of Long Beach Use District Map: Page 6**

<p><b>Zoning Districts</b></p> <p><b>Residential Zones</b></p> <ul style="list-style-type: none"> <li>R-1-L; R-1-M; R-1-N;</li> <li>R-1-S; R-1-T; RM</li> <li>R-2-A; R-2-L; R-2-L;</li> <li>R-2-N; R-2-S</li> <li>R-3-4; R-3-S; R-3-T</li> <li>R-4-H; R-4-M; R-4-N;</li> <li>R-4-R; R-4-U; RP</li> </ul>	<p><b>Commercial Zones</b></p> <ul style="list-style-type: none"> <li>CCA; CCP; CH; CHW;</li> <li>CN; CNA; CNP; CS</li> <li>CS</li> </ul> <p><b>Mixed-Use Zones</b></p> <ul style="list-style-type: none"> <li>RMU3; RMU4</li> <li>MU 1; MU 2; MU 3</li> <li>CCN; CCR; CNR; CO;</li> <li>CT</li> </ul>	<p><b>Industrial Zones</b></p> <ul style="list-style-type: none"> <li>IG; IL; IM; IP</li> </ul> <p><b>Institutional Zone</b></p> <ul style="list-style-type: none"> <li>I</li> </ul> <p><b>Park Zone</b></p> <ul style="list-style-type: none"> <li>P</li> </ul> <p><b>Public Right-of-Way Zone</b></p> <ul style="list-style-type: none"> <li>PR</li> </ul>	<p><b>Planned Development</b></p> <ul style="list-style-type: none"> <li>PD</li> </ul> <p><b>Specific Plan</b></p> <ul style="list-style-type: none"> <li>SP</li> </ul> <p><b>Other City Layers</b></p> <ul style="list-style-type: none"> <li>Parcels</li> <li>Waterways</li> <li>City Boundary</li> </ul>	<table border="1" style="border-collapse: collapse; width: 100px; height: 100px;"> <tr><td>28</td><td>29</td><td>30</td></tr> <tr><td>21</td><td>22</td><td>23</td><td>24</td><td>25</td><td>26</td></tr> <tr><td>14</td><td>15</td><td>16</td><td>17</td><td>18</td><td>19</td><td>20</td></tr> <tr><td>8</td><td>9</td><td>10</td><td>11</td><td>12</td><td>13</td></tr> <tr><td>2</td><td>3</td><td>4</td><td style="background-color: red;">5</td><td>6</td><td>7</td></tr> </table> <p>0 500 1,000 Feet</p>	28	29	30	21	22	23	24	25	26	14	15	16	17	18	19	20	8	9	10	11	12	13	2	3	4	5	6	7
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## ASSESSMENT AND TAXES

California taxation law requires a 1% of market value tax rate (plus additional assessments) determined through individual communities' bond indebtedness (Proposition 13). Actual assessments are typically based on the fair market value as determined by the most recent acquisition price. Future assessments are based upon the most recent acquisition price until additional improvements (land and/or homes) are constructed onsite or a subsequent change of ownership of the property or portions thereof. Subsequent annual tax increases are limited to a maximum of 2% per year. Disposition of the property, as of the date of appraisal, would place the subject under Proposition 13 guidelines.

Please note, the parcel APN 7237-019-809 is exempt from paying real estate taxes.

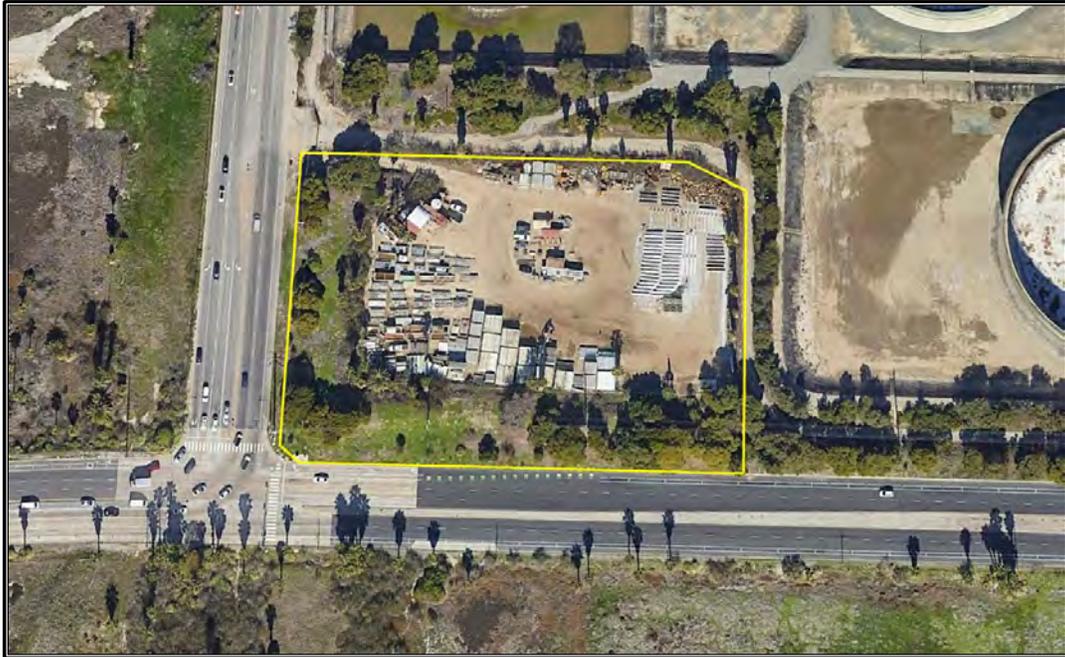
REAL PROPERTY TAX AND ASSESSMENTS				
TAX YEAR 2023-2024				
Assessor's Parcel No.:	7237-017-010	7237-017-011	7237-017-012	7237-017-013
Tax Rate Area:	05517	05517	12143	12143
Base Tax Rate:	1.00%	1.00%	1.00%	1.00%
Assessed Value				
Land	\$24,031	\$1,319,648	\$341,691	\$5,754,628
Improvements	\$0	\$0	\$0	\$0
Personal Property	\$0	\$0	\$0	\$0
Exemption	\$0	\$0	\$0	\$0
<b>Total Assessed Value</b>	<b>\$24,031</b>	<b>\$1,319,648</b>	<b>\$341,691</b>	<b>\$5,754,628</b>
<b>Base Tax*</b>	<b>\$240.31</b>	<b>\$13,196.48</b>	<b>\$3,416.91</b>	<b>\$57,546.28</b>
Additional Tax Charges				
Bonds	\$52.84	\$3,223.62	\$834.67	\$14,057.34
Flood Control 62	\$1.98	\$58.86	\$15.23	\$1,006.55
LACOVECTRCNTRL80	\$18.97	\$18.97	\$18.97	\$20.00
MWD Water Standby Charge	\$10.44	\$71.40	\$17.70	\$1,169.70
Safe Clean Water 83	\$9.05	\$5.89	\$0.00	\$305.36
MWD Stand By 886	\$0.00	\$0.00	\$21.52	\$1,422.34
	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Additional Tax Charges</b>	<b>\$93.28</b>	<b>\$3,378.74</b>	<b>\$908.09</b>	<b>\$17,981.29</b>
<b>Total Base Tax &amp; Addnl' Tax Charges</b>	<b>\$333.59</b>	<b>\$16,575.22</b>	<b>\$4,325.00</b>	<b>\$75,527.57</b>
<b>Effective Tax Rate</b>	<b>1.388%</b>	<b>1.256%</b>	<b>1.266%</b>	<b>1.312%</b>
* Total assessed value x tax rate				

REAL PROPERTY TAX AND ASSESSMENTS				
TAX YEAR 2023-2024				
Assessor's Parcel No.:	7237-017-018	7237-017-014	7237-017-019	
Tax Rate Area:	05517	12143	12143	
Base Tax Rate:	1.00%	1.00%	1.00%	1.00%
Assessed Value				
Land	\$29,452	\$1,635,423	\$1,509,337	\$10,614,210
Improvements	\$0	\$0	\$0	\$0
Personal Property	\$0	\$0	\$0	\$0
Exemption	\$0	\$0	\$0	\$0
<b>Total Assessed Value</b>	<b>\$29,452</b>	<b>\$1,635,423</b>	<b>\$1,509,337</b>	<b>\$10,614,210</b>
<b>Base Tax*</b>	<b>\$294.52</b>	<b>\$16,354.23</b>	<b>\$15,093.37</b>	<b>\$106,142.10</b>
Additional Tax Charges				
Bonds	\$71.94	\$3,994.99	\$3,686.99	\$25,922.39
Flood Control 62	\$10.08	\$94.57	\$87.26	\$1,274.53
LACOVETRCNTRL80	\$18.97	\$18.97	\$18.97	\$133.82
MWD Water Standby Charge	\$12.22	\$109.90	\$101.40	\$1,492.76
Safe Clean Water 83	\$0.00	\$0.46	\$22.62	\$343.38
MWD Stand By 886	\$0.00	\$133.62	\$123.30	\$1,700.78
<b>Total Additional Tax Charges</b>	<b>\$113.21</b>	<b>\$4,352.51</b>	<b>\$4,040.54</b>	<b>\$30,867.66</b>
<b>Total Base Tax &amp; Addnl' Tax Charges</b>	<b>\$407.73</b>	<b>\$20,706.74</b>	<b>\$19,133.91</b>	<b>\$137,009.76</b>
<b>Effective Tax Rate</b>	<b>1.384%</b>	<b>1.266%</b>	<b>1.268%</b>	<b>1.291%</b>
* Total assessed value x tax rate				

The appraised value was based on the assumption that there are no tax liens affecting the subject property.

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**AERIAL MAP – SITE 1. LCWA SITE**



Aerial View of Subject



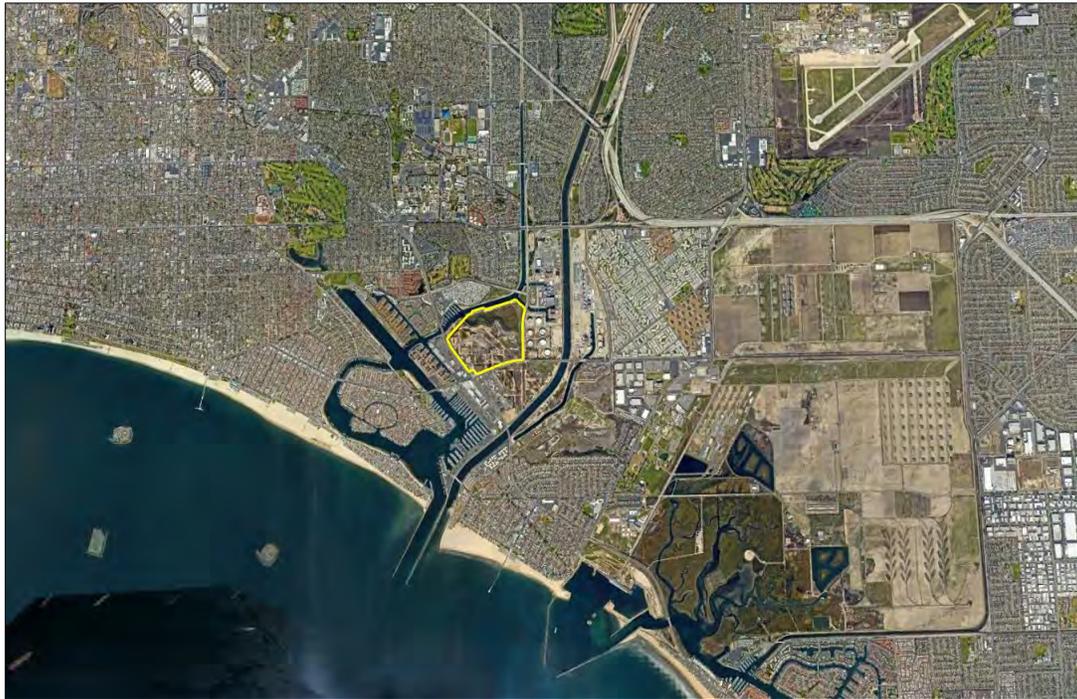
Aerial View of Subject and Surrounding Area

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**AERIAL MAP – SITE 2. SYNERGY OIL SITE**

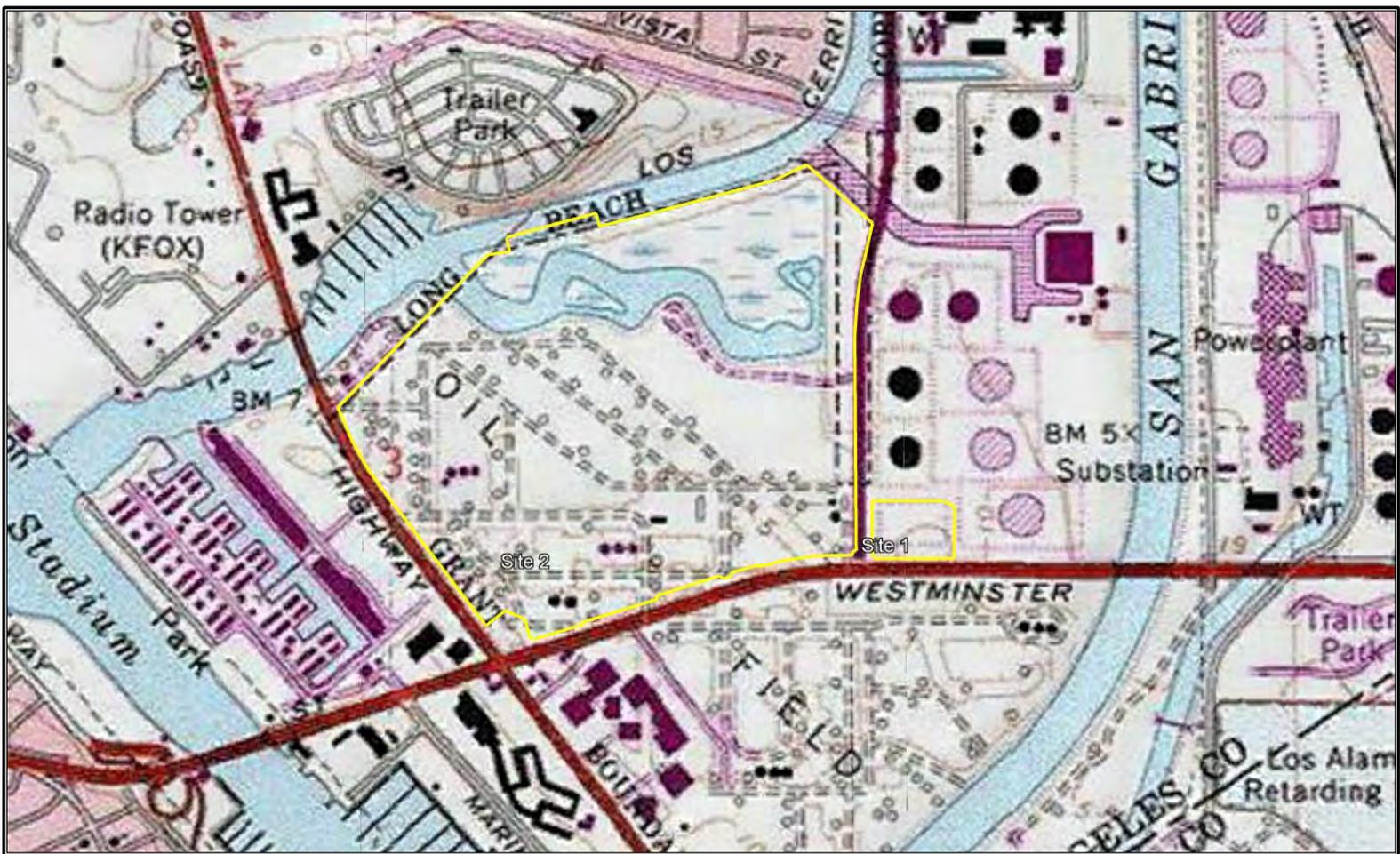


Aerial View of Subject



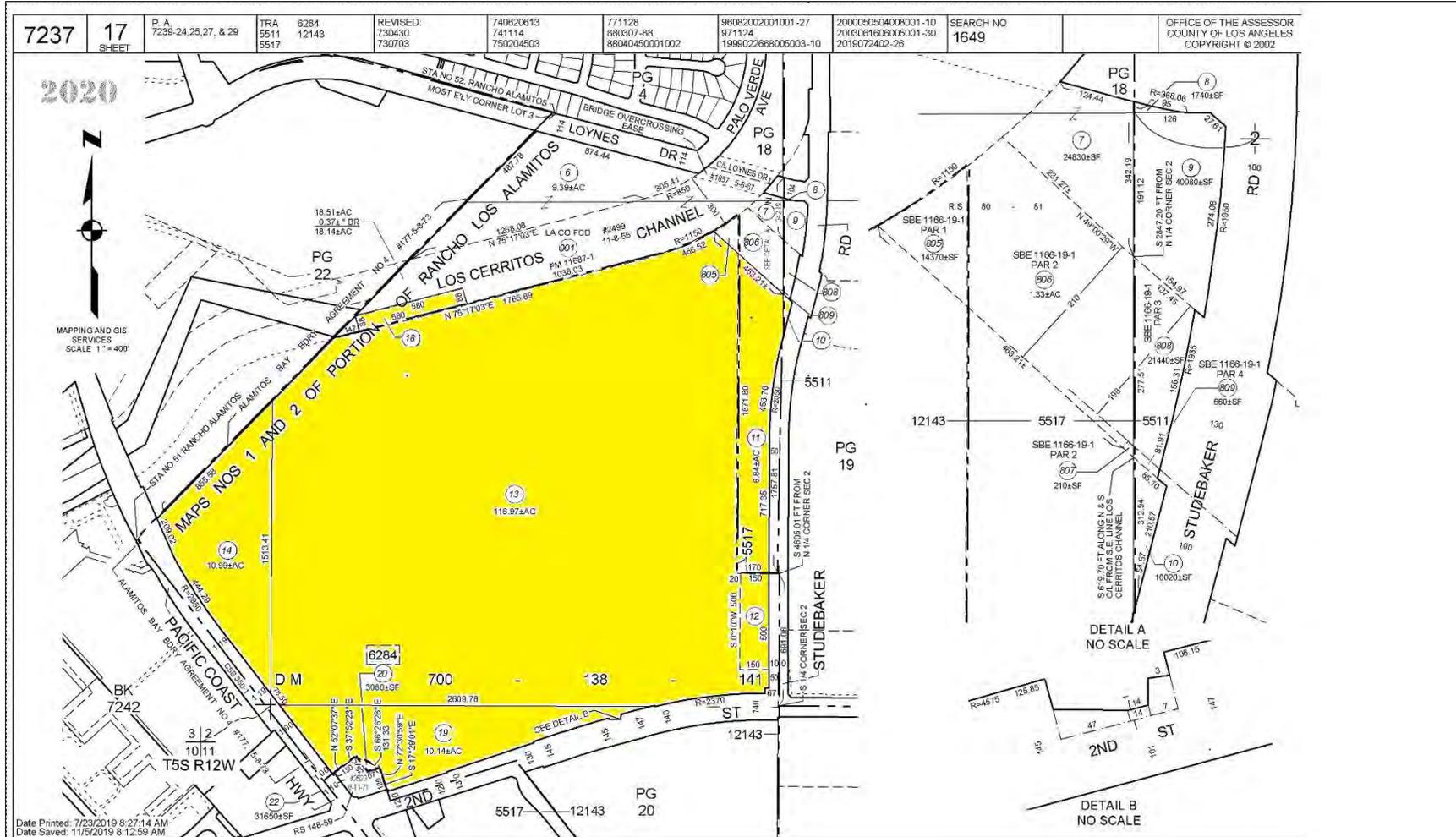
Aerial View of Subject and Surrounding Area

TOPOGRAPHY MAP





**PLAT MAP- SITE 2. APNs 7237-017-010, 7237-017-011, 7237-017-012, 7237-017-013, 7237-017-014, 7237-017-018, 7237-017-019**



# ELEVATION MAP



## ELEVATION MAP – SITE2



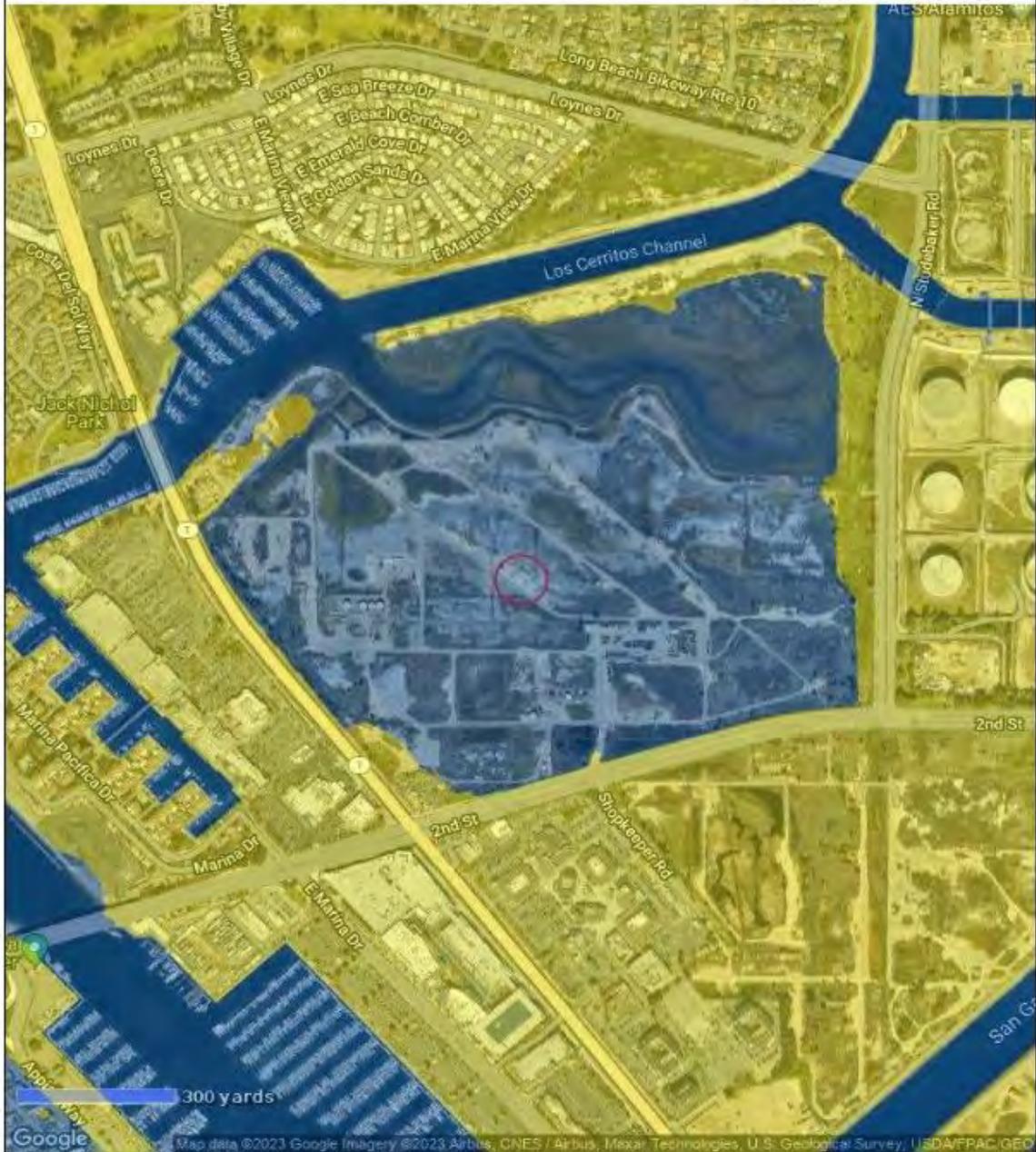


Ecological Classification Name: NRCS Rangeland Site—Los Angeles County, California, Southeastern Part  
(520e6479-d86b-48fa-a22e-3805badb86af\_LINestring)



**FLOOD MAPS**





<b>MAP DATA</b>		<b>MAP LEGEND</b>		Powered by CoreLogic®
FEMA Special Flood Hazard Area: <b>Yes</b>		Areas inundated by 500-year flooding	Protected Areas	
Map Number: 06037C1988G		Areas inundated by 100-year flooding	Floodway	
Zone: AE		Velocity Hazard	Subject Area	
Map Date: April 21, 2021				
FIPS: 06037				

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**SUBJECT PHOTOGRAPHS**



Subject (Synergy Oil Site) looking South



Subject (Synergy Oil Site) looking Southwest



Subject (Synergy Oil Site) looking Southeast



Primary Access to the Synergy Oil Site



Subject Property looking Northwest



Subject Property looking Northeast



Subject (Industrial Site) looking East



Subject (Industrial Site) looking Northeast

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## HIGHEST AND BEST USE

Highest and best use may be defined as:

*The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future.*

1. **Legally Permissible:** *What uses are permitted by zoning and other legal restrictions?*
2. **Physically Possible:** *To what use is the site physically adaptable?*
3. **Financially Feasible:** *Which possible and permissible use will produce any net return to the owner of the site?*
4. **Maximally Productive.** *Among the feasible uses, which use will produce the highest net return, (i.e., the highest present worth)?*

### HIGHEST AND BEST USE AS VACANT - SITE 1 (LCWA SITE)

#### LEGALLY PERMISSIBLE

The subject's site 1 (LCWA Site) consists of one parcel of industrial land totaling 4.87 net acres. The parcel is zoned SP-2-IND (Industrial) by the City of Long Beach and is located within the Southeast Area Specific Plan (SEASP). The subject property's General Plan designation is Industrial use which includes all industrial activities: light industrial research parks, warehousing or storage activities, industrial manufacturing, and machining operations. This land use designation conforms to the current zoning. The current legally permissible use of the subject property is as industrial land.

#### PHYSICALLY POSSIBLE

The subject property consists of one legal parcel totaling 5.11 gross acres or 222,591.60 gross square feet, or 4.87 net acres, or 212,137.20 net square feet. Based on my inspection, there did not appear to be any evidence of subsidence or other soil problems that would be considered prohibitive to any of the legally permissible uses. Development of the subject parcel is not limited by parcel size or shape and utility services are adequately provided by public and/or private systems. Therefore, the aforementioned legally permissible use – industrial is physically possible.

#### FINANCIALLY FEASIBLE / MAXIMALLY PROFITABLE

Any proposed use that supports a positive land value is considered financially feasible. As proposed, the industrial use is legally and physically possible; furthermore, it is compatible with the surrounding area, and consistent with the requirements set forth by the City of Long Beach. The industrial use is considered both financially feasible and maximally profitable.

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## **CONCLUSION:**

Based on my analysis, I estimated that the highest and best use of the subject property is for industrial development. This type of industrial use is deemed reasonable.

## **HIGHEST AND BEST USE AS IMPROVED**

The subject property is a vacant lot, and therefore the current use is primarily land. As the predominant value is reflected in the land only, a Highest and Best Use As Improved is not warranted.

## **MOST PROBABLE BUYER**

Taking into account all of the physical and investment characteristics of the subject property, the likely buyer is an owner-user or local investor.

## **HIGHEST AND BEST USE AS VACANT - SITE 2 (SYNERGY OIL SITE)**

### **LEGALLY PERMISSIBLE**

The subject property (site 2 – Synergy Oil Site) has a SP-2-CHWR (Coastal Habitat, Wetlands, and Recreation) zoning and is located within the Southeast Area Specific Plan (SEASP) adopted by the Long Beach City Council on September 19, 2017. This area provides for coastal restoration, access, visitor-serving recreation (boating, public launching, kayaking, paddle boarding, and similar uses that support coastal recreation and access opportunities), and biological reserves. Public access to coastal waters (via trails, or viewing areas) is encouraged in these areas, where appropriate, with consideration given to coastal habitat and wetlands resources that comprise a significant portion of this designation. All uses such as entertainment (private special event facility<sup>9</sup>), mining (oil and gas extraction<sup>10</sup>), retail sales (boats, paddle boards, kayaks, outdoor flower, plant, fruit, vegetable sales or wetland nurseries), temporary lodging (camping facility), miscellaneous and other uses (boat storage facilities, telecommunications facility, visitor centers, park, gardens, parklets) are allowed with Conditional Use Permits. This designation also allows for ongoing oil operations and encourages the consolidation of wells.

The General Plan designation for Site 2 is Open Space and allows for parks, beaches, golf courses, marinas, flood control channels, basins, rivers, utility rights-of-way, oil islands, inland bodies of nature, nature preserves, marine habitats, estuaries, wetlands, and lagoons. Limited commercial recreation uses that supplement recreation services and complement existing programming and facilities. This land use designation conforms to the current zoning. The current legally permissible use of the subject property is open space/conservation (wetlands), commercial recreation uses, and ongoing oil operations.

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<sup>9</sup> Private Event Facility in this zone would only be allowed on privately-owned parcels located outside of wetlands.

<sup>10</sup> Only allowed in the area located outside of wetlands.

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## **PHYSICALLY POSSIBLE**

The subject property consists of seven legal parcels totaling 150.50 gross acres or 150.50 net acres and includes 147.50 net acres of wetlands and 3.00 net acres of disturbed land. There are asphalt paved roads providing access to the property. The biological and various land attributes were discussed in the Land Description of this report. The subject's topography is mostly level and would physically allow for various development scenarios as indicated in the legally permissible uses. However, based on the biological sensitivity of the entire subject property and the presence of wetlands, any development scenario is considered limited. Overall, it is reasonable to conclude that the subject's primary physically possible use is as a wetlands project (147.50 net acres) and ongoing oil operation (3.00 acres). Please note, the conclusion for allocating different physical attributes on the entire 150.50 acres does not warrant a Larger Parcel analysis that may otherwise be required by UASFLA (Uniform Appraisal Standards for Federal Land Acquisition aka Yellow Book). UASFLA appraisal guidelines do not apply in this appraisal. However, the two physical attributes are found in the Larger Area of 150.50 acres with two distinct uses that are 1) wetlands and subject to water inundation and 2) disturbed lands for on-going oil operations and a future visitor center. The analysis that follows for the valuation of the 3.00 acres recognizes the 3.00 acres are not a legal lot, but rather a represents its contribution to the entire land area and a value allocation will be presented in the appraisal.

## **FINANCIALLY FEASIBLE**

Any proposed use that supports a positive land value is considered financially feasible. As previously discussed, a variety of uses are possible are allowed. A brief discussion of these uses is shown as follows:

### **SCENARIO 1 (DEVELOPMENT POTENTIAL)**

A combination of commercial and industrial uses are allowed under SEASP if located outside of wetlands. Speculation cannot be made with regard to the probability of development under the various development scenarios, however, it is reasonable to conclude that some limited development may occur after a lengthy review process.

### **SCENARIO 2 (OPEN SPACE/CONSERVATION)**

Another appropriate use of the subject land is retention as open space for conservation purposes by various conservancy groups. In this case, the biological attributes have been significantly identified and meet the requirements for use as open space protection and conservation (most likely as wetlands). The subject is within designated wetlands corridors, which lends additional support to this conclusion. Therefore, the subject, as conservation land, is considered a financially feasible use.

### **SCENARIO 3 (MITIGATION LAND)**

An appropriate use is to retain the subject land for mitigation purposes. Mitigation land is used by developers and public agencies involved with infrastructure development when they need to

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mitigate “takings” of sensitive habitat in their projects by acquiring similar or more sensitive lands around the county. There are not necessarily set “prices” for mitigation land as each transaction is specific to the needs of the buyer in mitigating “takings.” Special value influences are, however, attributed to the specific property’s level of habitat and sensitive plant and animal observances, as well as connection to other lands. Sensitive lands within a corridor, such as the subject, generally command a higher price than similar stand-alone “island” sites. As discussed, the subject has been identified as land for conservation use, which might include demand as for mitigation of development impacts.

As a complimentary use for Mitigation Land, I have also analyzed a proposed Mitigation Bank.

## **MITIGATION BANK**

The value of a bank is defined in "compensatory mitigation credits." A bank's instrument identifies the number of credits available for sale and requires the use of ecological assessment techniques to certify that those credits provide the required ecological functions. Although most mitigation banks are designed to compensate only for impacts to various wetland types, some banks have been developed to compensate specifically for impacts to streams (i.e., stream mitigation banks). Mitigation banks are a form of "third-party" compensatory mitigation, in which the responsibility for compensatory mitigation implementation and success is assumed by a party other than the permittee<sup>11</sup>.

There are agreements in place that would allow the seller to sell mitigation credits. The mitigation is not established. A wetlands mitigation bank is a wetland area that has been restored, established, enhanced, or preserved, which is then set aside to compensate for future conversions of wetlands for development activities<sup>12</sup>.

According to current state and federal laws such as the California Environmental Quality Act, and the California Endangered Species Act, any individual, company, or public agency that undertakes activities that destroy, degrade, or adversely alter the environment may need to compensate the public for damages to natural resources. The compensatory mitigation typically involves permanently protecting sufficient habitat to offset lost habitat resulting from project activities.

Compensatory mitigation may be achieved in different ways:

- Buying credits at Conservation or Mitigation Bank;
- In-Lieu fee Program;
- Permittee-Responsible Mitigation (PRM).

Conservation and Mitigation Banks are large, connected, ecologically functional areas of preserved, restored, enhanced, or constructed habitat that is conserved to provide mitigation for

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<sup>11</sup> Section 404 of the Clean Water Act.

<sup>12</sup> Environmental Protection Agency Definition.

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projects before impacts occur. Permittee-responsible programs may lead to small habitat reserves when a permittee is responsible for the implementation and success of the mitigation.

In-Lieu Fee Mitigation occurs when a permittee provides funds to an in-lieu-fee sponsor (a public agency or non-profit organization). Usually, the sponsor collects funds from multiple permittees in order to pool the financial resources necessary to build and maintain the mitigation site. The in-lieu fee sponsor is responsible for the success of the mitigation. Like banking, in-lieu fee mitigation is also "off-site," but unlike mitigation banking, it typically occurs after the permitted impacts.

Permittees, upon approval of regulatory agencies, can purchase credits from a mitigation bank to meet their requirements for compensatory mitigation. The value of these "credits" is determined by quantifying the wetland functions or acres restored or created. The bank sponsor is ultimately responsible for the success of the project. Federal regulations establish a flexible preference for using credits from a mitigation bank over the other compensation mechanisms.

Creating a Mitigation Bank involved several steps such as site selection, feasibility assessment, permitting and approval from regulatory agencies, baseline assessment, design and planning, implementation, monitoring and maintenance, credit generation, credit sales and long-term management. By following these steps, the owners can establish a mitigation bank that provides effective compensation for environmental impacts while achieving a net environmental benefit through the restoration or preservation of valuable habitat.

The review and approval of mitigation banks is a multi-agency process that may involve any of the following five federal and state agencies: the U.S. Army Corps of Engineers ("USACE"), Region IX of the U.S. Environmental Protection Agency ("USEPA"), the U.S. Fish and Wildlife Service ("USFWS"), National Oceanic Atmospheric Administration's National Marine Fisheries Service ("NMFS"), and the California Department of Fish and Wildlife ("CDFW"). These agencies comprise and are referred to jointly as the Interagency Review Team ("IRT"). The process of creating a bank may take several years.

Since 1993, CDFW has endorsed banking as an effective approach to mitigation. In 2014, CDFW finalized the Guidelines for the Conservation and Mitigation Banking Program. Within this program, authorized banks are permitted to sell credits that represent habitat values that already exist or habitat that will be restored, improved, or created within the bank. Credits are sold to project proponents needing compensation for unavoidable habitat loss resulting from land development or other impacts where avoidance or on-site mitigation is not feasible or preferred.

Upon approval, the Banking Enabling Instrument (BEI) must be fully executed by all parties. Once established, a percentage of credits are available for sale. According California Department of Fish and Wildlife, in 2022, two new banks were established: North Delta Fish Conservation Bank (Yolo

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County, 811 acres, total potential credits – 225.33), and Mojave River Watershed Mitigation Bank (San Bernardino County, 410 acres, total potential credits- 409.83).

CDFW is a signatory to 90 banks, covering approximately 69,948 acres. Although approximately 41,363 credits have been sold and 26 banks have closed or sold out of credits, CDFW continues oversight of these banks to ensure the bank is managed, monitored, and maintained in perpetuity for its natural resource value. A complete list of new and existing banks provided by the California Department of Fish and Wildlife can be found in Addenda.

**UPPER LOS CERRITOS WETLAND MITIGATION BANK**

The subject property has been approved for Upper Los Cerritos Wetland Mitigation Bank on July 31, 2023, and the Bank will be created over a 130.10-acre portion of the Property, but not established. The purpose of the Bank is to compensate for unavoidable impacts and conserve and protect Coastal Wetlands and Waters of the U.S. The Bank Sponsor (Los Cerritos Wetlands, LLC) shall preserve and/or restore and then manage and maintain the Coastal Wetlands, Waters of the U.S., and associated Buffers in accordance with the BEI (Bank Enabling Instrument), the Development Plan, and Interim Management Plan. The Property Owner shall manage and maintain the Coastal Wetlands, Waters of the U.S., and associated Buffers in accordance with the long-term management plan. The Oil Operator shall repair, replace, maintain, and remove various structures and improvements to protect the Bank and Property in accordance with the Bank Structures Operation and Maintenance Document for Preservation of the Upper Los Cerritos Wetlands Mitigation Bank.

The subject property is approved to be allocated on a per-acre basis. The current estimates for total mitigation credits<sup>13</sup> are 83.04 mitigation credits over the available 130.10 acres. Please reference the table below.

Anticipated Number and Types of Credits	
Credit Type Summary	Available Acres
Subtidal Marsh Preservation	2.90
Tidal Marsh Preservation	26.81
Tidal Rehabilitation	33.55
Tidal Re-establishment	55.56
Buffer	11.28
<b>Total:</b>	<b>130.10</b>

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<sup>13</sup> A wetland credit is the standard unit of measurement for quantifying the net gain in wetland acreage or function that results from wetland restoration, creation, enhancement, or preservation. A credit may be measured by some standard of functional replacement, habitat unit, or by acreage of a particular type or quality of wetland.

## VALUATION

For the purpose of valuing the mitigation credits, the sales comparison approach and income approach have been used. Within the Sales Comparison Approach, I have used the comparable sales of mitigation credits established within the Mitigation Banks in the State of California. Within the Income Approach, discounted cash flow analysis was utilized and involved assessing the present value of future cash flows associated with the generation and sale of mitigation credits. This analysis considers factors such as the expected revenue from mitigation credit sales, costs associated with implementing and maintaining the mitigation project, discount rates, and the projected absorption period.

## SALES COMPARISON APPROACH

For sales comparison analysis, fifteen mitigation credit sales have been used. All comparables have been researched through numerous sources (including, but not limited to, the recorder's offices, market data services, published reports, and personal contacts), and are verified.

All these comparables were considered in the comparison process. A range of mitigation credits results from this analysis, and I correlated the range into a final indicated mitigation credit value by selectively analyzing the comparables as to their overall comparative value.

Mitigation Bank Comparables				
Bank Name	Sale Date	# of Credits	Purchase Price	Price per Credit
Barry Jones Wetland Mitigation Bank	12/14/2021	1.19	\$178,800	\$150,000
Burdell Ranch Wetland Conservation Bank	10/22/2020	3.00	\$296,490	\$98,830
Petersen Ranch Mitigation Bank	1/1/2017	1.00	\$200,000	\$200,000
Petersen Ranch Mitigation Bank	1/1/2017	1.00	\$225,000	\$225,000
Grassland Mitigation Bank	5/23/2016	1.02	\$153,000	\$150,000
Cosumnes Floodplain Mitigation Bank	11/18/2020	0.70	\$112,000	\$160,000
Bryte Ranch Mitigation Bank	4/26/2004	0.27	\$34,050	\$126,111
Cosumnes Floodplain Mitigation Bank	6/20/2013	2.00	\$260,000	\$130,000
Meridian Ranch Mitigation Bank	6/20/2013	2.00	\$300,000	\$150,000
Toad Hill Mitigation Bank	6/20/2013	1.78	\$423,809	\$238,095
Toad Hill Mitigation Bank	8/1/2011	2.10	\$499,999	\$238,095
Stillwater Plains Mitigation Bank Wetland	8/1/2011	3.33	\$499,500	\$150,000
Cosumnes Floodplain Mitigation Bank	12/10/2009	9.00	\$1,117,000	\$124,111
Van Vleck Mitigation Bank	12/10/2009	2.13	\$585,750	\$275,000
Bryte Ranch Mitigation Bank	4/26/2004	0.27	\$34,050	\$126,111
	<b>High</b>	<b>9.00</b>	<b>\$1,117,000</b>	<b>\$275,000</b>
	<b>Low</b>	<b>0.27</b>	<b>\$34,050</b>	<b>\$98,830</b>
	<b>Average</b>	<b>2.05</b>	<b>\$327,963</b>	<b>\$169,424</b>
	<b>Median</b>	<b>1.78</b>	<b>\$260,000</b>	<b>\$150,000</b>

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A total of fifteen comparables were used in the sales comparison approach to estimate the market value of the Mitigation Bank. The comparable data were sufficient in quality and quantity to estimate the subject's mitigation bank value.

Based on my comparative analysis, all comparables which ranged from \$98,830 to \$275,000 per mitigation credit reflect a very consistent range for the wetland mitigation credits. The estimated total retail value of the mitigation credits for the subject property (83.04 credits) would fall between \$170,000 and \$275,000 per credit. I have reconciled a price per credit at \$250,000.

#### Market Value of Mitigation Bank

**NUMBER OF CREDITS:** 83.04  
**INDICATED VALUE PER CREDIT:** \$250,000  
**INDICATED SUM RETAIL VALUE:** \$20,760,000  
**Twenty Million Seven Hundred Sixty Thousand Dollars**

#### **DISCOUNTED CASH FLOW ANALYSIS OF MITIGATION CREDIT SELLOFF – 83.04 CREDITS**

A discounted cash flow analysis may be applied in mitigation credit analysis to estimate raw present land value. The discount rate is used to account for the time value of money in an extended selloff period.

All developmental analyses begin with an estimate of the potential gross income that the project can produce. For the following valuation of the potential gross income, I have utilized the corresponding price per mitigation credit of \$250,000 derived from the Sales Comparison Approach analysis.

In the case of the subject project, the gross sales revenue is the sum total of the retail prices achievable from sales of the mitigation credits. The projection begins based on an initial unit sales price of \$250,000 and then escalates at a constant annual rate of 3.0% reflecting the inflation, and demonstrating gradual but positive growth in sales prices.

#### **ABSORPTION**

In order to project absorption rates for the subject's mitigation bank, I have researched the absorption of competitive projects. This information is provided below.

Mitigation Banks							
Bank Name	Bank Creation Date	Sold-Out Date	Years	Bank Acreage	Credits Established	Credits Sold	# of Credits Sold/Year
Burdell Ranch Wetland Mitigation Bank	9/12/2001	12/20/2022	21	82.70	241	241	11.48
Cottonwood Creek Mitigation Bank	2/24/1994	4/29/2014	20	40.00	40.14	40.14	2.01
Kimball Island Mitigation Bank	3/31/1998	5/21/2007	9	109.00	98.07	98.07	10.90
Laguna Creek Mitigation Bank	7/14/2008	3/15/2021	13	747.00	102.37	102.37	7.87
Wildlands Mitigation Bank	2/27/1995	12/27/2000	5	623.00	133.62	133.62	26.72
Anaheim Bay - Port of Long Beach	2/12/1986	4/18/1992	6	153.12	153	153.12	25.52
Arroyo Seco Conservation Bank	5/27/1998	8/19/2002	4	246.32	47.08	47.08	11.77
Carlsbad Highlands	4/1/1995	2/1/2005	10	180	180	180.00	18.00
Gili Ranch Conservation Bank	10/25/2007	3/13/2018	11	1347.00	77.13	77.13	7.01
Mariner Conservation Bank	11/7/2006	9/23/2013	7	160.00	25.63	25.63	3.66
Mountain House Conservation Bank	5/8/2012	6/22/2016	4	147.00	145.05	145.05	36.26
SW Santa Rosa Vernal Pool Preservation Bank	6/2/1997	7/22/2002	5	39.40	43.00	43.00	8.60
		Low	4	39	25.63	25.63	2.01
		High	21	1,347	241.00	241.00	36.26
		Average	10	323	107.18	107.18	14.15
		Median	8	157	100.22	100.22	11.19

I have estimated the initial absorption for the subject's mitigation bank at 14 credits per year.

## CONSTRUCTION COSTS

### HARD COSTS

Hard construction costs include all of the direct costs of site development and building construction. Site development includes such items as demolition (in our case, decommissioning of the oil facilities), grading, erosion control, sewer improvements, storm drain, curb, gutter and sidewalks, utility extensions, retaining walls and landscaping. The construction cost estimates provided by the Client were deemed reliable and utilized in my analysis.

Hard Construction Costs	
Description	Value
Decommissioning of the Oil Wells & Facilities	\$19,500,000
Facility Demolition	\$225,000
Soil Remediation	\$1,100,000
Visitor Center Reconstruction	\$1,994,350
Phase I Construction	\$773,053
Phase II Construction	\$6,008,606
Curb, Gutter, Sidewalk	\$490,000
<b>Total:</b>	<b>\$30,091,009</b>

### SOFT COSTS

Soft costs include items such as design fees, permits, inspections, and administrative costs. Soft costs were estimated at \$3,227,000 based on the documents provided by the Client.

Soft Construction Costs	
Description	Value
BEI Processing (Phase II)	\$650,000
Design	\$1,677,000
Management	\$900,000
<b>Total:</b>	<b>\$3,227,000</b>

The total construction costs for the project are estimated at \$33,318,009.

Construction Costs	
Description	Value
Hard Costs	\$30,091,009
Soft Costs	\$3,227,000
<b>Total:</b>	<b>\$33,318,009</b>

The project principal for Los Cerritos Wetlands, LLC, Peter Zak reported that the decommissioning of the wells will take about 4 years, and the restoration project will last 12 to 18 months. I used a 5-year period for the construction costs.

#### **REAL ESTATE TAXES**

Real estate taxes are based on the subject's tax rate (1.244279%) against the value of the mitigation credits inventory declining with inventory sell-off. These may be reduced with the establishment of a mitigation easement.

#### **ENDOWMENT FUND**

"Endowment Fund" is a financial account, held in trust for the benefit of the long-term stewardship of the Bank Property. The Endowment Fund is intended to be maintained and managed in perpetuity in accordance with Government Code §§ 65965-69568, Probate Code §§18501-18510, the BEI, and the Endowment Agreement. The Endowment Fund is intended to be invested in accordance with an investment policy statement that is designed to generate earnings and appreciation in value over the long term. The Endowment Fund is to be used in funding perpetual management, maintenance, monitoring, and reporting pursuant to the Long-term Management Plan.

Based on the Funding schedule for Credit Releases and Waters of the US and associated Buffer Credit Releases, I assumed a 5-year period for endowment fund establishment.

Endowment Fund		
Year(s)	% of the Endowment Amount	Endowment Amount
1	0%	\$0
2	30%	\$732,323
3	25%	\$610,269
4	15%	\$366,161
5	30%	\$732,323
<b>Total:</b>	<b>100%</b>	<b>\$2,441,076</b>

It means that 100% of the Endowment Amount will be funded in 5 years. Each year, the Endowment Amount is not 100% funded, the Endowment Amount shall be increased to account for inflation. A 3% inflation rate was used in my analysis.

Endowment Fund			
Year(s)	% of the Endowment Amount	Endowment Amount	Endowment Amount refl. Inflation
1	0%	\$0	\$0
2	30%	\$732,323	\$754,292
3	25%	\$610,269	\$628,577
4	15%	\$366,161	\$377,146
5	30%	\$732,323	\$754,292
<b>Total:</b>	<b>100%</b>	<b>\$2,441,076</b>	<b>\$2,514,308</b>

The actual endowment is based on estimated costs provided by the Client.

#### **SALES AND ADMINISTRATION COSTS**

Sales and Administration costs include the cost to market the credits as well as the costs of legal and accounting. These costs are estimated at an industry-standard 5% of revenue or \$175,000 in the first year.

#### **DISCOUNT RATE**

The discount rate used in this analysis is based on minimum discount rates for subdivision lands. This is the most equivalent rate applicable to mitigation credits and minimum rates hover around 16.5%. I have chosen to use 16.5% as my discount rate for this discounted cash flow.

The table below summarizes our discounted cash flow analysis to obtain the residual land value for the Subject Mitigation Bank.

**DCF ANALYSIS TO MITIGATION CREDIT VALUE**

Years		1	2	3	4	5	6	Totals
Available Mitigation Units		83.04	69.04	55.04	41.04	27.04	13.04	0.00
Periodic Sales		14.00	14.00	14.00	14.00	14.00	13.04	83.04
Unsold Inventory		69.04	55.04	41.04	27.04	13.04	0.00	0
Average Price Per Unit	3% Inflation	\$250,000	\$257,500	\$265,225	\$273,182	\$281,377	\$289,819	\$269,517
<b>Total Sales Revenue</b>		<b>\$3,500,000</b>	<b>\$3,605,000</b>	<b>\$3,713,150</b>	<b>\$3,824,545</b>	<b>\$3,939,281</b>	<b>\$3,779,233</b>	<b>\$22,361,208.82</b>
Establishment Cost		\$6,663,602	\$6,663,602	\$6,663,602	\$6,663,602	\$6,663,602	\$0	\$33,318,009.00
Sales & Admin	5.00%	\$175,000	\$180,250	\$185,658	\$191,227	\$196,964	\$188,962	\$1,118,060.44
Endowment		\$0	\$754,292	\$628,577	\$377,146	\$754,292	\$0	\$2,514,307.00
Property Taxes	1.24%	\$258,312	\$176,349	\$135,438	\$91,913	\$45,655	\$0	\$707,666.60
<b>Total Costs</b>		<b>\$7,096,914</b>	<b>\$7,774,493</b>	<b>\$7,613,274</b>	<b>\$7,323,888</b>	<b>\$7,660,512</b>	<b>\$188,962</b>	<b>\$37,658,043</b>
Net Revenue		(\$3,596,914)	(\$4,169,493)	(\$3,900,124)	(\$3,499,343)	(\$3,721,232)	\$3,590,272	(\$15,296,834)
Discount @	16.50%	0.858369	0.736798	0.632444	0.542871	0.465983	0.399986	
Present Value		(\$3,087,480)	(\$3,072,072)	(\$2,466,611)	(\$1,899,691)	(\$1,734,032)	\$1,436,057	-\$10,823,827.88
<b>Value Per Credit</b>								<b>-\$130,344.75</b>

Net Revenue Mitigation Credits	\$22,361,209
Indicated Present Value	(\$10,823,828)
Per Credit	(\$130,345)
<b>DCF Assumptions</b>	
Total Units	83.04
Periodic Disc. Factor	0.1650
Estimated Property Taxes/ Year	\$258,312
Sales and Admin Cost	5.00%
Credit Inflation Rate	3.00%

The final concluded value is negative. The negative value is -\$10,823,828 which equates to -\$130,345 per credit.

The result of this analysis of the potential mitigation bank sales program that has not been established demonstrates that the seller receives no benefit (value enhancement) if the seller/owner were to exercise their right to sell credits. In fact, the mitigation bank and requirements for remediation are a potential value detriment.

The establishment of the bank, if exercised, appears to be a vehicle to mitigate the decommissioning and remediation costs to establish the Los Cerritos Wetlands.

Please note, the sale of credits is assumed in Year 1, and this is not likely the case, as noted, it will take 4 to 5 years to decommission and restore the site. However, for purposes of demonstrating the sensitivity of the mitigation program an aggressive position is taken that allows sales of credits.

Lastly, this analysis was not used to support any concluded market value but was used to test the impact of a proposed mitigation bank on the concluded values. Taken to its logical conclusion, any negative value would be deducted from the previous reconciled value assuming the mitigation program and remediation efforts are implemented. However, this is speculative and not reasonable.

Overall, it can be concluded that the proposed mitigation bank has no impact on the value conclusions. Moreover, the compensatory mitigation credits represent intangible assets which is a business value. Therefore, this scenario was not considered.

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## CONCLUSION

Retaining the subject land for conservation purposes with the possibility of limited development is considered the most financially feasible alternative for the subject property. The conservation use can either be mandated by mitigation or implementation into a larger regional open space park system. This is reasonable based on the abundance of sensitive habitat located on the subject property.

## MAXIMALLY PROFITABLE

The question of maximum profitability more directly addresses market demand factors (potential buyers). This concept implies that within the range of potential uses for the property that will create positive residual land value, one use maximizes the residual land value. Because real estate markets are imperfect, it is difficult to identify one specific use over another. However, a preference in the market can be identified based on available participants (buyer pool).

## CONCLUSION

Based on current market conditions, as well as the subject's specific physical and legal characteristics, it was my opinion that the subject's maximally profitable use is conservation land (most likely as wetlands) to be implemented through an open space park system and/or a mitigation transaction to offset development impacts with limited development potential on the upland areas.

## HIGHEST AND BEST USE AS IMPROVED

The subject property – Site 2 is improved with facilities needed for the oil and gas operation; however, their contribution is nominal and an analysis of the Highest and Best Use - As Improved was not warranted.

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## VALUATION METHODOLOGY

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Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Income Approach
3. The Sales Comparison Approach

### **COST APPROACH**

The Cost Approach is summarized as follows:

Cost New  
- Depreciation  
+ Land Value  
= Value

### **INCOME APPROACH**

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

### **SALES COMPARISON APPROACH**

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

### **FINAL RECONCILIATION**

The appraisal process concludes with the final reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

### **METHODOLOGIES APPLIED**

The Cost Approach was considered and was not developed because the subject land is considered to be vacant land. The Sales Comparison Approach was considered and was developed because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type. The Income Approach was considered and was not developed as the subject was considered vacant land not generating income.

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## SALES COMPARISON APPROACH – SITE 1 (LCWA SITE)

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The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution, and externalities.

### LAND COMPARABLES

A search was completed in the subject area including land sales in Los Angeles County. The Highest and Best Use analysis provided the foundation for locating land comparables for use in the sales comparison approach. The conclusions of the Highest and Best Use analysis supported a reasonable, probable, and consistent use of the subject property for industrial use. I searched for land comparables with a similar highest and best use and overall orientation as the subject land. They included parcels of land that were purchased for industrial use. The underlying highest and best use is the same.

I have researched a total of six land comparables for this analysis; all of these land comparables are closed transactions. These land comparables are documented on the following pages followed by a location map and an analysis grid. Individual data sheets are found in the addenda. All land comparables have been researched through numerous sources (including, but not limited to, the county recorder's office, market data services, published reports, and personal contacts), and are physically inspected.

Comparisons of the comparables are made to the subject relative to differences or similarities in time, location, physical characteristics, and sales conditions. Percentage or dollar adjustments are then made to the selling and/or listing price of each comparable for property rights, financing, time of sale, and unusual sales conditions; quantitative comparisons are made for physical differences between each comparable and the subject. A range of values results from this approach. I correlated the range into a final value by selectively rating the land comparables as to their overall comparative value.

It is not the goal to find only the most similar land comparables. It is also helpful to find some that are obviously superior and inferior to the subject to provide an orientation for the most probable value. This technique is called “bracketing” and provides strong technical reasoning for the concluded value. An example of bracketing a value for land is shown below. Here I demonstrate the logic of finding land comparables with inferior, similar, and superior characteristics. When this is done correctly, the reconciled value can be reasonably concluded.

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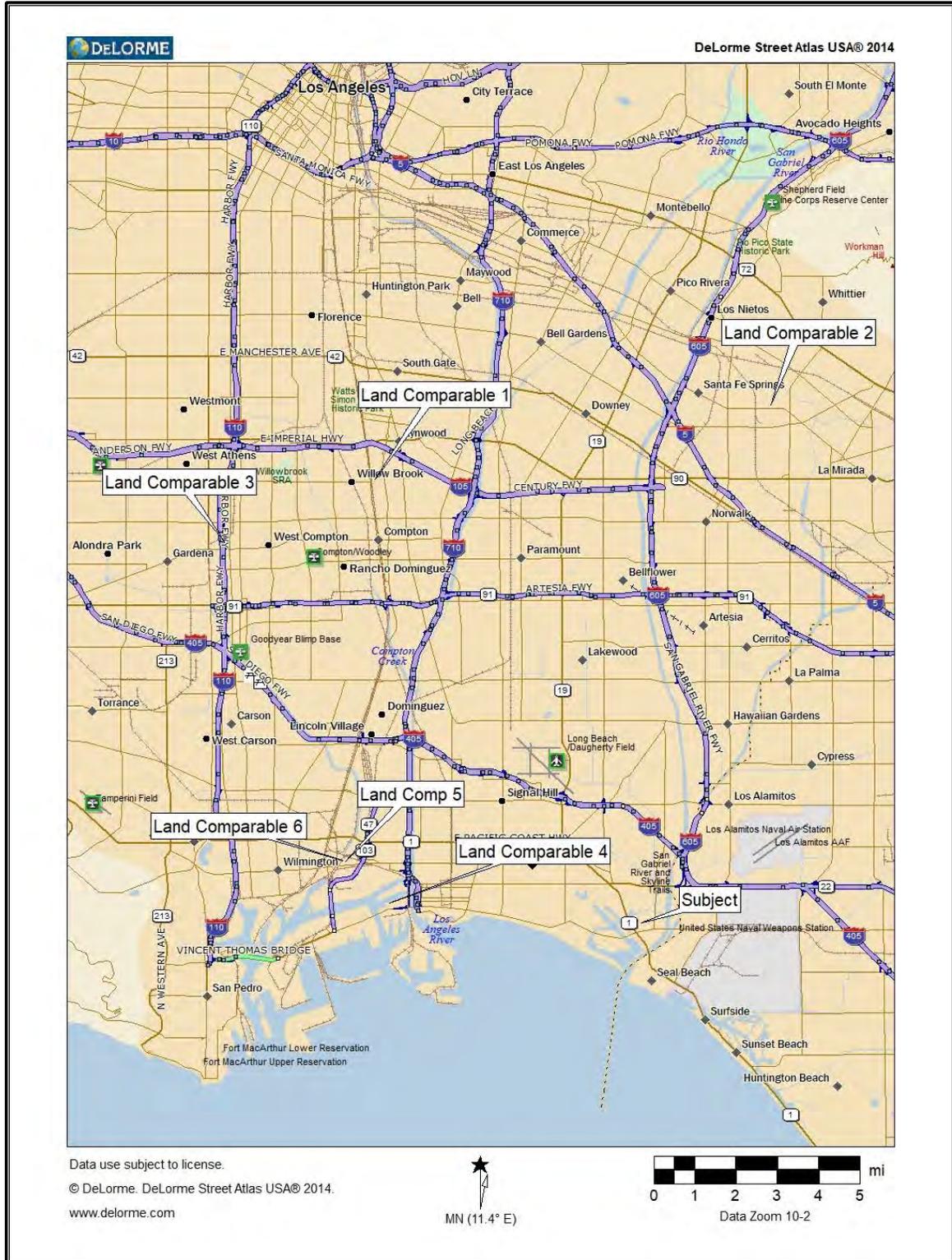
<b>COMPARABLE BRACKETING</b>				
<b>Characteristi</b>	<b>Subject</b>	<b>Comp 1</b>	<b>Comp 2</b>	<b>Comp 3</b>
Price	N/Ap	\$100,000	\$150,000	\$180,000
\$ / Acre	N/Ap	\$10,000	\$15,000	\$18,000
Topography	Rolling	Steep	Rolling	Level
Access	Paved Road	Dirt Road	Paved Road	Paved Road
<b>Overall Comparison</b>		<b>Inferior</b>	<b>Similar</b>	<b>Superior</b>

On the following pages, I have provided a summary table, location map, and photographs of the six land comparables used in my final analysis.

## LAND COMPARABLE LOCATION MAP

Land Comparables Summary						
Comp	Address City	Date Assessor Parcel No	Book/Page or Price	Land SF Price Per Land SF	Zoning Type Access	Sale Comments
1	400-406 E El Segundo Blvd Compton	2/17/2022 6169-025-023, -004	2022-0196079 \$3,600,000	47,916 \$75.13	Heavy Manufacturing Good; Paved	This property consists of two parcels totaling 1.10 acres and is located at 400-406 East El Segundo Blvd, Compton, Los Angeles County, CA. The property sold on February 17, 2022, for \$3,600,000. This equates to \$75.13 per square foot of land. The buyer was Monzon & Son Enterprises who provides construction trucking services. Topography is level, access is available via paved road - East El Segundo. All utilities are available.
2	10330 Greenleaf Ave City of Santa Fe Springs	10/21/2022 8011-005-013, -034	2022-1007492 \$12,100,000	123,710 \$97.81	Industrial Good; Paved	This sale includes two adjacent parcels totaling 2.84 acres and located in the City of Santa Fe Springs, Los Angeles County, CA. The property sold in two transactions on October 21, 2022, for \$12,100,000. This equates to \$97.81 per square foot. Topography is level, all utilities are available. Access is provided by paved roads - Greenleaf Avenue and Telegraph Road. On June 12, 2023, the buyer requested for approval to allow the construction of a new 57,489 square foot concrete tilt-up industrial building, and to consolidate the two existing parcels into a single parcel (LLA No. 2023-01 and DPA Case No. 1003).
3	555 W 152nd St Gardena	12/21/2021 6120-029-011	2021-1891158 \$3,705,000	52,272 \$70.88	Light Industrial Average; Paved	This property consists of one 1.20-acre parcel located at 555 W 152nd Street, Gardena, Los Angeles County, CA and sold on December 12, 2021, for \$3,705,000. This equates to \$70.88 per square foot. Topography is level. All utilities are available. The site is currently used as a parking lot.
4	1601 W. Water Street Long Beach	12/29/2021 7436-014-003, -004, -009	2021-1931289 \$65,517,000	879,912 \$74.46	Industrial Good; Paved	This property consists of three parcels on Pier D within the Port of Long Beach. The Parcels were sold primarily for land value. The sale price was \$65,517,000. This equates to \$74.46 per square foot. At the time of sale, eight leases were still in place, but were due to expire upon the closing of escrow. The entire site includes 28.81 acres of upland and submerged land.
5	N/O E. I Street; W/O Sampson Avenue Los Angeles	7/1/2021 Multiple APNs	2021-1032640 \$19,250,500	250,906 \$76.72	Heavy Industrial Good; Gravel & Dirt to site; very good access to SRs 103, 1, 47	This property sold on July 1, 2021, for \$19,250,500, or \$76.72 per square foot of land area. The property is being used as a parking lot for oil conservation. The motivation for the buyer was the value they saw in owning industrial land near the Port of Long Beach.
6	911 Sigsbee Avenue Wilmington	5/17/2021 7428-024-001, et al.	2021-0787010 \$3,500,000	46,609 \$75.09	Heavy Industrial Good; Gravel & Dirt	This property sold on May 17, 2021, for \$3,500,000, or \$74.96 per square foot of land area. This site is currently used as an auto salvage facility. The site has average access via gravel roads, and is also located east and south of railway services.

# LAND COMPARABLE MAP



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## LAND COMPARABLE PHOTOGRAPHS AND AERIALS



Land Comparable 1 – 400 El Segundo Blvd, Compton, CA



Land Comparable 1 – aerial



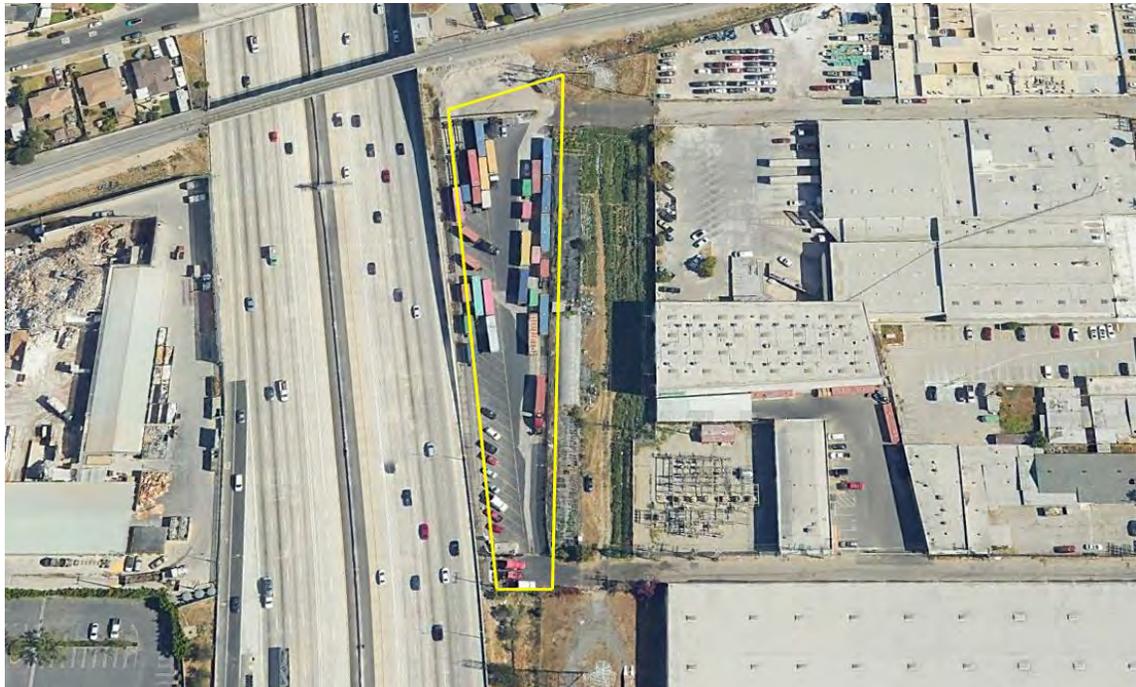
Land Comparable 2- 10330 Greenleaf Ave, Santa Fe Springs, CA



Land Comparable 2- aerial



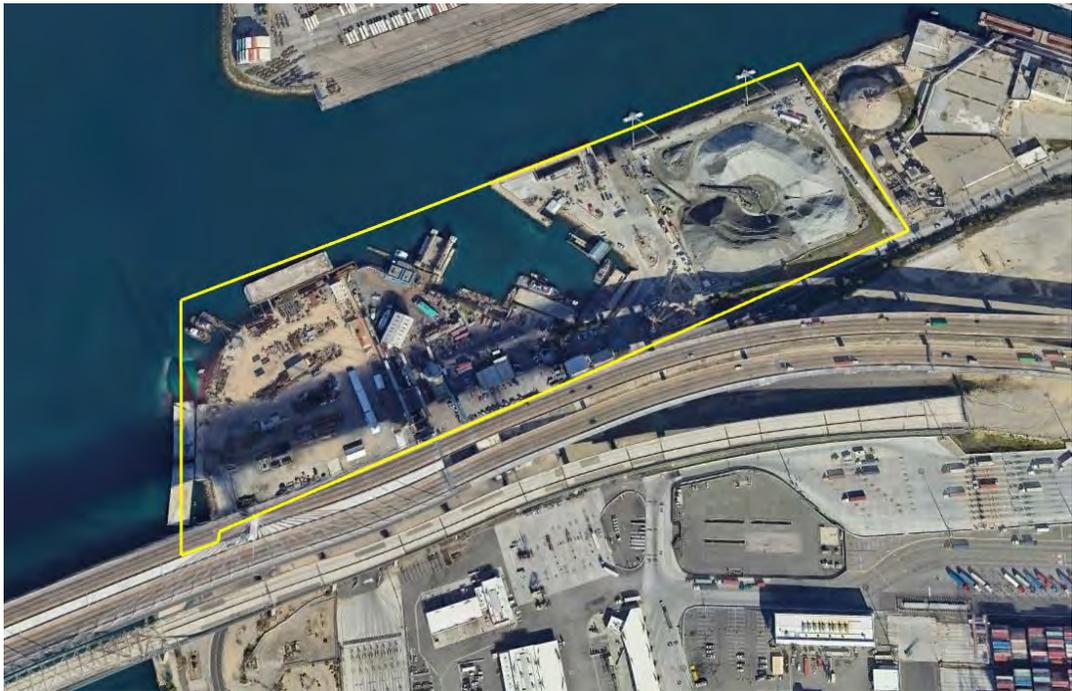
Land Comparable 3 – 555 W 152<sup>nd</sup> Street, Gardena, CA



Land Comparable 3 – aerial



Land Comparable 4 – 1601 W Water Street, Long Beach, CA



Land Comparable 4- aerial



Land Comparable 5 – E I Street, Los Angeles, CA



Land Comparable 5 - aerial



Land Comparable 6 – 911 Sigsbee Avenue, Wilmington, CA



Land Comparable 6 -aerial

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## **THE COMPARISON PROCESS**

In the comparison process, I take into consideration the financial and physical differences between each land comparables and the subject. Categories of adjustment and/or comparison included property rights conveyed, terms of sale, conditions of sale, buyer expenditures, market conditions, and physical characteristics. Specific physical characteristics included location, size/economies of scale, condition of the sites at the time of sale, utilities, and zoning.

The comparison process is fairly subject in nature primarily due to the many characteristics of value, variances in buyer/seller influences, imperfections in the market, etc. Adjustments and/or comparisons were my attempt to reflect value contributions of the various factors in the marketplace. Many of the comparisons of physical characteristics overlap and reflect overall desirability. The comparison grid for this portion of the analysis, which follows later, is an empirical format to simply lead the reader to a logical conclusion of my estimate of value.

The comparables were analyzed on a price per square foot basis, as this is the most applicable unit-of-comparison for the subject land with the corresponding highest and best use. Each comparable square footage was obtained from public records, published sales information, and/or other reliable sources. Once the per square foot value indicator was estimated, it was applied to subject parcel. The most reliable unit indicator for comparison purposes is the price per square foot.

## **PROPERTY RIGHTS**

The property right appraised was the Fee Simple Interest as encumbered subject to the Land Exchange Agreement (Draft Version 5-10-2024) including the condition of title for the Mitigation Bank Site and Revegetation Site and Public Access Improvement Site that a Conservation Easement may be recorded before, or after the Closing. Three of the comparables transferred the leased fee interest, the remaining three transferred the fee simple interest. The leased fee comparables (subject to a lease) were at market levels and had no impact, or influence on the purchase price. No adjustment is warranted. This is also supported by a paired analysis between the fee simple and leased fee comparables.

## **FINANCING (TERMS OF SALE)**

Terms of sale, or financing, include below market rates, buydowns, atypical payback periods, or any financing situations that are not commonly accepted within the marketplace. In the subject market, land is typically purchased either with all cash or the seller taking back a first trust deed with a large down payment (20% to 50%). In this case, all of the sales reflected, or will reflect upon sale, market terms and conventional financing and no adjustments were warranted.

## **CONDITIONS OF SALE**

Conditions of sale include any distressed influences, less than arm's length transactions, or other related influences that are not attributable to financing/terms of sale, market conditions, or

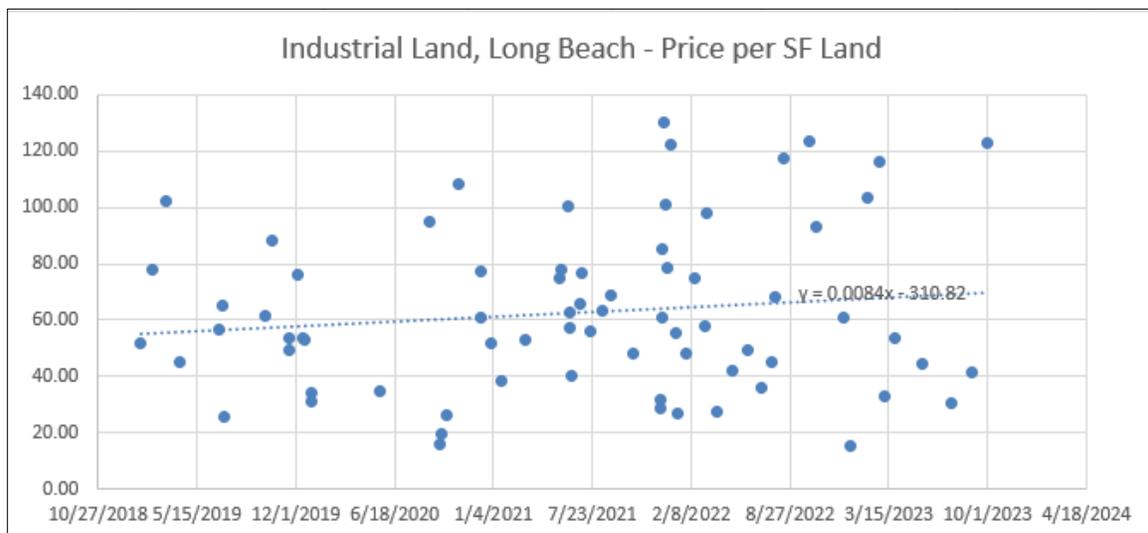
physical differences. All of the comparable sales reflected closed transactions and did not require any adjustments.

### BUYER EXPENDITURES

A knowledgeable buyer considers expenditures that will have to be made upon purchase of a property because these costs affect the price the buyer agrees to pay. Such expenditures may include the cost to demolish and remove buildings, cost to petition for a zoning change, escrow extension fees, or brokers fees paid by the buyer, among others. None of the comparables warrant an adjustment in this category.

### MARKET CONDITIONS (TIME OF SALE)

Market conditions (time of sale) adjustments take into consideration appreciation or depreciation that has occurred in the market. All six land comparables reflected closed sales. The comparables used in this analysis reflected sale dates from May 2021 to October 2022. Based on our analysis of industrial land sales in the subject's submarket, land values have increased by 28.25% over the last five years. This equates to a 5.65% increase per year. A market adjustment of 5.65% was considered reasonable and applied to all land comparables. In our analysis 72 land transactions have been used.



### PHYSICAL DIFFERENCES

After adjusting for the above characteristics, I compared the physical differences of the comparables to the subject. There is a myriad of physical features that can be reviewed by investors when purchasing vacant land. However, the features discussed below represent those that generally have the greatest effect on value or are most often a consideration. Note that location, size/economies of scale, condition of the sites at the time of sale, utilities, and zoning have a stronger impact on value than the remaining categories. Quantitative comments were made regarding any differences noted.

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## **LOCATION**

In the location category, I take into consideration the comparables' and subject's physical orientation to the surrounding area including proximity to local services and perceived desirability/market demand. All land comparables are located in the County of Los Angeles. Land Comparable 2 is located in the City of Santa Fe Springs. This area is known for its thriving industrial community which provides a wide range of options in manufacturing, distribution, and logistics. This comparable was considered superior to the subject. All other land comparables were considered similar to the subject, and adjustments were warranted.

## **SIZE / ECONOMIES OF SCALE**

Size/economies of scale reflects the fact that a larger parcel will typically sell for a lower price per square foot, while a smaller parcel with a similar location and utility will typically sell for a higher price per square foot. The subject site 1 reflects an industrial site of 4.87 acres or 212,137.20 square feet. The land comparables range in size from 1.10 acres to 20.20 acres, bracketing the subject's size of 4.87 acres. Land Comparable 4 has a site size of 20.20 acres and was considered inferior to the subject. All other Land Comparables ranged from 1.10 acres to 5.76 acres and were considered similar to the subject.

## **SITE CONDITION**

Site Condition reflects the site's physical condition for development. Some sites are in raw condition and require grading to allow for development. Some sites are in a finished or rough-graded condition where nominal grading is required to begin construction. In this case, the subject is considered a rough-graded condition and is ready for development. All of the sales were in rough-graded condition; however, Land Comparable 3 and Land Comparable 4 were paved lots and were considered superior in this respect.

## **ACCESS**

Access reflects the availability of streets and thoroughfares to the property. This is important for industrial properties for exposure and customer convenience. In this case, the subject is on the corner of 2<sup>nd</sup> Street and North Studebaker Road. Land Comparable 1 and 3 had a limited access and were considered slightly inferior and inferior. All other comparables had good access and were similar to the subject.

## **UTILITIES**

In terms of the utilities, this category reflects a property's accessibility to the local infrastructure. When analyzing sites, basic utilities are required (electricity, water, sewer, and telecommunications). Availability of utility services enhances a site's overall desirability because it increases the alternative uses. In the subject's case, all utilities are available. This was the case for all the land comparables; therefore, no comparative differences were noted in terms of utilities.

## **ZONING**

This comparative category of zoning reflects the allowed uses of the site comparable as compared to the subject site in addition to the underlying highest and best use. Land Comparables 1, 5 and 6 had Heavy industrial zoning and were considered slightly superior to the subject. All other Land Comparables had industrial zoning as the subject and were considered similar in this respect.

**SALES COMPARISON APPROACH CONCLUSION – LAND VALUATION**

A total of six land comparables were used in the sales comparison approach to land value. The comparable data were sufficient in quality and quantity to estimate the subject’s market value with many physical and non-physical characteristics analyzed in the valuation process.

The comparables had an unadjusted price per square foot range of \$70.88 to \$97.81. There were no adjustments for property rights or financing. Based on our analysis, a market adjustment of 5.65% per year was considered reasonable and applied to Land Comparables 1 – 6. The indicated adjusted price per square foot ranged from \$80.70 to \$106.38. The central tendency of these six indicators is \$89.10 per square foot.

Land Comparable 2 (\$106.38/per square foot), Land Comparable 5 (\$89.66/per square foot), and Land Comparable 6 (\$88.35/per square foot) were considered superior and slightly superior to the subject due to location and allowed uses. It was reasonable to reconcile the price per square foot below these indicators. Land Comparables 1, 3, and 4 were considered overall similar and ranged from \$80.70 to \$84.80 per square foot. It was reasonable to reconcile near these indicators. The subject can support a land value of \$85.00 per square foot.

LAND COMPARABLE ARRAY TABLE		
Land Comparable	Comparability to Subject	Price Per Land SF Indicator
2	Superior	\$106.38
5	Sl. Superior	\$89.66
6	Sl. Superior	\$88.35
<b>Subject</b>	-	<b>\$85.00</b>
1	Similar	\$84.80
4	Similar	\$84.68
3	Similar	\$80.70

**Market Value -Subject Land**

**INDICATED VALUE PER SQUARE FOOT:** \$85.00  
**NET SUBJECT SIZE:** 212,137.20 square feet, or 4.87± acre(s)  
**INDICATED VALUE:** \$18,031,662  
**INDICATED VALUE (ROUNDED):** \$18,030,000  
**Eighteen Million Thirty Thousand Dollars**

Land Comparables Adjustment Grid														
Land Analysis Grid		Comp 1	Comp 2		Comp 3		Comp 4		Comp 5		Comp 6			
Address	NEC of 2nd St & N Studebaker	400-406 E El Segundo Blvd	10330 Greenleaf Ave		555 W 152nd St		1601 W. Water Street		N/O E. I Street; W/O Sampson Avenue		911 Sigsbee Avenue			
City	Long Beach	Compton	City of Santa Fe Springs		Gardena		Long Beach		Wilmington		Wilmington			
State	CA	CA	CA		CA		CA		CA		CA			
Date	5/1/2024	2/17/2022	10/21/2022		12/21/2021		12/29/2021		7/1/2021		5/17/2021			
Price	--	\$3,600,000	\$12,100,000		\$3,705,000		\$65,517,000		\$19,250,500		\$3,500,000			
Land SF	212,137	47,916	123,710		52,272		879,912		250,906		46,609			
Price Per SF	-	\$75.13	\$97.81		\$70.88		\$74.46		\$76.72		\$75.09			
Transaction Adjustments														
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Leased Fee	0.0%	Leased Fee	0.0%	Leased Fee	0.0%	
Financing	Cash	Cash	0.0%	cash	0.0%	Cash	0.0%	Conventional	0.0%	Cash	0.0%	Conventional	0.0%	
Conditions of Sale	Normal	Normal	0.0%	Normal	0.0%	Normal	0.0%	Normal	0.0%	Normal	0.0%	Normal	0.0%	
Adjusted Land SF Unit Price		\$75.13	\$97.81		\$70.88		\$74.46		\$76.72		\$75.09			
Market Trends Through	5/1/2024	5.65%	12.9%		8.8%		13.9%		13.7%		16.9%		17.7%	
Adjusted Land SF Unit Price		\$84.80	\$106.38		\$80.70		\$84.68		\$89.66		\$88.35			
Subsequent Trends Ending	5/1/2024	0.0%	0.0%		0.0%		0.0%		0.0%		0.0%			
Adjusted Land SF Unit Price		\$84.80	\$106.38		\$80.70		\$84.68		\$89.66		\$88.35			
Location	Good	Good	V Good		Good		Good		Good		Good			
Comparison		Similar	Superior		Similar		Similar		Similar		Similar			
Acres	4.87	1.10	2.84		1.20		20.20		5.76		1.07			
Comparison		Similar	Similar		Similar		Inferior		Similar		Similar			
Condition	Rough Graded	Rough Graded	Rough Graded		Paved/Graded		Paved/Graded		Rough Graded		Rough Graded			
Comparison		Similar	Similar		Superior		Superior		Similar		Similar			
Access	Good; Paved	Average; Paved	Good; Paved		Average; Paved		Good; Paved		Good; Gravel & Dirt		Good; Gravel & Dirt			
Comparison		Sl. Inferior	Similar		Inferior		Similar		Similar		Similar			
Utilities	All utilities	All utilities	All utilities		All utilities		All Available		All Available		All Available			
Comparison		Similar	Similar		Similar		Similar		Similar		Similar			
Zoning Type	Industrial	Heavy Manufacturing	Industrial		Light Industrial		Industrial		Heavy Industrial		Heavy Industrial			
Comparison		Sl. Superior	Similar		Similar		Similar		Sl. Superior		Sl. Superior			
Overall Comparison		Similar	Superior		Similar		Similar		Sl. Superior		Sl. Superior			
Adjusted Land SF Unit Price		\$84.80	\$106.38		\$80.70		\$84.68		\$89.66		\$88.35			

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## SALES COMPARISON APPROACH – SITE 2 (SYNERGY OIL SITE)

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Site 2 (Synergy Oil Site) consists of seven legal parcels of land totaling 150.50 net acres and includes 147.50 acres of wetlands and 3.00 acres of disturbed land.

### **LAND COMPARABLES (WETLANDS)**

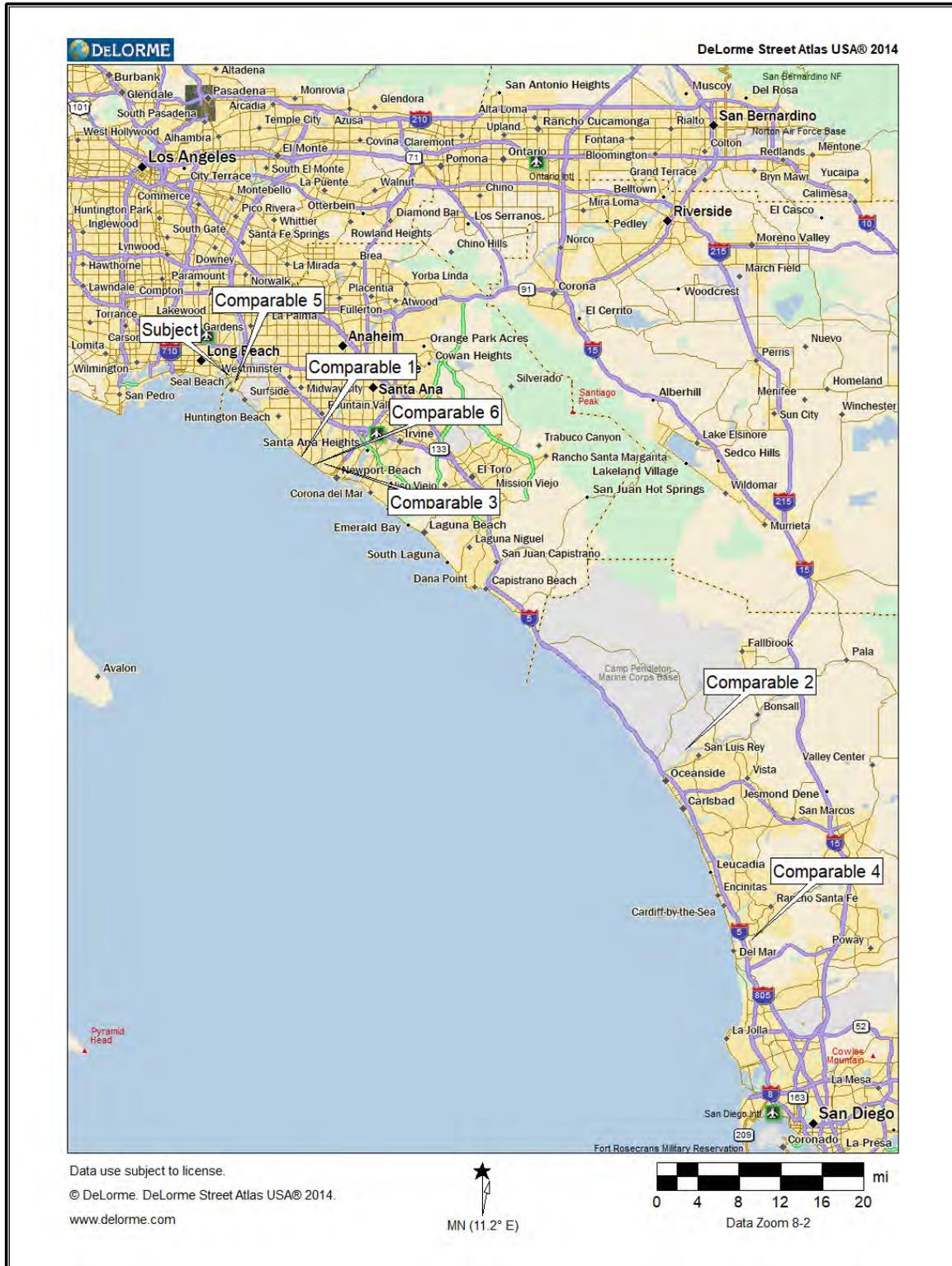
A search was completed in the subject area including land sales in the Los Angeles County, Orange County, and San Diego Counties. The Highest and Best Use analysis provided the foundation for locating land comparables for use in the sales comparison approach. The conclusions of the Highest and Best Use analysis supported a reasonable, probable, and consistent use of the subject property as wetlands. I searched for land comparables with a similar highest and best use and overall orientation as the subject land. They included parcels of land that are purchased for conservation (wetlands) purposes. The underlying highest and best use is the same.

I have researched a total of six land comparables for this analysis; all of these land comparables are closed transactions. These land comparables are documented on the following pages followed by a location map and an analysis grid. Individual data sheets are found in the addenda. All land comparables have been researched through numerous sources (including, but not limited to, the county recorder's office, market data services, published reports, and personal contacts), and are physically inspected.

On the following pages, I have provided a summary table, location map, and photographs of the six land comparables used in my final analysis.

Land Comparables Summary						
	Address	Date	Book/Page or Reference Doc	Acres	Zoning	
Comp	City	Assessor Parcel No	Price	Price Per Acre	Zoning Type	Sale Comments
1	Pacific Coast Hwy & Beach Blvd Huntington Beach	6/14/2021 multiple APNs	2021-000391978 \$2,460,000	44.33 \$55,493	CC Coastal Conservation	The approximately 44.33-acre Newland Marsh property was acquired by the Coastal Conservancy from the California Department of Transportation and transferred to the Huntington Beach Wetlands Conservancy for permanent ownership and management as wetlands. The property consists of nine parcels of vacant land totaling 44.33 acres and sold on June 14, 2021, for \$2,460,000. This equates to \$55,495 per acre. The Newland Marsh is a component of the 180-acre Huntington Beach Wetlands and is comprised of relict coastal salt marsh.
2	Muirfield Dr Oceanside	6/30/2017 158-010-32-00	2017-0297043 \$1,560,000	31.27 \$49,888	RE-B Residential	This property consists of one legal parcel featuring 31.27 acres of undeveloped land located on the northern side of the San Luis Rey River, just 1,412 feet west of Whelan Lake, in the City of Oceanside, County of San Diego. This parcel was acquired by the Buena Vista Audubon Society for conservation purposes in June 2017. The purchase price was \$1,560,000, or \$49,888 per acre. Buena Vista Audubon Society is a non-profit organization that protects and preserves the natural ecosystem of our community.
3	E/O Santa Ana River Channel, N/O Pacific Coast Hwy Costa Mesa	12/16/2022 multiple APNs	2022-000410380 \$7,900,000	143.56 \$55,029	R4(O)FP-2/M1 Mixed Use	The comparable includes 143.56 acres of wetlands and is a portion of the property, previously known as Banning Ranch. The entire property consists of 14 parcels and has a combined area of 401.0 acres. The property sold to Mountains Recreation and Conservation Authority on December 16, 2022, for \$97,000,000. The allocated value to the wetlands was estimated at \$7,900,000. This equates to \$55,029 per acre. This area is a lowland area and includes vernal pools, degraded wetlands and marsh habitat.
4	N/O El Camino Real San Diego	11/26/2008 304-020-16, -13	2008-0610933 \$4,253,000	75.36 \$56,436	OF-1-1 Open Space-Floodplain	The approximately 75.36-acre San Dieguito Lagoon property was acquired by the San Dieguito River Valley Regional Open Space Park Joint Powers Authority on November 26, 2008, for \$4,253,000 for future San Dieguito Park restoration and enhancement. This equates to \$56,707 per acre. The property is adjacent to the 400-acre San Dieguito Wetland Restoration project and has been partially designated as Multiple Habitat Plan Area in the City of San Diego Multiple Species Conservation Program.
5	W/O Pacific Coast Hwy Seal Beach	12/28/2010 multiple APNs	2010-0000700758 \$5,150,000	100.07 \$51,464	OS-N Open Space/Natural	This 100.03-acre parcel of vacant land sold on December 28, 2010, to Los Cerritos Wetlands Authority for \$5,150,000. This equates to \$51,485 per acre. The property consisted of degraded wetlands at the time of sale and there was a significant oil production on the site. This site is a part of the larger Los Cerritos Wetlands Complex and was acquired for wetland/habitat restoration purposes.
6	NWC of Pacific Coast Hwy & Brookhurst St Huntington Beach	3/20/2008 multiple APNs	2008-000130170 \$865,000	16.60 \$52,108	CC Coastal Conservation	This comparable consists of seven parcels totaling 16.60 acres of vacant land. The property sold on March 20, 2008, for \$835,000. This equates to \$50,241 per acre. The property is within the Brookhurst Marsh which is a portion of the Huntington Beach Wetlands Complex. This area is a sensitive habitat area that has degraded over time due to isolation from tides, encroachment, neglect, unauthorized access and historic oil exploration and filling.

# LAND COMPARABLE MAP

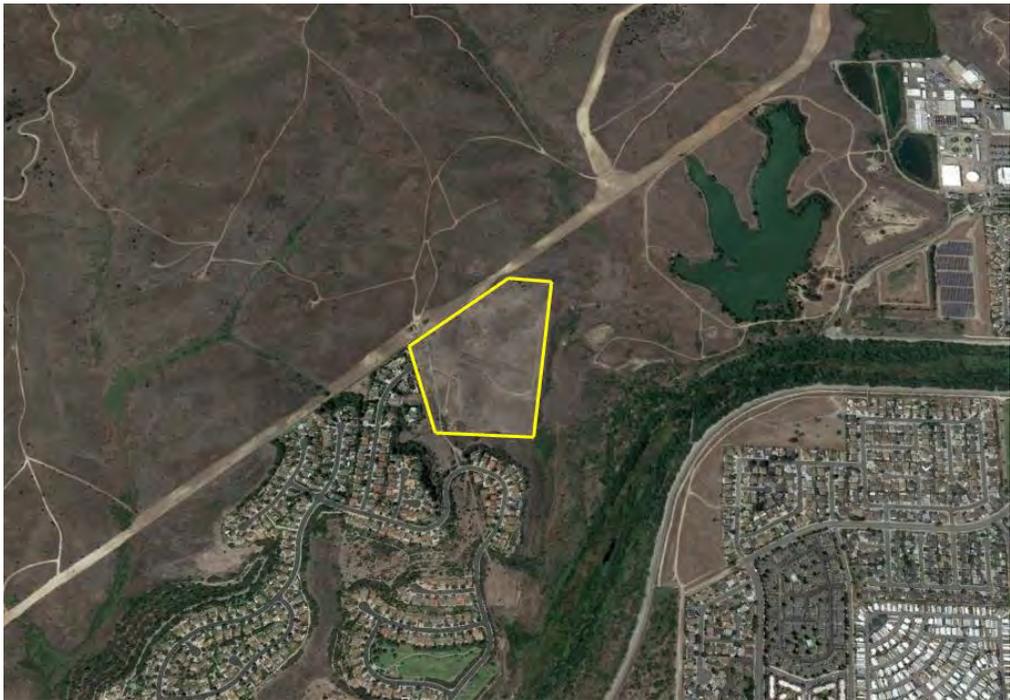


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## LAND COMPARABLE AERIALS



Land Comparable 1 – Newland Marsh



Land Comparable 2- Oceanside



Land Comparable 3 – Randall Preserve



Land Comparable 4- San Dieguito Lagoon



Land Comparable 5 – Los Cerritos Wetlands



Land Comparable 6 - Brookhurst Marsh

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## **THE COMPARISON PROCESS**

In the comparison process, I take into consideration the financial and physical differences between each land comparables and the subject. Categories of adjustment and/or comparison included property rights conveyed, terms of sale, conditions of sale, buyer expenditures, market conditions, and physical characteristics. Specific physical characteristics included location, size/economies of scale, zoning, and soil condition.

The comparison process is fairly subject in nature primarily due to the many characteristics of value, variances in buyer/seller influences, imperfections in the market, etc. Adjustments and/or comparisons were my attempt to reflect the value contributions of the various factors in the marketplace. Many of the comparisons of physical characteristics overlap and reflect overall desirability. The comparison grid for this portion of the analysis, which follows later, is an empirical format to simply lead the reader to a logical conclusion of my estimate of value.

The comparables were analyzed on a price-per-acre basis, as this is the most applicable unit-of-comparison for the subject land with the corresponding highest and best use. Each comparable acreage was obtained from public records, published sales information, and/or other reliable sources. Once the per acre value indicator was estimated, it was applied to the subject parcel. The most reliable unit indicator for comparison purposes is the price per acre.

### **PROPERTY RIGHTS**

The property right appraised was the Fee Simple Interest as encumbered subject to the Land Exchange Agreement (Draft Version 5-10-2024) including the condition of title for the Mitigation Bank Site and Revegetation Site and Public Access Improvement Site that a Conservation Easement may be recorded before, or after the Closing. All of the land comparables transferred the fee simple interest, and no adjustments were warranted.

### **FINANCING (TERMS OF SALE)**

Terms of sale, or financing, include below-market rates, buydowns, atypical payback periods, or any financing situations that are not commonly accepted within the marketplace. In the subject market, land is typically purchased either with all cash or the seller taking back a first trust deed with a large down payment (20% to 50%). In this case, all of the sales reflected, or will reflect upon sale, market terms, and conventional financing and no adjustments were warranted.

### **CONDITIONS OF SALE**

Conditions of sale include any distressed influences, less than arm's length transactions, or other related influences that are not attributable to financing/terms of sale, market conditions, or physical differences. All of the comparable sales reflected closed transactions and did not require any adjustments.

### **BUYER EXPENDITURES**

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A knowledgeable buyer considers expenditures that will have to be made upon purchase of a property because these costs affect the price the buyer agrees to pay. Such expenditures may include the cost to demolish and remove buildings, cost to petition for a zoning change, escrow extension fees, or brokers fees paid by the buyer, among others. None of the comparables warrant an adjustment in this category.

### **MARKET CONDITIONS (TIME OF SALE)**

Market conditions adjustments take into consideration appreciation or depreciation that has occurred in the market. Ultimately this is the relationship between supply and demand. Please note, the underlying highest and best use for each sale is similar to the subject's as open space/conservation. This is the most restrictive use with little or no development potential. In this respect, while most "developable" properties are subject to the typical market conditions due to down and up real estate cycles – conservation land is far less subject to these influences because of the limited development potential. In effect, because the highest and best use is for open space/conservation (wetlands) does not necessarily reflect traditional real estate economic influences, thus the comparables were not adjusted.

### **PHYSICAL CHARACTERISTICS**

After adjusting for the above non-physical characteristics, I compared the physical differences of the land comparables to the subject. There is a myriad of physical features that can be reviewed by investors when purchasing vacant land. However, the features discussed below represent those that generally have the greatest effect on value or are most often a consideration. As noted, open space/conservation land has little differences in the highest and best use, and the most notable market differences are represented in the utility of the site vs. non-utility of the site. This has been considered in the adjustment process.

#### **LOCATION**

When looking at location, I take into consideration a property's orientation to the surrounding area. The subject property is located within the Los Cerritos Wetlands Complex in Long Beach, Los Angeles County. Land Comparable 1 – Newland Marsh is located in Orange County and is a component of the 180-acre Huntington Beach Wetlands, historically part of a large Santa Ana River mouth coastal wetland system; Land Comparable 3 is located in Orange County and is part of a larger project known as a Randall Preserve; Land Comparable 4 – San Dieguito Lagoon is located in San Diego County and is adjacent to the 400-acre San Dieguito Wetland Project; Land Comparable 5 is located in Orange County and is a part of Los Cerritos Wetlands Complex. Land Comparable 6 is located in Huntington Beach, Orange County, and is within the Huntington Beach Wetlands Complex. All these comparables were considered similar to the subject in terms of location. Land Comparable 2 is located in Oceanside, San Diego County on the northern side of San Luis Rey River. This Comparable was considered inferior to the subject property.

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#### SIZE/ECONOMIES OF SCALE

Size/economies of scale reflect the fact that a larger parcel will typically sell for a lower price per acre, while a smaller parcel with a similar location and utility will typically sell for a higher price per acre. The subject consists of a total of 147.50 acres (wetlands). The land comparables ranged in size from 16.60 to 143.56 acres. As there is no potential for development, land comparables do not warrant the size adjustment.

#### ZONING

Zoning reflects a property's allowed uses and usable area for development. The subject property (Synergy Oil Site) has an SP-2-CHWR (Coastal Habitat, Wetlands, and Recreation) zoning. The General Plan designation for the subject property is Open Space and allows for parks, beaches, golf courses, marinas, flood control channels, and basins, rivers, utility rights-of-way, oil islands, inland bodies of nature, nature preserves, marine habitats, estuaries, wetlands, and lagoons. Land Comparables 1, 3, 4, 5, and 6 had Open Space/Floodplain/Coastal Conservation zoning designation and were considered similar to the subject. Land Comparable 2 had Residential Estate zoning within the City of Oceanside, however, all land comparables had no potential for development and no adjustments were deemed necessary.

#### CONTAMINATION

Properties containing environmental issues such as contamination are considered inferior to the properties with no environmental issues. Land Comparable 5 and 6 were considered inferior due to environmental contamination from oil production present at the time of sale. All other land comparables were considered to be similar to the subject.

#### **SALES COMPARISON APPROACH CONCLUSION – LAND VALUATION**

A total of six land comparables were used in the sales comparison approach to land value. The comparable data were sufficient in quality and quantity to estimate the subject's market value with many physical and non-physical characteristics analyzed in the valuation process.

The comparables had an unadjusted price per acre range of \$49,888 to \$56,436. There were no adjustments for property rights, market trends, or financing. The adjusted range remained the same.

Land Comparable 2 (\$49,888/acre), Land Comparable 5 (\$51,464/acre) and Land Comparable 6 (\$52,108/acre) were considered inferior due to location and environmental issues. It was reasonable to reconcile the price per acre above these indicators. Land Comparables 1, 3, and 4 were considered overall similar and ranged from \$55,493 to \$56,436 per acre. It was reasonable to reconcile near these indicators. The subject can support a land value of \$55,000 per acre.

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<b>LAND COMPARABLE ARRAY TABLE</b>		
<b>Land Comparable</b>	<b>Comparability to Subject</b>	<b>Price Per Acre</b>
4	Similar	\$56,436
1	Similar	\$55,493
3	Similar	\$55,029
<b>Subject</b>	-	<b>\$55,000</b>
6	Inferior	\$52,108
5	Inferior	\$51,464
2	Inferior	\$49,888

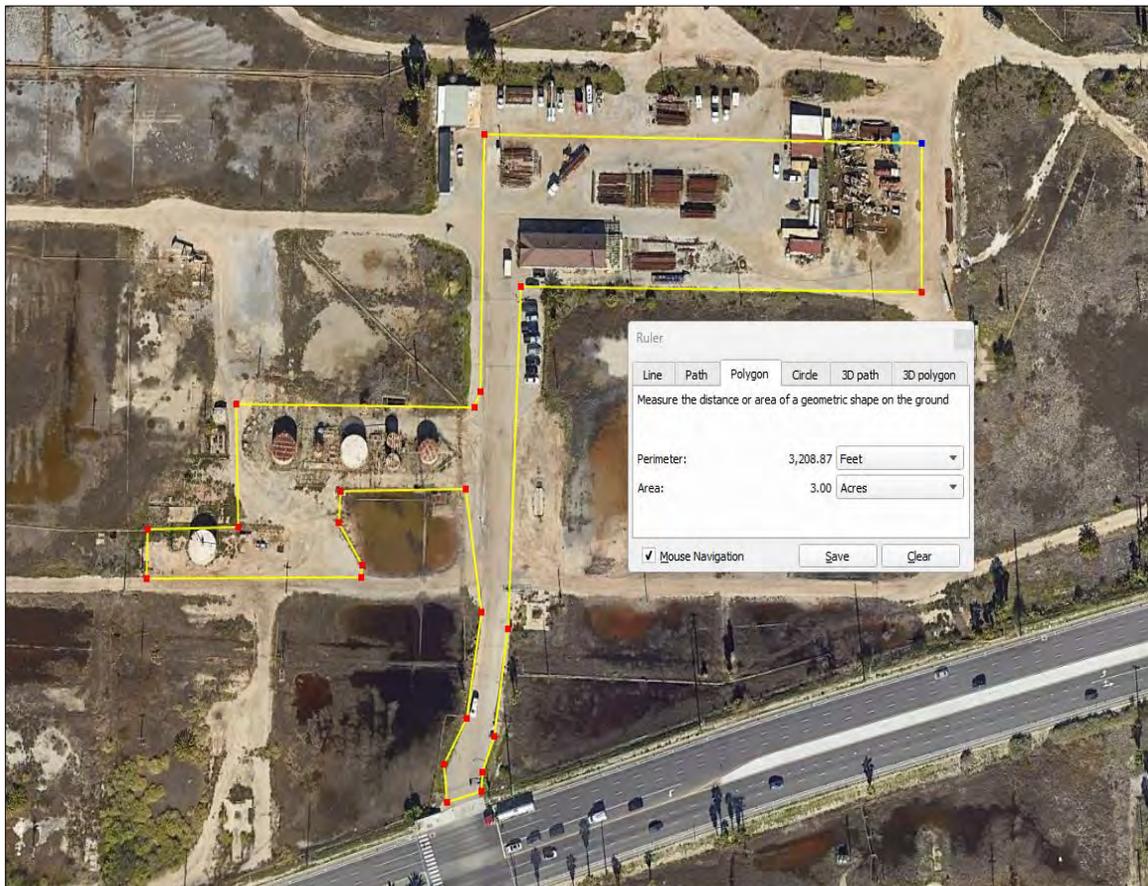
**Market Value -Subject Land**

**INDICATED VALUE PER ACRE:** \$55,000  
**NET SUBJECT SIZE:** 147.50± acre(s)  
**INDICATED VALUE:** \$8,112,500  
**INDICATED VALUE (ROUNDED):** \$8,110,000  
**Eight Million One Hundred Ten Thousand Dollars**

Wetlands Comparables Adjustment Grid														
Land Analysis Grid			Comp 1		Comp 2		Comp 3		Comp 4		Comp 5		Comp 6	
Address	NWC of 2nd St & Pacific Coast Hwy		Pacific Coast Hwy & Beach Blvd		Muirfield Dr		E/O Santa Ana River Channel, N/O Pacific		N/O El Camino Real		W/O Pacific Coast Hwy		NWC of Pacific Coast Hwy & Brookhurst St	
County	Los Angeles		Orange		San Diego		Orange		San Diego		Orange		Orange	
State	CA		CA		CA		CA		CA		CA		CA	
Date	5/1/2024		6/14/2021		6/30/2017		12/16/2022		11/26/2008		12/28/2010		3/20/2008	
Price	--		\$2,460,000		\$1,560,000		\$7,900,000		\$4,253,000		\$5,150,000		\$865,000	
Acres	147.50		44.33		31.27		143.56		75.36		100.07		16.60	
Price per Acre	-		\$55,493		\$49,888		\$55,029		\$56,436		\$51,464		\$52,108	
<b>Transaction Adjustments</b>														
Property Rights	Fee Simple		Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Cash		Cash	0.0%	Cash	0.0%	Cash	0.0%	Cash	0.0%	Cash	0.0%	Cash	0.0%
Conditions of Sale	Normal		Normal	0.0%	Normal	0.0%	Normal	0.0%	Normal	0.0%	Normal	0.0%	Normal	0.0%
<b>Adjusted Acre Unit Price</b>			\$55,493		\$49,888		\$55,029		\$56,436		\$51,464		\$52,108	
Market Trends Through	5/1/2024	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Adjusted Acre Unit Price</b>			\$55,493		\$49,888		\$55,029		\$56,436		\$51,464		\$52,108	
Subsequent Trends Ending	5/1/2024	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Adjusted Acre Unit Price</b>			\$55,493		\$49,888		\$55,029		\$56,436		\$51,464		\$52,108	
Location	Average		Average		Average		Average		Average		Average		Average	
Comparison			Similar		Inferior		Similar		Similar		Similar		Similar	
Acres	147.50		44.33		31.27		143.56		75.36		100.07		16.60	
Comparison			Similar		Similar		Similar		Similar		Similar		Similar	
Zoning Type	Open Space		Coastal Conservation		Residential		Open Space		Open Space-Floodplain		Open Space/Natural		Coastal Conservation	
Comparison			Similar		Similar		Similar		Similar		Similar		Similar	
Contamination	None		None		None		None		None		Contaminated		Contaminated	
Comparison			Similar		Similar		Similar		Similar		Inferior		Inferior	
<b>Overall Comparison</b>			Similar		Inferior		Similar		Similar		Inferior		Inferior	
<b>Adjusted Acre Unit Price</b>			\$55,493		\$49,888		\$55,029		\$56,436		\$51,464		\$52,108	

## MARKET VALUE ASSUMING TRANSITIONAL USE FOR FUTURE VISITOR CENTER

As it was noted, Site 2 (Synergy Oil Site) includes 3.00 acres of disturbed “usable” land that is outside of wetlands. This area will not be encumbered by a conservation easement and is proposed for the future visitor center in the next ten years. See Highest and Best Use – Physically Possible.



This 3.00 acres of usable land is a portion of larger parcels identified by APNs 7237-017-013 and 7237-017-019 owned by Los Cerritos Wetlands LLC. This area is zoned SP-2-CHWR (Coastal Habitat/Wetlands/Recreation) by the City of Long Beach and is within the Southeast Area Specific Plan and Coastal Zone. Under the current zoning designation, ongoing oil operations are permitted. I have assumed the transitional use for the future visitor center is for continued oil and gas operation on a 3.0-acre parcel, which is similar to the industrial land sales used in our analysis. It should be noted that this area is valued for its contribution to the Larger Area and a separate value is allocated because of its distinct use when compared to the remaining wetlands area.

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The primary use of the visitor center is for oil and gas operation, but within the surrounding uses denoting wetland. The full development potential of this visitor center area (oil and gas) is diminished. This also considers the site shape which is essentially a “dual” flag lot with a main entry and two usable development areas. This is not ideal in the market, but also not atypical. Flag, or irregular shaped industrial lots are also reflected in Comparables 3, 4, 5, and 6. Using the existing comparables it is reasonable to support a price per square foot toward the mid to lower end of the range which considers the 1) dual flag-shaped lot and 2) limited development potential due to the lack of access and industrial synergies within a wetlands area. I have reconciled a price per square foot of \$81.00 derived for Sales Comparison Approach Site 1 (LCWA Site – Industrial Site). This is well supported by Industrial Comparable 3 (\$80.70 after market conditions) which is used primarily for storage (less development potential) and has an irregular less efficient lot shape.

In addition, I have considered that the site is improved with a 3,300-square-foot administrative building. The remaining area is improved with temporary buildings used for storage. These improvements do not have a contributory value to the underlying land and will be demolished. This is typical for industrial lots that often have older facilities, not in use, and have no contributory value. However, I have made an allowance for lot split adhering to the intent of the exchange agreement to separate this 3-acre area for a future visitor center. This is estimated at \$50,000 for legal and survey costs.

As noted earlier, the Larger Parcel implies a bifurcated use with both wetlands and industrial. Consideration was given to the impact on the remainder. In this case, the remainder is the wetlands areas after the lot split. The 3.00-acre visitor center is disturbed lands. They have no existing wetlands use and are not proposed for future wetlands. Therefore, the remainder wetlands area is not impacted by the proposed visitor center and therefore no damages to the remainder.

I have completed a present value calculation because the Visitor Center will only be part of the Synergy ownership for 4-years. The center will be transferred.

The present value of the 3.0-acre portion can be calculated using the formula for compound interest:

$$PV = FV / (1+r)^n$$

Where:

FV – Future Value

PV – Present Value

r- the discount rate, expressed as a decimal

n- the number of periods, the time in years.

The present value of \$10,535,080 ((\$81.00/sf x 130,680 sf (3.0 acres) - \$50,000 (lot split costs)= \$10,535,080) discounted by 10% over 4 years, is \$7,195,601, or \$7,200,000 (rounded).

The following table summarizes prevailing land lease capitalization and discount rates<sup>14</sup>. The initial rates of return are based on values for vacant land proposed for development. Our research indicates land investors report discount rate requirements in the 6.98% to 19.00% range, averaging approximately 10.62%. For our analysis, a discount rate of 10.00% was applied.

Property Type	Capitalization Rates			Discount Rates		
	Min.	Max.	Avg.	Min.	Max.	Avg.
Apartments	4.38%	11.28%	8.70%	6.98%	11.78%	9.70%
Golf	5.10%	16.50%	10.81%	7.70%	17.00%	11.81%
Health Care/Senior Housing	5.18%	12.58%	9.30%	7.78%	13.08%	10.30%
Industrial	4.95%	12.28%	9.09%	7.55%	12.78%	10.09%
Lodging	5.30%	16.35%	9.37%	7.90%	16.85%	10.37%
Mobile Home/RV Park	5.00%	14.98%	9.96%	7.60%	15.48%	10.96%
Office	4.95%	12.15%	8.85%	7.55%	12.65%	9.85%
Restaurant	5.40%	18.50%	10.75%	8.00%	19.00%	11.75%
Retail	4.65%	12.38%	9.25%	7.25%	12.88%	10.25%
Self-Storage	4.95%	12.38%	10.13%	7.55%	12.88%	11.13%
Special Purpose	5.34%	18.50%	10.92%	7.77%	20.54%	11.09%
All Properties	4.38%	18.50%	9.74%	6.98%	19.00%	10.62%

\*4th Quarter 2023 Data Copyright 2024 RealtyRates.com™

**Market Value assuming transitional use for future visitor center**

**NET SUBJECT SIZE:** 3.00± acre(s)  
**INDICATED VALUE:** \$7,195,601  
**INDICATED VALUE (ROUNDED):** \$7,200,000  
**Seven Million Two Hundred Thousand Dollars**

The Client also requested a market value per ownership. This information is presented below.

<sup>14</sup> Realty Rates – 1<sup>st</sup> Q 2024

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**Market Value**

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**OWNERSHIP:** *Los Cerritos Wetlands Authority*

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**INDICATED VALUE PER ACRE:** \$85.00  
**NET SUBJECT SIZE:** 4.87± acre(s)  
**INDICATED VALUE:** \$18,031,662  
**INDICATED VALUE (ROUNDED):** \$18,030,000  
**Eighteen Million Thirty Thousand Dollars**

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**Market Value - Components**

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**OWNERSHIP:** *Los Cerritos Wetlands LLC*

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**INDICATED VALUE PER ACRE:** \$55,000  
**NET SUBJECT SIZE (WETLANDS):** 147.50± acre(s)  
**INDICATED VALUE:** \$8,112,500  
**INDICATED VALUE (ROUNDED):** \$8,110,000  
**Eight Million One Hundred Ten Thousand Dollars**

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**NET SUBJECT SIZE (USABLE LAND):** 3.00± acre(s)  
**INDICATED VALUE:** \$7,195,601  
**INDICATED VALUE (ROUNDED):** \$7,200,000  
**Seven Million Two Hundred Thousand Dollars**

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## FINAL RECONCILIATION

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The process of reconciliation involves the analysis of each approach to value. The quality of data applied the significance of each approach as it relates to market behavior and the defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other.

The sales comparison approach was the only approach used to estimate the market value of the fee simple interest. As discussed in the Scope of the Appraisal section, the cost and income approaches were not applicable due to the lack of significant improvements and income potential, respectively. These two approaches are not typically employed in the valuation of vacant land.

### **FEE SIMPLE ANALYSIS**

A total of six land comparables (industrial land) and six land comparables (wetlands) were used in the sales comparison approach. The comparable data was sufficient in quality and quantity to estimate the subject's value with many physical and non-physical characteristics analyzed in the valuation process. Based on the data and analyses developed in this appraisal, I reconciled the following value as of May 1, 2024, subject to the Hypothetical Conditions, Extraordinary Assumptions, and General Conditions and Assumptions:

In my opinion, the market value of the Fee Simple Interest as encumbered subject to the Land Exchange Agreement (Draft Version 5-10-2024) including the condition of title for the Mitigation Bank Site and Revegetation Site and Public Access Improvement Site that a Conservation Easement may be recorded before, or after the Closing, of the property as of May 1, 2024, is:

### **Market Value of LCWA Site (4.87 acres) owned by Los Cerritos Wetlands Authority**

***\$18,030,000***

***Eighteen Million Thirty Thousand Dollars***

### **Market Value of Synergy Oil Site (150.50 acres) owned by Los Cerritos Wetlands LLC**

***\$15,310,000***

***Fifteen Million Three Hundred and Ten Thousand Dollars***

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## CERTIFICATION STATEMENT

I certify that, to the best of my knowledge and belief:

- I, Lance W. Doré, MAI, do hereby certify that I have no present and no prospective interest in the Property, that I have personally examined the Property, that my fee for this Appraisal is not contingent upon the amount of the value reported nor upon any other condition excepting the predetermined fee, that to the best of my knowledge and belief the statements and opinions in the Report are correct, subject to the limiting conditions herein set forth, and that the Report has been made in conformity with recognized appraisal procedures and applicable principles of law, and I have been able to form and have formed the opinion of the market value pursuant to the Scope of Work attached as of the date of inspection.
- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective future interest in the property that is the subject of this report and have no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- I certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- As of the date of this report, Lance W. Doré, MAI, FRICS has completed the continuing education program for designated members of the Appraisal Institute.
- As of the date of this report, Lance W. Doré, MAI, FRICS has completed the Standards and Ethics Education Requirement for Candidates of the Appraisal Institute.
- Lance W. Doré, MAI, FRICS has made a physical inspection of the property appraised.



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Lance W. Doré, MAI, FRICS  
President / CEO  
AG002464  
lwdore@thedoregroup.com



## LANCE W. DORÉ, MAI, FRICS

Lance W. Doré is the President and CEO of The Doré Group. In this role, he directs all valuation assignments involving a wide variety of conventional and complex real properties, serves as litigation support to both public and private clients, provides expert advisory services (including forensic analyses and market and feasibility studies), and manages the overall operations of The Doré Group.

Mr. Doré has been a real estate appraiser since 1983, initially working for Bank of America as a staff appraiser then as a senior appraiser with a fee appraisal firm in Del Mar, California. In 1988, he formed L.W. Doré, Real Estate Consultants and grew the firm through the addition of two partners forming Doré & Curry, Inc. (1990) and Doré, Curry, & Marschall, Inc. (1997). In 1999, Doré, Curry, & Marschall, Inc. became the San Diego office for Integra Realty Resources with Mr. Doré serving as Managing Director. In the fall of 2005, Mr. Doré joined Cushman & Wakefield as the National Practice Leader of the Government Affairs and Energy division. In 2007, he pursued an opportunity to serve as the President of European Emerging Markets and Vice President of Client Services for PGP, Inc./Colliers International. Mr. Doré's unique depth of experience, coupled with his high personal standards of service, led him to found The Doré Group in 2010.

### Experience

Mr. Doré's work experience spans a wide variety of property types with special expertise in the valuation of energy facilities, conservation land, open space corridors and ranches. In addition, he has also appraised planned-unit developments, residential income properties, senior housing, shopping centers, office, industrial, mixed-use properties, and a multitude of special purpose properties, including, but not limited to hotels, ski resorts, restaurants, hospitals, recreational camps, auto service and wrecking centers, equestrian facilities, and golf courses. He regularly serves as an expert advisor conducting appraisal reviews, forensic studies, and marketability and feasibility analyses. In addition, Mr. Doré is uniquely qualified and experienced in litigation testimony, consultation and advisory services for all real estate related issues. His geographical valuation expertise is focused in the western United States and extends to Tokyo (Japan), Central America, Mexico, Cyprus, and Moscow (Russia).

### *Licenses/Certifications/Affiliations*

Certified General Real Estate Appraiser – **State of California** (OREA No. AG002464)  
California Licensed Real Estate Broker & Realtor member - **San Diego Board of Realtors**  
Credentialed Mediator – **National Conflict Resolution Center**  
Member of the Appraisal Institute (**MAI No. 8471**)  
Fellow of the Royal Institute of Charter Surveyors (**FRICS Designation**)  
Registered Valuer - **Royal Institute of Charter Surveyors** for international valuation  
Member of the International Right of Way Association (**IR/WA**)  
Member of the Family Firm Institute – **FFI**  
Member of the Lambda Alpha International – Land Economic Society – **LAI**

### *Instructor Positions*

National Instructor (*Real Estate Valuation Principles & Practice*) - **Appraisal Institute**  
Adjunct Professor - **Russian Federation Finance Academy**  
National Instructor – (*Business Development and Leadership*) – **Royal Institute of Charter Surveyors**  
National Instructor - (Red Book Standards) - **Royal Institute of Charter Surveyors**  
National Instructor - (Hotel Valuation) - **Royal Institute of Charter Surveyors**  
National Instructor - (International Valuation and Property Measurement Standards) - **Royal Institute of Charter Surveyors**  
National Instructor - (Subdivision Development) - **Royal Institute of Charter Surveyors**  
National Instructor - (Automated Valuation Models) - **Royal Institute of Charter Surveyors**  
National Instructor - (Bridging the Gap of IVSC v. USPAP) - **Royal Institute of Charter Surveyors**



THE DORÉ GROUP

INTERNATIONAL REAL ESTATE CONSULTATION AND FORENSIC VALUATION

#### *Leadership/Committees*

Past President – **Appraisal Institute**, San Diego Chapter

Past member of *International Relations Committee* – **Appraisal Institute**

Past member of *Ethics & Standards Committee* – **Appraisal Institute**

#### *Speaking Engagements*

**Appraisal Institute (National Seminar Series, Los Angeles, CA)** - Land Valuation & Environmental Issues

**The Trust for Public Land (San Diego, CA)** - Natural Communities Conservation Plan

**Pan Pacific Conference (Auckland, New Zealand)** – Valuation of Submerged Lands

**Government of Cyprus (Nicosia, Cyprus)** – Valuation of Golf Courses and Marinas

**The Russian Federation (Moscow, Russia)** - Valuation of Land and Appraisal Principles

**The Russian Federation (Goa, India)** - Valuation of Oil and Gas and Power Plants

**Royal Institute of Charter Surveyors (Montego Bay, Jamaica)** – Government & Regulatory Risk

**Graziadio School of Business & Management, Pepperdine (Los Angeles, CA)**–2008 US & California Forecast

**Appraisal Institute (San Diego, CA)** – Unique Valuations in Real Estate

**Appraisal Institute (San Diego, CA)** – International Financial Reporting Standards (IFRS)

**California Redevelopment Agency (Workshop Series, CA)** – Real Estate Valuation for AB1X 26 & AB1484

**Risk Management Association (RMA)** – Appraisal Risk and the Valuation Process

**University of San Diego** – MBA program – Guest Lecturer

**University of San Francisco** – Geller Family Business Center – Family Office Valuation

**NAI Global Conference** – Real Estate Investment Pyramid

#### **Publications**

**Appraisal Journal** (October 2001) – “The Valuation of Submerged Land”

**Energy Pulse** (March 2006) – “The Highest and Best Use of Power Plants”

**Union of Pan America Valuers** (November 2010) – “Impact of Public to Private Partnerships in BRICS”

**Wall Street Journal** (August 2001) – “Power Plant Owners Fight to Lower Taxes”

**The Secret of Real Estate – Revealed** (2011)

**IRWA Right of Way** (July/August 2018) – “Conservation Easements – Unraveling the Mystery”

#### **Representative Client List**

##### *Public Entities*

United States Department of the Interior

United States Department of Navy

Government of Cyprus

State of California – Judicial Courts

State of California – Auditor

County of Riverside

County of Monterey

City of San Diego

Los Angeles Dept. of Water and Power

City of Monterey

United States Forest Service

United States Department of Justice

Russian Federation

County of San Diego

County of San Bernardino

County of Los Angeles

City of Riverside

Port of Long Beach

Port of Oakland

Port of Vancouver

**Legal Clients** – Local, Regional, National and International Firms. Criminal, Transactional and Civil Litigation. Qualified Expert in Federal Bankruptcy Court, United States Judicial District Court, California Superior Court, San Diego Superior Court, Los Angeles Superior Court, Washington State Superior Court.

**Financial Institutions** – All Major Local, Regional and National Organizations. Savings and Loans, Banks, Insurance Companies, Investment Firms, Brokerage Firms and Insurance Companies.

**Non-Profit Conservation Groups** – Local, Regional and National Organizations.

**Family Offices** – Estate Planning, Tax Planning, Consultation

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## ADDENDA



## INDEMNITY AGREEMENT

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*Except with respect to a material breach by LCWA of a covenant set forth in this Agreement, the Company and its sole member (collectively, the “Company Parties”), shall, to the fullest extent permitted by law indemnify, defend, protect and hold harmless LCWA, its constituent members, directors, officers, agents, attorneys, and employees (collectively, “LCWA Indemnitees”), from and against any and all liabilities, complaints, claims, actions, causes of action, proceedings, judgments, orders, liens, damages, costs, expenses (including, but not limited to, all actual litigation costs incurred by LCWA Indemnitees, and any fees and costs for expert witnesses, consultants and attorneys), fines, fees, penalties and losses, including attorneys’ fees (collectively, “Claims”), incurred by LCWA arising out of or in any way related to this Agreement. The foregoing obligations include, but are not limited to, Claims arising from third parties related to claims that wastes generated from any Company Parties’ activities or omissions were not properly disposed of by the Company Parties; Claims that real or personal property have been damaged; Claims of bodily injury; Claims related to any alleged violations of any applicable laws by the Company Parties; Claims brought by any regulatory agency to recover its costs (including but not limited to response or oversight costs); Claims related to any Hazardous and Petroleum Substances and Materials (defined below) that are located on or within the Mitigation Site Bank, Revegetation Site, Public Access Improvements Site, or any combination thereof; and Claims that relate to or in any way arise from the Company’s obligations or responsibilities in its role as the Mitigation Bank Sponsor pursuant to any approved BEI. For purposes of this Agreement, “Hazardous and Petroleum Substances and Materials” includes, without limitation, any of the following wastes, materials, chemicals, or other substances (whether in the form of liquids, solids, or gases, and whether or not airborne) which are ignitable, reactive, corrosive, toxic, or radioactive, or which are deemed to be pollutants, contaminants, or hazardous or toxic substances under or pursuant to, or which are to any extent regulated by or under or form the basis of liability under any statute, regulation, rule, ordinance, order, or requirement concerning such wastes, materials, chemicals, or other substances (in each case, an “Environmental Law”), including, but not limited to, petroleum-based products, formaldehyde, urea, natural gas, natural gas liquids, liquified natural gas, or synthetic gas useable for fuel or mixture thereof, radon, asbestos and any byproduct of the same and any material containing or producing any polychlorinated biphenyl, dioxin, or asbestos, as well as any biocide, herbicide, insecticide, or other agrichemical, at any level that may (i) constitute a present or potential threat to human health, safety, welfare, or the environment, (ii) exceed any applicable or relevant and appropriate cleanup standard, or (iii) cause any person to incur any investigation, removal, remediation, maintenance, abatement, or other cleanup expense; it being understood that such Environmental Laws include, but are not limited to: CERCLA, as defined above; the Hazardous Materials Transportation Act (49 USC Sections 6901 et seq.); the Hazardous Waste Control Law (California Health & Safety Code Sections 25100 et seq.); the Hazardous Substance Account Act (California Health & Safety Code Sections 25300 et seq.); and any rule, regulation, or other promulgation adopted under any of the foregoing laws. This Section 11 supersedes and replaces in its entirety Section 10 of the Option Agreement. This Section 11 shall survive the Closing until the earlier of (a) ten (10) years following the Closing, or (b) attainment of the monitoring objectives set forth in the BEI (the “Survival Period”).*

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## DEFINITIONS<sup>15</sup>

**Marketing Time:** “An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal. Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.”

**Exposure Time:**

1. “The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.”

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<sup>15</sup> *The Appraisal of Real Estate 14<sup>th</sup> Edition*, Page 332, (Chicago: Appraisal Institute, 2013).



**LAND COMPARABLE DATA SHEETS**

**Land Comparable 1**



**Transaction**

<b>ID</b>	7494	<b>Date</b>	2/17/2022
<b>Address</b>	400-406 E El Segundo	<b>Price</b>	\$3,600,000
<b>City</b>	Compton	<b>Price per Acre</b>	\$3,272,727
<b>State</b>	CA	<b>Financing</b>	Cash
<b>Tax ID</b>	--	<b>Property Rights</b>	Fee Simple
<b>Grantor</b>	Margaret Frank	<b>Days on Market</b>	N/A
<b>Grantee</b>	Monzon & Son Commercial Property	<b>Sale Verification Source</b>	RealQuest; Grant Deed
<b>Legal Description</b>	Lengthy		

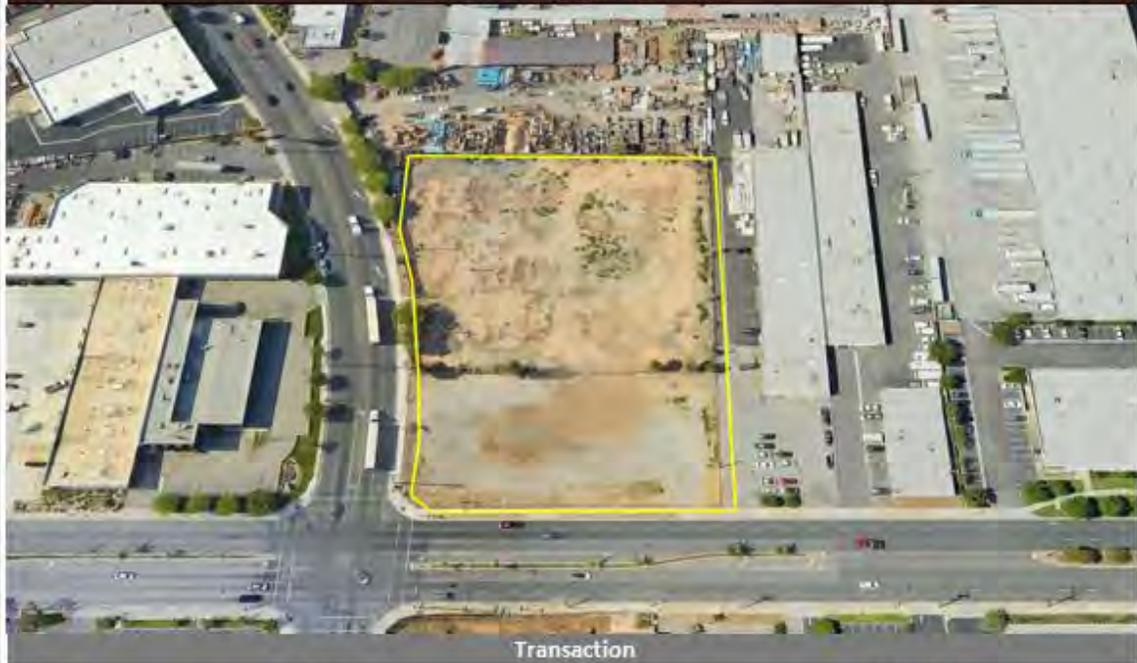
**Land**

<b>Acres</b>	1.10	<b>Topography</b>	Level
<b>Land SF</b>	47,916	<b>Zoning</b>	MH
<b>Road Frontage</b>	E El Segundo Blvd	<b>Flood Zone</b>	--
<b>Shape</b>	Rectangular	<b>Encumbrance or</b>	None Known
<b>Utilities</b>	All utilities	<b>Environmental Issues</b>	None Known

**Sale Comments**

This property consists of two parcels totaling 1.10 acres and is located at 400-406 East El Segundo Blvd, Compton, Los Angeles County, CA. The property sold on February 17, 2022, for \$3,600,000. This equates to \$75.13 per square foot of land. The buyer was Monzon & Son Enterprises who provides construction trucking services. Topography is level, access is available via paved road - East El Segundo. All utilities are available.

**Land Comparable 2**



**Transaction**

<b>ID</b>	7495	<b>Date</b>	10/21/2022
<b>Address</b>	10330 Greenleaf Ave	<b>Price</b>	\$12,100,000
<b>City</b>	City of Santa Fe Springs	<b>Price per Acre</b>	\$4,260,563
<b>State</b>	CA	<b>Financing</b>	cash
<b>Tax ID</b>	--	<b>Property Rights</b>	Fee Simple
<b>Grantor</b>	Zenith Energy West Coast	<b>Days on Market</b>	N/A
<b>Grantee</b>	Greenleaf XC, LLC	<b>Sale Verification Source</b>	RealQuest; Grant Deed
<b>Legal Description</b>	Lengthy		

**Land**

<b>Acres</b>	2.84	<b>Topography</b>	Level
<b>Land SF</b>	123,710	<b>Zoning</b>	Industrial
<b>Road Frontage</b>	Greenleaf Ave & Telegraph Rd	<b>Flood Zone</b>	--
<b>Shape</b>	Irregular	<b>Encumbrance or</b>	None Known
<b>Utilities</b>	All utilities	<b>Environmental Issues</b>	None Known

**Sale Comments**

This sale includes two adjacent parcels totaling 2.84 acres and located in the City of Santa Fe Springs, Los Angeles County, CA. The property sold in two transactions on October 21, 2022, for \$12,100,000. This equates to \$97.81 per square foot. Topography is level, all utilities are available. Access is provided by paved roads - Greenleaf Avenue and Telegraph Road. On June 12, 2023, the buyer requested for approval to allow the construction of a new 57,489 square foot concrete tilt-up industrial building, and to consolidate the two existing parcels into a single parcel (LLA No. 2023-01 and DPA Case No. 1003).

**Land Comparable 3**



**Transaction**

<b>ID</b>	7496	<b>Date</b>	12/21/2021
<b>Address</b>	555 W 152nd St	<b>Price</b>	\$3,705,000
<b>City</b>	Gardena	<b>Price per Acre</b>	\$3,087,500
<b>State</b>	CA	<b>Financing</b>	Cash
<b>Tax ID</b>	--	<b>Property Rights</b>	Fee Simple
<b>Grantor</b>	James J Roberts IV	<b>Days on Market</b>	N/A
<b>Grantee</b>	Melrose Gardena LLC	<b>Sale Verification Source</b>	Costar; Los Angeles
<b>Legal Description</b>	Lengthy		

**Land**

<b>Acres</b>	1.20	<b>Topography</b>	Level
<b>Land SF</b>	52,272	<b>Zoning</b>	M2
<b>Road Frontage</b>	--	<b>Flood Zone</b>	--
<b>Shape</b>	Irregular	<b>Encumbrance or</b>	None Known
<b>Utilities</b>	All utilities	<b>Environmental Issues</b>	None Known

**Sale Comments**

This property consists of one 1.20-acre parcel located at 555 W 152nd Street, Gardena, Los Angeles County, CA and sold on December 12, 2021, for \$3,705,000. This equates to \$70.88 per square foot. Topography is level. All utilities are available. The site is currently used as a parking lot.

**Land Comparable 4**



**Transaction**

<b>ID</b>	6147	<b>Date</b>	12/29/2021
<b>Address</b>	1601 W. Water Street	<b>Price</b>	\$65,517,000
<b>City</b>	Long Beach	<b>Price per Acre</b>	\$3,243,416
<b>State</b>	CA	<b>Financing</b>	Conventional
<b>Tax ID</b>	--	<b>Property Rights</b>	Leased Fee
<b>Grantor</b>	L.G. Everist, Inc	<b>Days on Market</b>	--
<b>Grantee</b>	City of Long Beach	<b>Sale Verification Source</b>	--
<b>Legal Description</b>	Lengthy; retained in TDG		

**Land**

<b>Acres</b>	20.20	<b>Topography</b>	Generally Level
<b>Land SF</b>	879,912	<b>Zoning</b>	IP
<b>Road Frontage</b>	Pier D Street	<b>Flood Zone</b>	--
<b>Shape</b>	Irregular	<b>Encumbrance or</b>	--
<b>Utilities</b>	All Available	<b>Environmental Issues</b>	--

**Sale Comments**

This property consists of three parcels on Pier D within the Port of Long Beach. The Parcels were sold primarily for land value. The sale price was \$65,517,000. This equates to \$74.46 per square foot. At the time of sale, eight leases were still in place, but were due to expire upon the closing of escrow. The entire site includes 28.81 acres of upland and submerged land.

**Land Comparable 5**



**Transaction**

<b>ID</b>	6150	<b>Date</b>	7/1/2021
<b>Address</b>	N/O E. I Street; W/O	<b>Price</b>	\$19,250,500
<b>City</b>	Wilmington	<b>Price per Acre</b>	\$3,342,101
<b>State</b>	CA	<b>Financing</b>	Cash
<b>Tax ID</b>	--	<b>Property Rights</b>	Leased Fee
<b>Grantor</b>	Warren Resources of California, Inc	<b>Days on Market</b>	--
<b>Grantee</b>	CREF3 Wilmington Owner LLC	<b>Sale Verification Source</b>	--
<b>Legal Description</b>	Lengthy; retained in TDG		

**Land**

<b>Acres</b>	5.76	<b>Topography</b>	Generally Level
<b>Land SF</b>	250,906	<b>Zoning</b>	M3
<b>Road Frontage</b>	E. I Street; Sampson	<b>Flood Zone</b>	--
<b>Shape</b>	Generally Rectangular	<b>Encumbrance or</b>	None Known
<b>Utilities</b>	All Available	<b>Environmental Issues</b>	None Known

**Sale Comments**

This property sold on July 1, 2021, for \$19,250,500, or \$76.72 per square foot of land area. The property is being used as a parking lot for oil conservation. The motivation for the buyer was the value they saw in owning industrial land near the Port of Long Beach.

**Land Comparable 6**



**Transaction**

<b>ID</b>	6153	<b>Date</b>	5/17/2021
<b>Address</b>	911 Sigsbee Avenue	<b>Price</b>	\$3,500,000
<b>City</b>	Wilmington	<b>Price per Acre</b>	\$3,271,028
<b>State</b>	CA	<b>Financing</b>	Conventional
<b>Tax ID</b>	--	<b>Property Rights</b>	Leased Fee
<b>Grantor</b>	Warren Resources of California, Inc	<b>Days on Market</b>	--
<b>Grantee</b>	Nicholas Sim	<b>Sale Verification Source</b>	--
<b>Legal Description</b>	Lengthy; retained in TDG		

**Land**

<b>Acres</b>	1.07	<b>Topography</b>	Generally Level
<b>Land SF</b>	46,609	<b>Zoning</b>	M3
<b>Road Frontage</b>	Pennington Ave; E. I	<b>Flood Zone</b>	--
<b>Shape</b>	Irregular	<b>Encumbrance or</b>	None Known
<b>Utilities</b>	All Available	<b>Environmental Issues</b>	None Known

**Sale Comments**

This property sold on May 17, 2021, for \$3,500,000, or \$74.96 per square foot of land area. This site is currently used as an auto salvage facility. The site has average access via gravel roads, and is also located east and south of railway services.

**Land Comparable 1**



**Transaction**

<b>ID</b>	7497	<b>Date</b>	6/14/2021
<b>Address</b>	Pacific Coast Hwy &	<b>Price</b>	\$2,460,000
<b>City</b>	Huntington Beach	<b>Price per Acre</b>	\$55,493
<b>State</b>	CA	<b>Financing</b>	Cash
<b>Tax ID</b>	--	<b>Property Rights</b>	Fee Simple
<b>Grantor</b>	The State Coastal	<b>Days on Market</b>	N/A
<b>Grantee</b>	Huntington Beach	<b>Sale Verification Source</b>	RealQuest; Grant Deed
<b>Legal Description</b>	Lengthy		

**Land**

<b>Acres</b>	44.33	<b>Topography</b>	Level
<b>Land SF</b>	1,931,015	<b>Zoning</b>	CC
<b>Road Frontage</b>	--	<b>Flood Zone</b>	--
<b>Shape</b>	Irregular	<b>Encumbrance or</b>	None Known
<b>Utilities</b>	--	<b>Environmental Issues</b>	None Known

**Sale Comments**

The approximately 44.33-acre Newland Marsh property was acquired by the Coastal Conservancy from the California Department of Transportation and transferred to the Huntington Beach Wetlands Conservancy for permanent ownership and management as wetlands. The property consists of nine parcels of vacant land totaling 44.33 acres and sold on June 14, 2021, for \$2,460,000. This equates to \$55,495 per acre. The Newland Marsh is a component of the 180-acre Huntington Beach Wetlands and is comprised of relict coastal salt marsh.

**Land Comparable 2**



**Transaction**

<b>ID</b>	3613	<b>Date</b>	6/30/2017
<b>Address</b>	Muirfield Dr	<b>Price</b>	\$1,560,000
<b>City</b>	Oceanside	<b>Price per Acre</b>	\$49,888
<b>State</b>	CA	<b>Financing</b>	Cash
<b>Tax ID</b>	--	<b>Property Rights</b>	Fee Simple
<b>Grantor</b>	Scot Cheatham & Aileen	<b>Days on Market</b>	N/A
<b>Grantee</b>	Buena Vista Audubon Society	<b>Sale Verification Source</b>	RealQuest; Grant Deed
<b>Legal Description</b>	Lengthy; Retained in files		

**Land**

<b>Acres</b>	31.27	<b>Topography</b>	Rolling/Level
<b>Land SF</b>	1,362,121	<b>Zoning</b>	RE-B
<b>Road Frontage</b>	--	<b>Flood Zone</b>	X
<b>Shape</b>	Irregular	<b>Encumbrance or</b>	None Known
<b>Utilities</b>	--	<b>Environmental Issues</b>	None Known

**Sale Comments**

This property consists of one legal parcel featuring 31.27 acres of undeveloped land located on the northern side of the San Luis Rey River, just 1,412 feet west of Whelan Lake, in the City of Oceanside, County of San Diego. This parcel was acquired by the Buena Vista Audubon Society for conservation purposes in June 2017. The purchase price was \$1,560,000, or \$49,888 per acre. Buena Vista Audubon Society is a non-profit organization that protects and preserves the natural ecosystem of our community.

**Land Comparable 3**



**Transaction**

<b>ID</b>	7498	<b>Date</b>	12/16/2022
<b>Address</b>	E/O Santa Ana River	<b>Price</b>	\$7,900,000
<b>City</b>	Costa Mesa	<b>Price per Acre</b>	\$55,029
<b>State</b>	CA	<b>Financing</b>	Cash
<b>Tax ID</b>	--	<b>Property Rights</b>	Fee Simple
<b>Grantor</b>	Aera Energy LLC & Cherokee Newport Beach	<b>Days on Market</b>	N/A
<b>Grantee</b>	Mountains Recreation and Conservation	<b>Sale Verification Source</b>	RealQuest; Grant Deed
<b>Legal Description</b>	Lengthy		

**Land**

<b>Acres</b>	143.56	<b>Topography</b>	Level
<b>Land SF</b>	6,253,474	<b>Zoning</b>	R4(O)FP-2/M1
<b>Road Frontage</b>	--	<b>Flood Zone</b>	--
<b>Shape</b>	Irregular	<b>Encumbrance or</b>	None Known
<b>Utilities</b>	--	<b>Environmental Issues</b>	None Known

**Sale Comments**

The comparable includes 143.56 acres of wetlands and is a portion of the property, previously known as Banning Ranch. The entire property consists of 14 parcels and has a combined area of 401.0 acres. The property sold to Mountains Recreation and Conservation Authority on December 16, 2022, for \$97,000,000. The allocated value to the wetlands was estimated at \$7,900,000. This equates to \$55,029 per acre. This area is a lowland area and includes vernal pools, degraded wetlands and marsh habitat.

**Land Comparable 4**



**Transaction**

<b>ID</b>	7499	<b>Date</b>	11/26/2008
<b>Address</b>	N/O El Camino Real	<b>Price</b>	\$4,253,000
<b>City</b>	San Diego	<b>Price per Acre</b>	\$56,436
<b>State</b>	CA	<b>Financing</b>	Cash
<b>Tax ID</b>	--	<b>Property Rights</b>	Fee Simple
<b>Grantor</b>	Brian C Boudreau and Spectrum Development	<b>Days on Market</b>	N/A
<b>Grantee</b>	San Dieguito River Valley Regional Open Space	<b>Sale Verification Source</b>	RealQuest; Grant Deed
<b>Legal Description</b>	Lengthy		

**Land**

<b>Acres</b>	75.36	<b>Topography</b>	Level/Sloping
<b>Land SF</b>	3,282,682	<b>Zoning</b>	OF-1-1
<b>Road Frontage</b>	--	<b>Flood Zone</b>	--
<b>Shape</b>	Irregular	<b>Encumbrance or</b>	None Known
<b>Utilities</b>	--	<b>Environmental Issues</b>	None Known

**Sale Comments**

The approximately 75.36-acre San Dieguito Lagoon property was acquired by the San Dieguito River Valley Regional Open Space Park Joint Powers Authority on November 26, 2008, for \$4,253,000 for future San Dieguito Park restoration and enhancement. This equates to \$56,707 per acre. The property is adjacent to the 400-acre San Dieguito Wetland Restoration project and has been partially designated as Multiple Habitat Plan Area in the City of San Diego Multiple Species Conservation Program.

**Land Comparable 5**



**Transaction**

<b>ID</b>	7501	<b>Date</b>	12/28/2010
<b>Address</b>	W/O Pacific Coast Hwy	<b>Price</b>	\$5,150,000
<b>City</b>	Seal Beach	<b>Price per Acre</b>	\$51,464
<b>State</b>	CA	<b>Financing</b>	Cash
<b>Tax ID</b>	--	<b>Property Rights</b>	Fee Simple
<b>Grantor</b>	Hellman Properties LLC	<b>Days on Market</b>	N/A
<b>Grantee</b>	Los Cerritos Wetlands Authority	<b>Sale Verification Source</b>	RealQuest; Grant Deed
<b>Legal Description</b>	Lengthy		

**Land**

<b>Acres</b>	100.07	<b>Topography</b>	Level
<b>Land SF</b>	4,359,049	<b>Zoning</b>	OS-N
<b>Road Frontage</b>	--	<b>Flood Zone</b>	--
<b>Shape</b>	Irregular	<b>Encumbrance or</b>	None Known
<b>Utilities</b>	--	<b>Environmental Issues</b>	None Known

**Sale Comments**

This 100.03-acre parcel of vacant land sold on December 28, 2010, to Los Cerritos Wetlands Authority for \$5,150,000. This equates to \$51,485 per acre. The property consisted of degraded wetlands at the time of sale and there was a significant oil production on the site. This site is a part of the larger Los Cerritos Wetlands Complex and was acquired for wetland/habitat restoration purposes.

**Land Comparable 6**



**Transaction**

<b>ID</b>	7500	<b>Date</b>	3/20/2008
<b>Address</b>	NWC of Pacific Coast	<b>Price</b>	\$865,000
<b>City</b>	Huntington Beach	<b>Price per Acre</b>	\$52,108
<b>State</b>	CA	<b>Financing</b>	Cash
<b>Tax ID</b>	--	<b>Property Rights</b>	Fee Simple
<b>Grantor</b>	The Regents of the University of California	<b>Days on Market</b>	N/A
<b>Grantee</b>	Huntington Beach Wetlands Conservancy	<b>Sale Verification Source</b>	RealQuest; Grant Deed
<b>Legal Description</b>	Lengthy		

**Land**

<b>Acres</b>	16.60	<b>Topography</b>	Level
<b>Land SF</b>	723,096	<b>Zoning</b>	CC
<b>Road Frontage</b>	--	<b>Flood Zone</b>	--
<b>Shape</b>	Irregular	<b>Encumbrance or</b>	None Known
<b>Utilities</b>	--	<b>Environmental Issues</b>	None Known

**Sale Comments**

This comparable consists of seven parcels totaling 16.60 acres of vacant land. The property sold on March 20, 2008, for \$835,000. This equates to \$50,241 per acre. The property is within the Brookhurst Marsh which is a portion of the Huntington Beach Wetlands Complex. This area is a sensitive habitat area that has degraded over time due to isolation from tides, encroachment, neglect, unauthorized access and historic oil exploration and filling.



# Fidelity National Title Company

4400 MacArthur Blvd., Suite 200, Newport Beach, CA 92660  
Phone: (949) 622-5000 • Fax:

## Issuing Policies of Fidelity National Title Insurance Company

Title Officer: Brett Bissett (OC MA)  
Escrow Officer: Major Accounts OAC

Order No.: 997-**30046857**-H-BB7

TO:

Lyon Living  
4901 Birch Street  
Newport Beach, CA 92660

ATTN: **Adam Smith**  
YOUR REFERENCE: **LCWA Site**

**PROPERTY ADDRESS: LCWA Site, Long Beach, CA**

### AMENDED PRELIMINARY REPORT

*In response to the application for a policy of title insurance referenced herein, **Fidelity National Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

*The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.*

*This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.*

*The policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a Florida Corporation.*

***Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.***

***It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.***

Countersigned by:

Authorized Signature



## Fidelity National Title Company

4400 MacArthur Blvd., Suite 200, Newport Beach, CA 92660  
Phone: (949) 622-5000 • Fax:

### UPDATED PRELIMINARY REPORT

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**EFFECTIVE DATE:** April 22, 2024 at 7:30 a.m., Amended: May 3, 2024, Amendment No. H

**ORDER NO.:** 997-30046857-H-BB7

The form of policy or policies of title insurance contemplated by this report is:

**ALTA Standard Owners Policy (6-17-06)**

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

**A FEE**

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS [VESTED IN:](#)

**Los Cerritos Wetlands Authority**

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

**See Exhibit A attached hereto and made a part hereof.**

## EXHIBIT A LEGAL DESCRIPTION

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

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 OF 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 NORTH 00°10'03" EAST, 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 SOUTH 89°50'17" EAST, A DISTANCE OF 493.10 FEET;  
THENCE SOUTH 64°14'06" EAST, A DISTANCE OF 75.53 FEET;  
THENCE SOUTH 00°52'38" WEST, 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 NORTH 89°50'17" WEST, ALONG SAID SOUTHERLY LINE AND SAID CENTERLINE, A DISTANCE OF 556.57 FEET, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 500 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID SELLERS, THEIR HEIRS, SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF 500 FEET, FOR ANY PURPOSE WHATSOEVER, AS SET FORTH IN THE DEED FROM ERNEST A. BRYANT, JR., AND ALLEN L. CHICKERING, AS TRUSTEES UNDER THE LAST WILL AND TESTAMENT OF SUSANNA BIXBY BRYANT, ALSO KNOWN AS SUSANNA P. BRYANT, DECEASED, RECORDED JULY 27, 1953 AS INSTRUMENT NO. 889, IN [BOOK 42302, PAGE 73](#) OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, WITHOUT, HOWEVER, THE RIGHT TO USE THE SURFACE THEREOF, AS EXCEPTED AND RESERVED IN THAT CERTAIN DEED TO EDISON SECURITIES COMPANY, A CORPORATION, DATED SEPTEMBER 2, 1953 AND RECORDED SEPTEMBER 15, 1953 AS INSTRUMENT NO. 2298, IN [BOOK 42694, PAGE 232](#) OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

**EXHIBIT A**  
**(Continued)**

ALSO EXCEPTING THEREFROM ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER OR WHICH MAY BE PRODUCED FROM SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND FIVE HUNDRED (500) FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, WITHOUT, HOWEVER, THE RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF TO SAID DEPTH OF FIVE HUNDRED (500) FEET FOR ANY PURPOSE WHATSOEVER, AS PROVIDED IN DEED RECORDED MAY 22, 1963 AS [INSTRUMENT NO. 4370, OFFICIAL RECORDS](#).

[APN: 7237-019-809](#)

## EXCEPTIONS

### AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

- A. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2023-2024.
  - B. General and special city and/or county taxes, bonds, or assessments which may become due on said land, if any, when title to said land is no longer vested in a governmental or quasigovernmental agency. Tax parcel for said land is currently shown as: 7237-019-809.
  - C. Assessors Parcel No. 7237-019-809 has been identified as State Board of Equalization parcel 148-19-584. No county taxes are due or payable at this time.
  - D. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.
1. The effect of a provision in the deed of other land, dated January 5, 1911, executed by Fred H. Bixby to New San Gabriel River Levee District of the County of Los Angeles, recorded in [Book 4659, Page 19](#) of Deeds as follows:

“And said First Party in consideration of the payment of the sums above named at the times and in the manner herein specified, both hereby for himself, his heirs, executors, administrators and assigns, waiver and release any and all claims which he or they or either of them may have or make against the said Second Party, its successors or assigns, for damages to any lands now or hereafter owned by the said First Party and adjacent to said above described land, caused by reason of the said river overflowing or eroding the banks of said channel during times of extraordinary floods; and this covenants shall run with the said adjacent land of said First Party.

2. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Los Angeles Gas and Electric Corporation  
Purpose: Power lines, water and gas pipes, oil pipe lines, conduits, poles and towers  
Recording Date: April 21, 1925  
Recording No: In [Book 3962, Page 202](#) of Official Records  
Affects: A portion of said land as more particularly described therein.

3. The ownership of said Land does not include rights of access to or from the street, highway, or freeway abutting said Land, such rights having been relinquished by the document,

Recording Date: April 4, 1962  
Recording No: as [Instrument No. 1940 of Official Records](#)

and Re-Recording Date: April 4, 1962  
and Re-Recording No: as [Instrument No. 1941 of Official Records](#)

Said instrument provides or establishes:

**EXCEPTIONS  
(Continued)**

This conveyance is made for the purpose of a freeway, adjacent Frontage Road and public streets, and the Grantor hereby releases and relinquished to the Grantee any and all abutter's rights, including access rights, appurtenant to Grantor's remaining property, in and to said freeway, provided, however, that such remaining property shall abut upon and have access as hereinafter provided to said Frontage Road, which Frontage Road shall be connected to said Freeway only at such places as may be determined by public authority. The said right of access to said Frontage Road is hereby expressly limited to the Southerly 172.72 feet of the hereinabove described course having a length of 322.72 feet and to those hereinabove described courses having lengths of 96.00 feet, 106.99 feet, 407.83 feet and 661.57 feet.

Grantor of this easement reserved the right to locate pipelines and other utilities within portions of the affected areas.

4. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: The County of Los Angeles, a political subdivision for the State of California  
Purpose: road, slope and storm drain purposes for the improvement and extension of Westminster Avenue and Studebaker Road  
Recording Date: January 30, 1963  
Recording No: as [Instrument No. 5480](#), in Book D1904, Page 438 of Official Records  
Affects: A portion of said land as more particularly described therein.

Reference is hereby made to said document for full particulars.

Limitations on the use, by the owners of said Land, of the easement area as set forth in the easement document shown hereinabove.

Reference is hereby made to said document for full particulars.

Grantor of this easement reserved the right to locate pipelines and other utilities within portions of the affected areas.

5. Unrecorded License(s) and matters contained therein, dated January 1, 1960, for use of pipelines, granted to Richfield Oil Corporation, as disclosed in Easement Deed recorded January 30, 1963 as [Instrument No. 5480](#), in Book D1904, Page 438 of Official Records.

6. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: The County of Los Angeles  
Purpose: Road  
Recording Date: July 2, 1965  
Recording No: as [Instrument No. 4310 of Official Records](#)  
Affects: A portion of said land as more particularly described therein.

Reference is hereby made to said document for full particulars.

**EXCEPTIONS  
(Continued)**

7. Matters contained in that certain document

Entitled: Joint Use Agreement  
Dated: December 27, 1965  
Executed by: Southern California Edison Company, a Corporation and The County of Los Angeles, a political subdivision for the State of California  
Recording Date: May 5, 1966  
Recording No: as [Instrument No. 3751 of Official Records](#)

Reference is hereby made to said document for full particulars.

8. Matters contained in that certain document

Entitled: Declaration of Easements  
Dated: December 8, 1997  
Executed by: Southern California Edison Company and The City of Long Beach  
Recording Date: December 12, 1997  
Recording No: as [Instrument No. 97-1958953 of Official Records](#)

Reference is hereby made to said document for full particulars.

Said instrument provides or establishes:

Declarant hereby declares and established for the benefit of each parcel easements in, over and upon each parcel for (1) pedestrian and vehicular access in the location of existing roads, sidewalks, and driveways, (2) sanitary sewer or storm drain facilities in the location of such facilities that presently exist on each parcel, together with such fixtures and appurtenances as are necessary, appropriate or desirable in connection with such purposes, and (3) any and all drainage facilities that presently exist on each parcel for the purpose of providing drainage or surface run-off from all or any portion of the parcels, or originates elsewhere and flows across the property.

Matters contained in that certain document

Entitled: Assignment of Easements  
Executed by: Southern California Edison Company, a California Corporation and AES Alamos, L.L.C., a Delaware limited liability company  
Recording Date: May 18, 1998  
Recording No: as [Instrument No. 98-829462 of Official Records](#)

Reference is hereby made to said document for full particulars.

**EXCEPTIONS  
(Continued)**

Matters contained in that certain document

Entitled: Assignment of Undivided Interest in Easements  
Dated: July 28, 2003  
Executed by: Southern California Edison Company, a California Corporation and Pacific Terminals LLC, a Delaware limited liability company  
Recording Date: August 1, 2003  
Recording No: as [Instrument No. 03-2214936 of Official Records](#)

Reference is hereby made to said document for full particulars.

The effect of a Quitclaim Deed recorded March 14, 2023 as [Instrument No. 20230161202 of Official Records](#).

Reference is hereby made to said document for full particulars.

Affects: The herein described Land and other land.

Easement(s) for the purpose(s) shown below and rights incidental thereto as reserved in a document;

Purpose: Access, sewage and drainage  
Recording Date: August 1, 2003  
Recording No: as [Instrument No. 03-2214936 of Official Records](#)  
Affects: A portion of said land as more particularly described therein.

9. An instrument entitled Covenant and Agreement

Executed by: Southern California Edison Company, a California Corporation and City of Long Beach, a municipal corporation  
Recording Date: December 12, 1997  
Recording No: as [Instrument No. 97-1958954 of Official Records](#)

Reference is hereby made to said document for full particulars.

This covenant and agreement provides that it shall be binding upon any future owners, encumbrancers, their successors or assigns, and shall continue in effect until the advisory agency approves termination.

10. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording Date: May 18, 1998  
Recording No: as [Instrument No. 98-829460 of Official Records](#)

**EXCEPTIONS  
(Continued)**

Matters contained in that certain document

Entitled: Assignment of Undivided Interest in Easements  
Dated: July 28, 2003  
Executed by: Southern California Edison Company, a California Corporation and Pacific Terminals LLC, a Delaware limited liability company  
Recording Date: August 1, 2003  
Recording No: as [Instrument No. 03-2214936 of Official Records](#)

Reference is hereby made to said document for full particulars.

Affects: The herein described Land and other land.

Easement(s) for the purpose(s) shown below and rights incidental thereto as reserved in a document;

Purpose: Access, sewage and drainage  
Recording Date: August 1, 2003  
Recording No: as [Instrument No. 03-2214936 of Official Records](#)  
Affects: A portion of said land as more particularly described therein.

11. Matters contained in that certain document

Entitled: Bill of Sale and Severance  
Executed by: Southern California Edison Company  
Recording Date: May 18, 1998  
Recording No: as [Instrument No. 98-829461 of Official Records](#)

Reference is hereby made to said document for full particulars.

12. Matters contained in that certain document

Entitled: Easement and Covenant Agreement  
Dated: May 15, 1988  
Executed by: Southern California Edison Company, a California Corporation and AES Alamos L.L.C., a Delaware limited liability company  
Recording Date: May 18, 1998  
Recording No: as [Instrument No. 98-829463 of Official Records](#)

Reference is hereby made to said document for full particulars.

13. Easements, rights incidental thereto and any other rights or duties, covenants, conditions and restrictions, or other matters contained and set forth therein, as reserved by Southern California Edison Company, by that certain Grant Deed recorded March 15, 2001 as [Instrument No. 01-424640 of Official Records](#).

**EXCEPTIONS  
(Continued)**

Matters contained in that certain document

Entitled: Assignment and Assumption of Easements  
Recording Date: April 25, 2005  
Recording No: as [Instrument No. 05-0956004 of Official Records](#)

Reference is hereby made to said document for full particulars.

14. An unrecorded Option Agreement as disclosed by a Memorandum of Option by Southern California Edison Company, a Corporation (Optionee) and Pacific Terminals LLC, a Delaware limited liability company (Optioner) recorded August 1, 2003 as [Instrument No. 03-2214940 of Official Records](#).

Matters contained in that certain document

Entitled: Modification of Memorandum of Option Agreement  
Recording Date: April 25, 2005  
Recording No: as [Instrument No. 05-0956000 of Official Records](#)

Reference is hereby made to said document for full particulars.

15. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording Date: August 1, 2003  
Recording No: as [Instrument No. 03-2214931 of Official Records](#)

Affects: The herein described Land and other land.

16. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Southern California Edison  
Purpose: public utilities  
Recording Date: November 27, 2018  
[Recording No:](#) [20181189586, Official Records](#)  
Affects: as more particularly described and shown therein.

17. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Southern California Edison  
Purpose: public utilities  
Recording Date: November 27, 2018  
[Recording No:](#) [20181189587, Official Records](#)  
Affects: as more particularly described and shown therein

**EXCEPTIONS  
(Continued)**

18. Matters contained in that certain document

Entitled: Memorandum of Option Agreement  
Dated: September 2, 2016  
Executed by: Los Cerritos Wetlands Authority, a joint powers authority established pursuant to Government Code Section 6500 et seq. and Los Cerritos Wetlands, LLC, a California limited liability company  
Recording Date: May 6, 2019  
[Recording No: 20190409967 of Official Records](#)

Reference is hereby made to said document for full particulars.

19. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

20. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.

21. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.

22. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.

23. Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation, please contact the Title Department immediately for further review prior to closing.

24. Matters contained in that certain document

Entitled: Deed Restriction  
Recording Date: December 10, 2021  
[Recording No: 20211838325 of Official Records](#)

Reference is hereby made to said document for full particulars.

**PLEASE REFER TO THE "INFORMATIONAL NOTES" AND "REQUIREMENTS" SECTIONS WHICH FOLLOW FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION.**

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**END OF EXCEPTIONS**

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## REQUIREMENTS SECTION

1. This Company will require evidence of compliance with the statutory limitations incident to the governmental agency named below, with reference to any conveyance of an interest in the Land this Company will be asked to record and/or rely upon in the issuance of any form of title insurance.

Governmental agency: Los Cerritos Wetlands Authority

2. Unrecorded matters which may be disclosed by an Owner's Affidavit or Declaration. A form of the Owner's Affidavit/Declaration is attached to this Preliminary Report/Commitment. This Affidavit/Declaration is to be completed by the record owner of the land and submitted for review prior to the closing of this transaction. Your prompt attention to this requirement will help avoid delays in the closing of this transaction. Thank you.

The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit/Declaration.

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**END OF REQUIREMENTS**

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## INFORMATIONAL NOTES SECTION

1. None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an Extended Coverage Loan Policy, when issued.
2. Note: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.
3. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
4. Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
5. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.

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**END OF INFORMATIONAL NOTES**

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Brett Bissett (OC MA)/jh

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## Wire Fraud Alert

This Notice is not intended to provide legal or professional advice. If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. **DO NOT** use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the phone number of relevant parties to the transaction as soon as an escrow account is opened.** **DO NOT** send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do **NOT** reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

**Federal Bureau of Investigation:**  
<http://www.fbi.gov>

**Internet Crime Complaint Center:**  
<http://www.ic3.gov>



# Fidelity National Title Company

4400 MacArthur Blvd., Suite 200, Newport Beach, CA 92660  
Phone: (949) 622-5000 • Fax:

## Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

### FNF Underwritten Title Company

CTC – Chicago Title company  
CLTC – Commonwealth Land Title Company  
FNTC – Fidelity National Title Company of California  
FNTCCA - Fidelity National Title Company of California  
TICOR – Ticor Title Company of California  
LTC – Lawyer's Title Company  
SLTC – ServiceLink Title Company

### Underwritten by FNF Underwriters

CTIC – Chicago Title Insurance Company  
CLTIC - Commonwealth Land Title Insurance Company  
FNTIC – Fidelity National Title Insurance Company  
FNTIC - Fidelity National Title Insurance Company  
CTIC – Chicago Title Insurance Company  
CLTIC – Commonwealth Land Title Insurance Company  
CTIC – Chicago Title Insurance Company

### Available Discounts

#### **DISASTER LOANS (CTIC, CLTIC, FNTIC)**

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within twenty-four (24) months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be fifty percent (50%) of the appropriate title insurance rate.

#### **CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, FNTIC)**

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be fifty percent (50%) to seventy percent (70%) of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be forty (40%) to fifty percent (50%) of the appropriate title insurance rate, depending on the type of coverage selected.

# FIDELITY NATIONAL FINANCIAL, INC. PRIVACY NOTICE

Effective April 9, 2020

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, “FNF,” “our,” or “we”) respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

A limited number of FNF subsidiaries have their own privacy notices. If a subsidiary has its own privacy notice, the privacy notice will be available on the subsidiary’s website and this Privacy Notice does not apply.

## **Collection of Personal Information**

FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g. Social Security Number, driver’s license, passport, or other government ID number);
- financial account information (e.g. loan or bank account information); and
- other personal information necessary to provide products or services to you.

We may collect Personal Information about you from:

- information we receive from you or your agent;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

## **Collection of Browsing Information**

FNF automatically collects the following types of Browsing Information when you access an FNF website, online service, or application (each an “FNF Website”) from your Internet browser, computer, and/or device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

## **Other Online Specifics**

**Cookies.** When you visit an FNF Website, a “cookie” may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer’s hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

**Web Beacons.** We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

**Do Not Track.** Currently our FNF Websites do not respond to “Do Not Track” features enabled through your browser.

**Links to Other Sites.** FNF Websites may contain links to unaffiliated third-party websites. FNF is not responsible for the privacy practices or content of those websites. We recommend that you read the privacy policy of every website you visit.

## **Use of Personal Information**

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates’, and others’ products and services, jointly or independently.

## **When Information Is Disclosed**

We may disclose your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;

- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law. We may share your Personal Information with affiliates (other companies owned by FNF) to directly market to you. Please see "Choices with Your Information" to learn how to restrict that sharing.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

### **Security of Your Information**

We maintain physical, electronic, and procedural safeguards to protect your Personal Information.

### **Choices With Your Information**

If you do not want FNF to share your information among our affiliates to directly market to you, you may send an "opt out" request by email, phone, or physical mail as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you without your consent.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law. For additional information about your California privacy rights, please visit the "California Privacy" link on our website (<https://fnf.com/pages/californiaprivacy.aspx>) or call (888) 413-1748.

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

### **Information From Children**

The FNF Websites are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

### **International Users**

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

### **FNF Website Services for Mortgage Loans**

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except as required or authorized by contract with the mortgage loan servicer or lender, or as required by law or in the good-faith belief that such disclosure is necessary: to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

**Your Consent To This Privacy Notice; Notice Changes; Use of Comments or Feedback**

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The Privacy Notice's effective date will show the last date changes were made. If you provide information to us following any change of the Privacy Notice, that signifies your assent to and acceptance of the changes to the Privacy Notice. We may use comments or feedback that you submit to us in any manner without notice or compensation to you.

**Accessing and Correcting Information; Contact Us**

If you have questions, would like to correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, send your requests to [privacy@fnf.com](mailto:privacy@fnf.com), by phone to (888) 934-3354, or by mail to:

Fidelity National Financial, Inc.  
601 Riverside Avenue  
Jacksonville, Florida 32204  
Attn: Chief Privacy Officer

## ATTACHMENT ONE (Revised 05-06-16)

### CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990

#### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

#### EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

### CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13) ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE

#### EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
  - a. building;
  - b. zoning;
  - c. land use;
  - d. improvements on the Land;
  - e. land division; and
  - f. environmental protection.This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
  - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
  - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;

- c. that result in no loss to You; or
  - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
  6. Lack of a right:
    - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
    - b. in streets, alleys, or waterways that touch the Land.
 This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
  7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
  8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
  9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

**LIMITATIONS ON COVERED RISKS**

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<b>Your Deductible Amount</b>	<b>Our Maximum Dollar Limit of Liability</b>
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 5,000.00

**2006 ALTA LOAN POLICY (06-17-06)**

**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

**EXCEPTIONS FROM COVERAGE**

{Except as provided in Schedule B - Part II, {t{or T}his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

## {PART I

{The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.}

## PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:}

### 2006 ALTA OWNER'S POLICY (06-17-06)

#### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
  - (a) a fraudulent conveyance or fraudulent transfer; or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

#### EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

{The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records. }
7. {Variable exceptions such as taxes, easements, CC&R's, etc. shown here.}

## ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY – ASSESSMENTS PRIORITY (04-02-15)

### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.



## OWNER'S DECLARATION

Escrow No.: 30046857-997-MAT-BB7  
Property Address: LCWA Site  
Long Beach, CA 90803

The undersigned hereby declares as follows:

1. (Fill in the applicable paragraph and strike the other)
  - a. Declarant ("Owner") is the owner or lessee, as the case may be, of certain premises located at LCWA Site, Long Beach, CA 90803, further described as follows: See Preliminary Report/Commitment No. for full legal description (the "Land").
  - b. Declarant is the \_\_\_\_\_ of \_\_\_\_\_ ("Owner"), which is the owner or lessee, as the case may be, of certain premises located at LCWA Site, Long Beach, CA 90803, further described as follows: See Preliminary Report/Commitment No. for full legal description (the "Land").
2. (Fill in the applicable paragraph and strike the other)
  - a. During the period of six months immediately preceding the date of this declaration no work has been done, no surveys or architectural or engineering plans have been prepared, and no materials have been furnished in connection with the erection, equipment, repair, protection or removal of any building or other structure on the Land or in connection with the improvement of the Land in any manner whatsoever.
  - b. During the period of six months immediately preceding the date of this declaration certain work has been done and materials furnished in connection with \_\_\_\_\_ upon the Land in the approximate total sum of \$\_\_\_\_\_, but no work whatever remains to be done and no materials remain to be furnished to complete the construction in full compliance with the plans and specifications, nor are there any unpaid bills incurred for labor and materials used in making such improvements or repairs upon the Land, or for the services of architects, surveyors or engineers, except as follows: \_\_\_\_\_. Owner, by the undersigned Declarant, agrees to and does hereby indemnify and hold harmless Fidelity National Title Company against any and all claims arising therefrom.
3. Owner has not previously conveyed the Land; is not a debtor in bankruptcy (and if a partnership, the general partner thereof is not a debtor in bankruptcy); and has not received notice of any pending court action affecting the title to the Land.
4. Except as shown in the above-referenced Preliminary Report/Commitment, there are no unpaid or unsatisfied mortgages, deeds of trust, Uniform Commercial Code financing statements, regular assessments, special assessments, periodic assessments or any assessment from any source, claims of lien, special assessments, or taxes that constitute a lien against the Land or that affect the Land but have not been recorded in the public records. There are no violations of the covenants, conditions and restrictions as shown in the above-referenced Preliminary Report/Commitment.
5. The Land is currently in use as \_\_\_\_\_; \_\_\_\_\_ occupy/occupies the Land; and the following are all of the leases or other occupancy rights affecting the Land:  
\_\_\_\_\_
6. There are no other persons or entities that assert an ownership interest in the Land, nor are there unrecorded easements, claims of easement, or boundary disputes that affect the Land.
7. There are no outstanding options to purchase or rights of first refusal affecting the Land.

8. Between the most recent Effective Date of the above-referenced Preliminary Report/Commitment and the date of recording of the Insured Instrument(s), Owner has not taken or allowed, and will not take or allow, any action or inaction to encumber or otherwise affect title to the Land.

This declaration is made with the intention that Fidelity National Title Company (the "Company") and its policy issuing agents will rely upon it in issuing their title insurance policies and endorsements. Owner, by the undersigned Declarant, agrees to indemnify the Company against loss or damage (including attorneys fees, expenses, and costs) incurred by the Company as a result of any untrue statement made herein.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on \_\_\_\_\_ at \_\_\_\_\_.

Signature: \_\_\_\_\_



# Fidelity National Title Company

4400 MacArthur Blvd., Suite 200, Newport Beach, CA 92660  
Phone: (949) 622-5000 • Fax:

## Issuing Policies of Fidelity National Title Insurance Company

Title Officer: Brett Bissett (OC MA)  
Escrow Officer: Valerie Rapp

Order No.: 010-30051785-H-BB7

TO:

Lyon Living  
4901 Birch Street  
Newport Beach, CA 92660

ATTN: **Adam Smith**  
YOUR REFERENCE:

**PROPERTY ADDRESS: No Situs, Long Beach, CA**

### AMENDED PRELIMINARY REPORT

*In response to the application for a policy of title insurance referenced herein, **Fidelity National Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

*The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.*

*This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.*

*The policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a Florida Corporation.*

***Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.***

***It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.***

Countersigned by:

Authorized Signature



## Fidelity National Title Company

4400 MacArthur Blvd., Suite 200, Newport Beach, CA 92660  
Phone: (949) 622-5000 • Fax:

### UPDATED AMENDED PRELIMINARY REPORT

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**EFFECTIVE DATE:** March 29, 2024 at 7:30 a.m., Amended: April 19, 2024, Amendment No. H

**ORDER NO.:** 010-30051785-H-BB7

The form of policy or policies of title insurance contemplated by this report is:

**ALTA Extended Owners Policy (6-17-06)**

**ALTA Extended Loan Policy (6-17-06)**

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

**A FEE**

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS [VESTED IN:](#)

**LOS CERRITOS WETLANDS, LLC, a California limited liability company**

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

**See Exhibit A attached hereto and made a part hereof.**

## EXHIBIT A LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LONG BEACH 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](#) OF 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 RESERVED BY SYNERGY OIL & GAS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY IN THAT GRANT DEED RECORDED ON DECEMBER 11, 2013 AS [INSTRUMENT NO. 20131748575 OF OFFICIAL RECORDS](#).

ALL RIGHTS TO THE PRESENT SURFACE AND THE FIRST 500 FEET BELOW THE PRESENT SURFACE OF THE LAND WERE CONVEYED TO THE OWNER OF RECORD BY GRANT DEED RECORDED JULY 19, 2021 AS [INSTRUMENT NO. 20211109303 OF OFFICIAL RECORDS](#).

PARCEL 2: [APN 7237-017-011](#), [APN 7237-017-012](#), [APN 7237-017-013](#), [APN 7237-017-014](#),  
[APN 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;

**EXHIBIT A**  
**(Continued)**

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.

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 D1842, PAGES 137](#) THROUGH 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 AS [INSTRUMENT NO. 2499](#), IN [BOOK 49471, PAGE 50](#) OF OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED OCTOBER 22, 1959 AS [INSTRUMENT NO. 1768 OF OFFICIAL RECORDS](#) 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](#) THROUGH 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, NORTH 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.

**EXHIBIT A**  
**(Continued)**

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 MAP NO. 6256, [BOOK 64, PAGES 55](#) AND 56 OF PARCEL MAPS AND TRACT NO. 7470 IN [BOOK 121, PAGES 36](#) THROUGH 39, INCLUSIVE OF MAPS IN THE OFFICE OF SAID COUNTY RECORDER; AND BOUNDED ON THE NORTH BY THE CENTERLINE OF WESTMINSTER AVENUE AS SHOWN ON SAID MAPS.

EXCEPT THEREFROM ALL OIL, NATURAL GAS, PETROLEUM AND OTHER HYDROCARBONS AS RESERVED BY SYNERGY OIL & GAS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY IN THAT GRANT DEED RECORDED ON DECEMBER 11, 2013 AS [INSTRUMENT NO. 20131748575 OF OFFICIAL RECORDS](#).

ALL RIGHTS TO THE PRESENT SURFACE AND THE FIRST 500 FEET BELOW THE PRESENT SURFACE OF THE LAND WERE CONVEYED TO THE OWNER OF RECORD BY GRANT DEED RECORDED JULY 19, 2021 AS [INSTRUMENT NO. 20211109303 OF OFFICIAL RECORDS](#).

PARCEL 3: [APN: 7237-017-018](#)

THAT PORTION OF THE WEST HALF OF SECTION 2, TOWNSHIP 5 SOUTH, RANGE 12 WEST, IN THE RANCHO OF LOS ALAMITOS, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN THE [BOOK 700 PAGES 140](#) AND 141 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AS DESCRIBED IN "PARCEL 3" IN A FINAL ORDER OF CONDEMNATION, HAD IN SUPERIOR COURT CASE NO. 622968, A CERTIFIED COPY OF WHICH IS RECORDED IN THE [BOOK 49471 PAGE 50](#), OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WITHIN A STRIP OF LAND 88 FEET WIDE, THE SOUTHERLY SIDE LINE OF SAID STRIP OF LAND BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE EASTERLY TERMINUS OF THAT LINE DESCRIBED IN SAID PARCEL 3, AS HAVING A BEARING AND LENGTH OF "NORTH 75°17'03" EAST 1,765.89 FEET"; THENCE ALONG SAID LINE, SOUTH 75°17'03" WEST 1,038.03 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID LINE, SOUTH 75°17'03" WEST 580 FEET.

EXCEPT THEREFROM ALL OIL, NATURAL GAS, PETROLEUM AND OTHER HYDROCARBONS AS RESERVED BY SYNERGY OIL & GAS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY IN THAT GRANT DEED RECORDED ON DECEMBER 11, 2013 AS [INSTRUMENT NO. 20131748575, OFFICIAL RECORDS](#).

ALL RIGHTS TO THE PRESENT SURFACE AND THE FIRST 500 FEET BELOW THE PRESENT SURFACE OF THE LAND WERE CONVEYED TO THE OWNER OF RECORD BY GRANT DEED RECORDED JULY 19, 2021 AS [INSTRUMENT NO. 20211109303 OF OFFICIAL RECORDS](#).

## EXCEPTIONS

### AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

- A. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2024-2025.
  - B. Intentionally deleted.
  - C. Intentionally deleted.
  - D. Intentionally deleted.
  - E. Intentionally deleted.
  - F. Intentionally deleted.
  - G. Intentionally deleted.
  - H. Intentionally deleted.
  - I. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.
- 1. Water rights, claims or title to water, whether or not disclosed by the public records.
  - 2. Any adverse claim based upon the assertion that the location of the boundaries of the Rancho Los Alamitos, the patent of which was recorded in [Book 1, Page 453](#) of Patents and the boundaries of Tideland Location Number 137, Survey Number 106, the patent of which was recorded in [Book 9, Page 105](#) of Patents, are in doubt or are in a different location as may be located by a correct survey
  - 3. Any adverse claim based upon the assertion that some portion of said land was not upland or was not included within the actual boundaries of the patent of the Rancho Los Angeles from the United States of America to Abel Stearns on August 29, 1874, the date to the issuance of said patent, or that some portion of said land has not remained upland continuously from said date.
  - 4. Intentionally deleted.
  - 5. An easement for the right from time to time to lay, construct, maintain, operate, repair, renew, change the size of, increase the number of, and remove pipe lines and appurtenances thereto for the transportation of oil, petroleum, gas, gasoline, water or other substances, with the right of ingress and egress and incidental purposes in the document recorded February 20, 1957 as [Instrument No. 3282](#) in [Book 53698, Page 178](#) of Official Records
  - 6. Waiver of any claims for damages to said Land by reason of the location, construction, landscaping or maintenance of the street or highway adjoining said Land, as contained in the deed to

Recorded: October 22, 1959 as [Instrument No. 1768 Book D-641 Page 252](#) of Official Records

**EXCEPTIONS  
(Continued)**

7. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: street and alley and incidental purposes  
Recording Date: September 07, 1965  
Recording No: as [Instrument No. 1965-2355 of Official Records](#)  
Affects: A portion of said land as more particularly described in said document.

Reference is hereby made to said document for full particulars.

8. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: street and incidental purposes  
Recording Date: January 11, 1966  
Recording No: as [Instrument No. 1966-3244 of Official Records](#)  
Affects: A portion of said land as more particularly described in said document.

Reference is hereby made to said document for full particulars.

9. Intentionally Deleted.

10. The terms and provisions contained in the document entitled Counterpart, Alamitos Bay Boundary Agreement No. 4 recorded February 18, 1972 as [Instrument No. 4676 of Official Records](#).

11. Intentionally deleted.

12. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: public sewer and sewers and appurtenances and incidental purposes  
Recording Date: August 23, 1973  
Recording No: as [Instrument No. 1973-2332 of Official Records](#)  
Affects: A portion of said land as more particularly described in said document.

Reference is hereby made to said document for full particulars.

13. Covenants, conditions, restrictions and easements but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording Date: May 03, 1974  
Recording No: as [Instrument No. 1974-3343 of Official Records](#)

14. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose: wires, underground conduits, cables and incidental purposes  
Recording Date: December 09, 1974  
Recording No: as [Instrument No. 1974-1607 of Official Records](#)  
Affects: A portion of said land as more particularly described in said document.

Reference is hereby made to said document for full particulars.

**EXCEPTIONS  
(Continued)**

15. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
- Purpose: Public utilities and incidental purposes  
Recording Date: April 30, 1975  
Recording No: as [Instrument No. 1975-3138 of Official Records](#)  
Affects: A portion of said land as more particularly described in said document.
- Reference is hereby made to said document for full particulars.
16. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
- Purpose: sewer and incidental purposes  
Recording Date: April 22, 1985  
Recording No: as [Instrument No. 1985-450636 of Official Records](#)  
Affects: A portion of said land as more particularly described in said document.
- Reference is hereby made to said document for full particulars.
17. The terms and provisions contained in the document entitled Notice of Violation of the Coastal Act recorded July 24, 2007 as [Instrument No. 20071748753](#), as [Instrument No. 20071748754](#), as [Instrument No. 20071748755](#) and as [Instrument No. 20071748756 of Official Records](#)
18. Terms and Provisions contained in that certain Document Entitled "Mineral Grant Deed" recorded on June 7, 2010 as [Instrument No. 20100767125, of Official Records](#).
19. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters shown on
- Map: Record of Survey  
Recording Date: August 13, 2015  
Recording No: as [Instrument No. 20150994938, Official Records](#)
20. Intentionally deleted.
21. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
- Purpose: Flood control and incidental purposes  
Recording No: in [Book 19857, Page 28](#) of Official Records  
Affects: Portion of Parcel 3
22. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
- Purpose: Flood control and incidental purposes  
Recording Date: November 08, 1955  
Recording No: as [Instrument No. 2499, Book 49471, Page 50](#) of Official Records  
Affects: Parcel 3
23. The terms and provisions contained in the document entitled Agreement recorded October 20, 1971 as [Instrument No. 2346](#), Book M3880 Page 88 of Official Records.
- Affects: Parcel 3

**EXCEPTIONS  
(Continued)**

24. Any adverse claim based upon the assertion that:

Some portion of said Land is tide or submerged land, or has been created by artificial means or has accreted to such portion so created.

Some portion of said Land has been brought within the boundaries thereof by an avulsive movement of Name of river or slough or has been formed by accretion to any such portion.

25. Any rights in favor of the public which may exist on said Land if said Land or portions thereof are or were at any time used by the public.

26. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.

In order to delete the survey exception shown above, a satisfactory survey of the subject Land, which complies with the minimum standards for land surveys made for title insurance purposes, is to be furnished to the Company.

The Company reserves the right to add additional items as disclosed by the survey, or make further requirements after review of the requested documentation.

27. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.

28. Any rights, interests, or claims which may exist or arise by reason of the following matters disclosed by survey,

Job No.: Not shown  
Dated: November 9, 2023  
Prepared by: Guida Surveying, Inc.  
Matters shown:

- A) Fences cross the northerly boundary of the property.
- B) A gate in a fence along the northerly boundary of the property. Access rights unknown.
- C) A fence crosses the northeast boundary of the property.
- D) An encroachment of a fence into the street right of way of Studebaker Road, to varying amounts.
- E) An encroachment of a fence into the street right of way of 2<sup>nd</sup> Street, to varying amounts.
- F) A gate in a fence along the southwest boundary of the property. Access rights unknown.
- G) Utility structures located along the southwest boundary of the property.

29. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

30. Intentionally deleted.

**EXCEPTIONS  
(Continued)**

31. The transaction contemplated in connection with this Report is subject to the review and approval of the Company's Corporate Underwriting Department. The Company reserves the right to add additional items or make further requirements after such review.

32. Matters contained in that certain document

Entitled: Deed Restriction  
Recording Date: December 10, 2021  
[Recording No: 20211838326 of Official Records.](#)

Reference is hereby made to said document for full particulars.

33. Matters contained in that certain document

Entitled: Memorandum of Option Agreement  
Recording Date: May 6, 2019  
Recording No: 20190409967 of Official Records

Reference is hereby made to said document for full particulars

34. Matters reserved unto Synergy Oil & Gas, LLC, a California limited liability company as set forth in that certain document

Entitled: Grant Deed  
Recording Date: December 11, 2013  
[Recording No: 20131748575 of Official Records](#)

35. Matters contained in that certain document

Entitled: Memorandum of Agreement  
Dated: December 20, 2023  
Executed by: Synergy Oil & Gas, LLC; Synergy Wetlands MB SPV, LLC  
Recording Date: December 29, 2023  
[Recording No: 20230919909 of Official Records](#)

Reference is hereby made to said document for full particulars

36. A Deed of Trust to secure an indebtedness in the amount shown below,

Amount: \$45,000,000.00  
Dated: December 28, 2023  
Trustor/Grantor: Synergy Oil & Gas, LLC  
Trustee: Fidelity National Title Company  
Beneficiary: MUNICH RE ENERGY TRANSITION FINANCE INC.  
Recording Date: December 29, 2023  
[Recording No: 20230919910 of Official Records](#)

**PLEASE REFER TO THE "INFORMATIONAL NOTES" AND "REQUIREMENTS" SECTIONS WHICH FOLLOW FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION.**

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**END OF EXCEPTIONS**

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## REQUIREMENTS SECTION

1. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the entity named below:

Limited Liability Company: Los Cerritos Wetlands, LLC, a California limited liability company

- a) A copy of its operating agreement, if any, and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member.
- b) If a domestic Limited Liability Company, a copy of its Articles of Organization and all amendments thereto with the appropriate filing stamps.
- c) If the Limited Liability Company is member-managed, a full and complete current list of members certified by the appropriate manager or member.
- d) A current dated certificate of good standing from the proper governmental authority of the state in which the entity is currently domiciled.
- e) If less than all members, or managers, as appropriate, will be executing the closing documents, furnish evidence of the authority of those signing.
- f) If Limited Liability Company is a Single Member Entity, a Statement of Information for the Single Member will be required.
- g) Each member and manager of the LLC without an Operating Agreement must execute in the presence of a notary public the Certificate of California LLC (Without an Operating Agreement) Status and Authority form.

2. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the entity named below:

Limited Liability Company: Synergy Oil & Gas, LLC

- a) A copy of its operating agreement, if any, and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member.
- b) If a domestic Limited Liability Company, a copy of its Articles of Organization and all amendments thereto with the appropriate filing stamps.
- c) If the Limited Liability Company is member-managed, a full and complete current list of members certified by the appropriate manager or member.
- d) A current dated certificate of good standing from the proper governmental authority of the state in which the entity is currently domiciled.
- e) If less than all members, or managers, as appropriate, will be executing the closing documents, furnish evidence of the authority of those signing.
- f) If Limited Liability Company is a Single Member Entity, a Statement of Information for the Single Member will be required.
- g) Each member and manager of the LLC without an Operating Agreement must execute in the presence of a notary public the Certificate of California LLC (Without an Operating Agreement) Status and Authority form.

**REQUIREMENTS**  
**(Continued)**

3. In order to complete this report, the Company requires a Statement of Information to be completed by the following party(s),

Party(s):                      All Parties

The Company reserves the right to add additional items or make further requirements after review of the requested Statement of Information.

NOTE: The Statement of Information is necessary to complete the search and examination of title under this order. Any title search includes matters that are indexed by name only, and having a completed Statement of Information assists the Company in the elimination of certain matters which appear to involve the parties but in fact affect another party with the same or similar name. Be assured that the Statement of Information is essential and will be kept strictly confidential to this file.

4. Unrecorded matters which may be disclosed by an Owner's Affidavit or Declaration. A form of the Owner's Affidavit/Declaration is attached to this Preliminary Report/Commitment. This Affidavit/Declaration is to be completed by the record owner of the land and submitted for review prior to the closing of this transaction. Your prompt attention to this requirement will help avoid delays in the closing of this transaction. Thank you.

The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit/Declaration.

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**END OF REQUIREMENTS**

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## INFORMATIONAL NOTES SECTION

1. None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an Extended Coverage Loan Policy, when issued.
2. Note: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.
3. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
4. Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
5. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.

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**END OF INFORMATIONAL NOTES**

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Brett Bissett (OC MA)/ng

## Wire Fraud Alert

This Notice is not intended to provide legal or professional advice. If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. **DO NOT** use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the phone number of relevant parties to the transaction as soon as an escrow account is opened.** **DO NOT** send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do **NOT** reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

**Federal Bureau of Investigation:**  
<http://www.fbi.gov>

**Internet Crime Complaint Center:**  
<http://www.ic3.gov>



# Fidelity National Title Company

4400 MacArthur Blvd., Suite 200, Newport Beach, CA 92660  
Phone: (949) 622-5000 • Fax:

## Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

### FNF Underwritten Title Company

CTC – Chicago Title company  
CLTC – Commonwealth Land Title Company  
FNTC – Fidelity National Title Company of California  
FNTCCA - Fidelity National Title Company of California  
TICOR – Ticor Title Company of California  
LTC – Lawyer's Title Company  
SLTC – ServiceLink Title Company

### Underwritten by FNF Underwriters

CTIC – Chicago Title Insurance Company  
CLTIC - Commonwealth Land Title Insurance Company  
FNTIC – Fidelity National Title Insurance Company  
FNTIC - Fidelity National Title Insurance Company  
CTIC – Chicago Title Insurance Company  
CLTIC – Commonwealth Land Title Insurance Company  
CTIC – Chicago Title Insurance Company

### Available Discounts

#### **DISASTER LOANS (CTIC, CLTIC, FNTIC)**

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within twenty-four (24) months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be fifty percent (50%) of the appropriate title insurance rate.

#### **CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, FNTIC)**

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be fifty percent (50%) to seventy percent (70%) of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be forty (40%) to fifty percent (50%) of the appropriate title insurance rate, depending on the type of coverage selected.

# FIDELITY NATIONAL FINANCIAL, INC. PRIVACY NOTICE

Effective April 9, 2020

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, “FNF,” “our,” or “we”) respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

A limited number of FNF subsidiaries have their own privacy notices. If a subsidiary has its own privacy notice, the privacy notice will be available on the subsidiary’s website and this Privacy Notice does not apply.

## **Collection of Personal Information**

FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g. Social Security Number, driver’s license, passport, or other government ID number);
- financial account information (e.g. loan or bank account information); and
- other personal information necessary to provide products or services to you.

We may collect Personal Information about you from:

- information we receive from you or your agent;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

## **Collection of Browsing Information**

FNF automatically collects the following types of Browsing Information when you access an FNF website, online service, or application (each an “FNF Website”) from your Internet browser, computer, and/or device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

## **Other Online Specifics**

**Cookies.** When you visit an FNF Website, a “cookie” may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer’s hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

**Web Beacons.** We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

**Do Not Track.** Currently our FNF Websites do not respond to “Do Not Track” features enabled through your browser.

**Links to Other Sites.** FNF Websites may contain links to unaffiliated third-party websites. FNF is not responsible for the privacy practices or content of those websites. We recommend that you read the privacy policy of every website you visit.

## **Use of Personal Information**

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates’, and others’ products and services, jointly or independently.

## **When Information Is Disclosed**

We may disclose your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;

- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law. We may share your Personal Information with affiliates (other companies owned by FNF) to directly market to you. Please see "Choices with Your Information" to learn how to restrict that sharing.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

### **Security of Your Information**

We maintain physical, electronic, and procedural safeguards to protect your Personal Information.

### **Choices With Your Information**

If you do not want FNF to share your information among our affiliates to directly market to you, you may send an "opt out" request by email, phone, or physical mail as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you without your consent.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

**For California Residents:** We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law. For additional information about your California privacy rights, please visit the "California Privacy" link on our website (<https://fnf.com/pages/californiaprivacy.aspx>) or call (888) 413-1748.

**For Nevada Residents:** You may be placed on our internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

**For Oregon Residents:** We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

**For Vermont Residents:** We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

### **Information From Children**

The FNF Websites are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

### **International Users**

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

### **FNF Website Services for Mortgage Loans**

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except as required or authorized by contract with the mortgage loan servicer or lender, or as required by law or in the good-faith belief that such disclosure is necessary: to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

**Your Consent To This Privacy Notice; Notice Changes; Use of Comments or Feedback**

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The Privacy Notice's effective date will show the last date changes were made. If you provide information to us following any change of the Privacy Notice, that signifies your assent to and acceptance of the changes to the Privacy Notice. We may use comments or feedback that you submit to us in any manner without notice or compensation to you.

**Accessing and Correcting Information; Contact Us**

If you have questions, would like to correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, send your requests to [privacy@fnf.com](mailto:privacy@fnf.com), by phone to (888) 934-3354, or by mail to:

Fidelity National Financial, Inc.  
601 Riverside Avenue  
Jacksonville, Florida 32204  
Attn: Chief Privacy Officer

## ATTACHMENT ONE (Revised 05-06-16)

### CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990

#### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

#### EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

### CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13) ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE

#### EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
  - a. building;
  - b. zoning;
  - c. land use;
  - d. improvements on the Land;
  - e. land division; and
  - f. environmental protection.This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
  - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
  - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;

- c. that result in no loss to You; or
  - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
  6. Lack of a right:
    - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
    - b. in streets, alleys, or waterways that touch the Land.
 This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
  7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
  8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
  9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

**LIMITATIONS ON COVERED RISKS**

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<b>Your Deductible Amount</b>	<b>Our Maximum Dollar Limit of Liability</b>
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 5,000.00

**2006 ALTA LOAN POLICY (06-17-06)**

**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

**EXCEPTIONS FROM COVERAGE**

{Except as provided in Schedule B - Part II, {t{or T}his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

## {PART I

{The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.}

## PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:}

### **2006 ALTA OWNER'S POLICY (06-17-06)** **EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
  - (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
  - (a) a fraudulent conveyance or fraudulent transfer; or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

### **EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

{The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records. }
7. {Variable exceptions such as taxes, easements, CC&R's, etc. shown here.}

## ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY – ASSESSMENTS PRIORITY (04-02-15)

### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

7237 17  
SCALE 1" = 400'

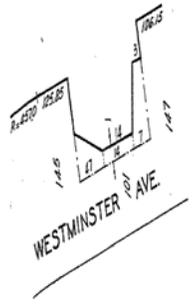
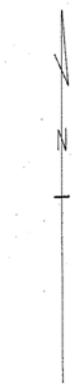
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160820020001-27  
81024  
15802368805003-10  
2200254504008001-10  
2003061606015001-30

This instrument is being furnished as an aid in locating the herein described land in relation to adjoining streets, natural boundaries and other land and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly provided by endorsement, if any, the Company does not insure dimensions, distances, location of easements, location of other matters shown thereon.  
 Order: 300226268  
 Doc: CALOSAMASS 7237-00017

Page 1 of 1

Requested By: mhadsall, Printed: 12/10/2018 1:45 PM

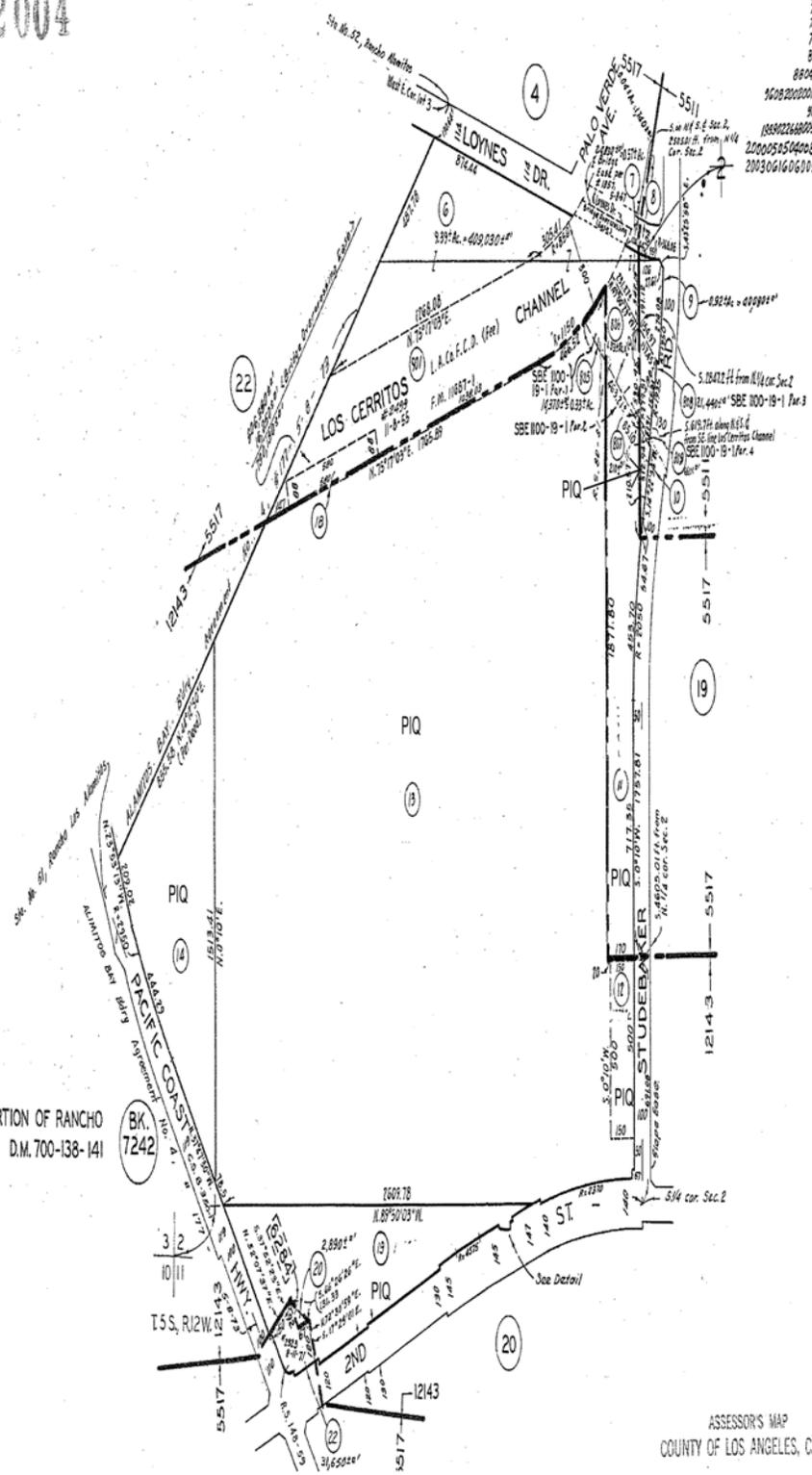


DETAIL  
NO SCALE

MAPS NOS. 1 AND 2 OF PORTION OF RANCHO  
LOS ALAMITOS D.M. 700-138-141

CODE  
6284  
5511  
5517  
12143

NO.1649 FOR PREV. ASSMT SEE:  
7239-24,25,27&29



ASSESSOR'S MAP  
COUNTY OF LOS ANGELES, CALIF.

## OWNER'S DECLARATION

Escrow No.: 30051785-010-VR2-BB7  
Property Address: No Situs  
Long Beach, CA

The undersigned hereby declares as follows:

1. (Fill in the applicable paragraph and strike the other)
  - a. Declarant ("Owner") is the owner or lessee, as the case may be, of certain premises located at No Situs, Long Beach, CA, further described as follows: See Preliminary Report/Commitment No. for full legal description (the "Land").
  - b. Declarant is the \_\_\_\_\_ of \_\_\_\_\_ ("Owner"), which is the owner or lessee, as the case may be, of certain premises located at No Situs, Long Beach, CA, further described as follows: See Preliminary Report/Commitment No. for full legal description (the "Land").
2. (Fill in the applicable paragraph and strike the other)
  - a. During the period of six months immediately preceding the date of this declaration no work has been done, no surveys or architectural or engineering plans have been prepared, and no materials have been furnished in connection with the erection, equipment, repair, protection or removal of any building or other structure on the Land or in connection with the improvement of the Land in any manner whatsoever.
  - b. During the period of six months immediately preceding the date of this declaration certain work has been done and materials furnished in connection with \_\_\_\_\_ upon the Land in the approximate total sum of \$\_\_\_\_\_, but no work whatever remains to be done and no materials remain to be furnished to complete the construction in full compliance with the plans and specifications, nor are there any unpaid bills incurred for labor and materials used in making such improvements or repairs upon the Land, or for the services of architects, surveyors or engineers, except as follows: \_\_\_\_\_. Owner, by the undersigned Declarant, agrees to and does hereby indemnify and hold harmless Fidelity National Title Company against any and all claims arising therefrom.
3. Owner has not previously conveyed the Land; is not a debtor in bankruptcy (and if a partnership, the general partner thereof is not a debtor in bankruptcy); and has not received notice of any pending court action affecting the title to the Land.
4. Except as shown in the above-referenced Preliminary Report/Commitment, there are no unpaid or unsatisfied mortgages, deeds of trust, Uniform Commercial Code financing statements, regular assessments, special assessments, periodic assessments or any assessment from any source, claims of lien, special assessments, or taxes that constitute a lien against the Land or that affect the Land but have not been recorded in the public records. There are no violations of the covenants, conditions and restrictions as shown in the above-referenced Preliminary Report/Commitment.
5. The Land is currently in use as \_\_\_\_\_; \_\_\_\_\_ occupy/occupies the Land; and the following are all of the leases or other occupancy rights affecting the Land:  
\_\_\_\_\_
6. There are no other persons or entities that assert an ownership interest in the Land, nor are there unrecorded easements, claims of easement, or boundary disputes that affect the Land.
7. There are no outstanding options to purchase or rights of first refusal affecting the Land.

8. Between the most recent Effective Date of the above-referenced Preliminary Report/Commitment and the date of recording of the Insured Instrument(s), Owner has not taken or allowed, and will not take or allow, any action or inaction to encumber or otherwise affect title to the Land.

This declaration is made with the intention that Fidelity National Title Company (the "Company") and its policy issuing agents will rely upon it in issuing their title insurance policies and endorsements. Owner, by the undersigned Declarant, agrees to indemnify the Company against loss or damage (including attorneys fees, expenses, and costs) incurred by the Company as a result of any untrue statement made herein.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on \_\_\_\_\_ at \_\_\_\_\_.

Signature: \_\_\_\_\_

## OPTION AGREEMENT

THIS OPTION AGREEMENT ("Agreement") is effective as of this 2 day of September 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. SS

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. SS

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. SS

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

hercof.

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]*

SS

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

"LCWA"

LOS CERRITOS WETLANDS AUTHORITY

By:   
Name:

Its: Chair

"OPTIONEE"

LOS CERRITOS WETLANDS, LLC

By:   
Name: John McKeown

Its: Chief Executive Officer

By:   
Name: Hong Duan

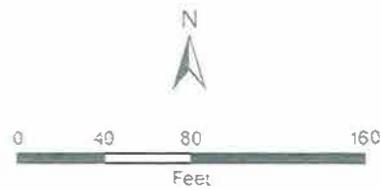
Its: President

EXHIBIT A  
THE LCWA SITE



**Legend**

 LCWA Site Boundary



**LCWA OPTION AGREEMENT**  
LCWA Site

**GLENN LUKOS ASSOCIATES** 

Exhibit A

X:\0365\THE REST\1032\_02\MapRegion\_Option Agreement\101\ExhibitA.mxd

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) : \_\_\_\_\_



LEAD SHEET

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



THIS FORM NOT TO BE DUPLICATED

03 2214772

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:

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

(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*

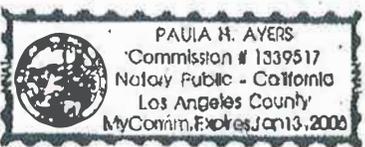
STATE OF CALIFORNIA )

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. Bouda 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



5

EXHIBIT A  
LEGAL DESCRIPTION

May 28, 2001

6

PROPOSED  
6.11 ACRE PARCEL

A portion of Parcel 3 of City of Long Beach Lot Line Adjustment No. 0704-09, recorded December 12, 1997 as Instrument No. 87-1853961, 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.04°14'06"E., a distance of 75.63 feet;

Thence S.00°62'36"W., a distance of 357.39 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.

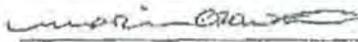
Thence N.80 Degrees 00'17"W. along said Southerly line and said centerline, a distance of 556.67 feet, to the Point of Beginning.

The above described parcel of land contains 6.11 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 66423(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

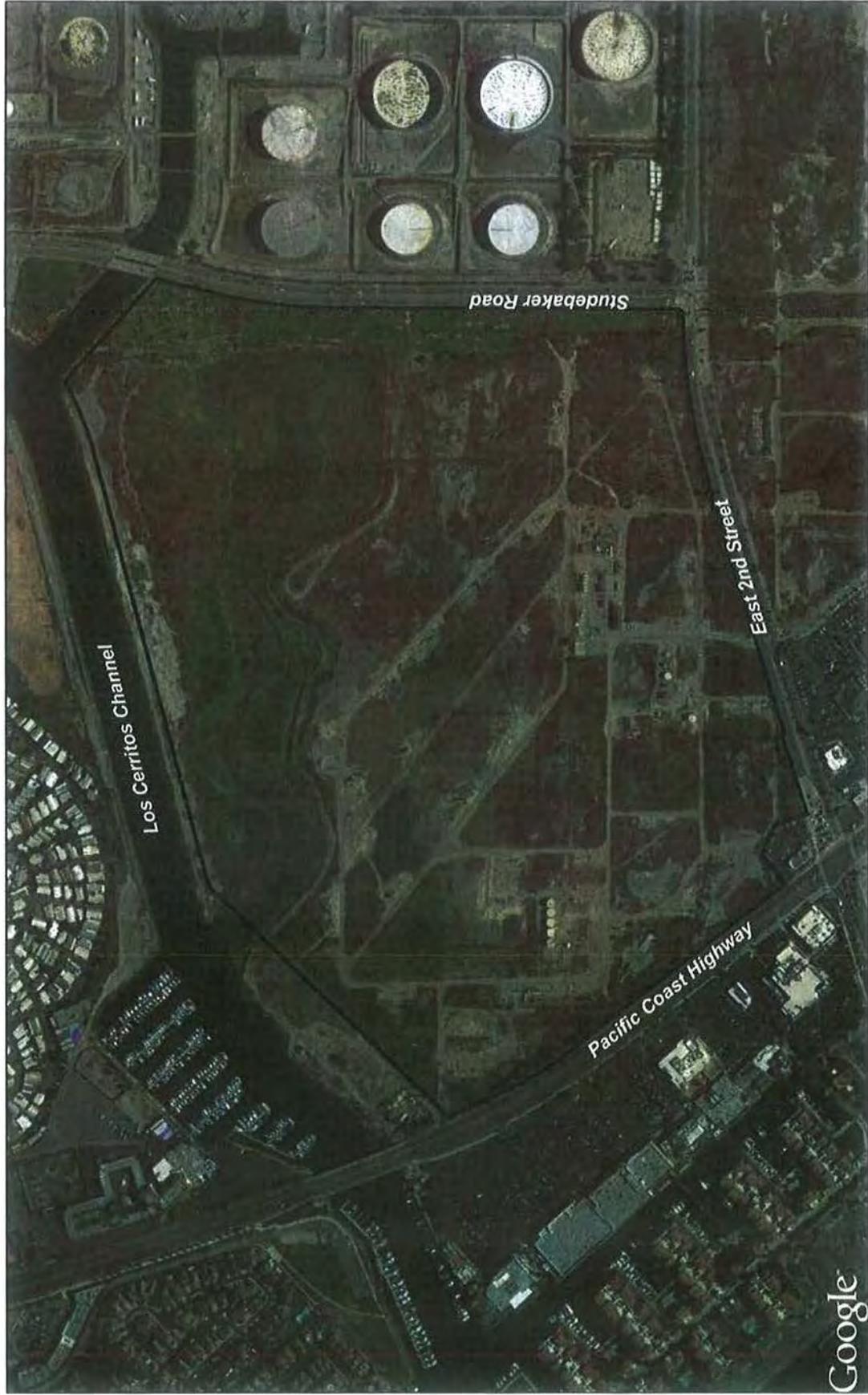


 KC

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03 2214772

**EXHIBIT B**  
**THE OPTIONEE PROPERTY**



**Legend**

 Synergy Oil Field Boundary

**LCWA OPTION AGREEMENT**  
 OPTIONEE Property

**GLENN LUKOS ASSOCIATES**  
 Exhibit B

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## 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.

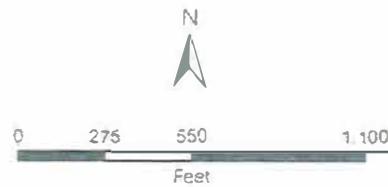
EXCEPT THEREFROM ALL OIL, NATURAL GAS, PETROLEUM AND OTHER HYDROCARBONS AS CONVEYED IN THAT MINERAL GRANT DEED RECORDED ON JUNE 7, 2010, AS INSTRUMENT NO. 20100767125, OFFICIAL RECORDS.

**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



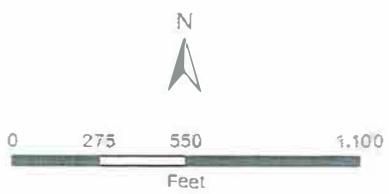
**EXHIBIT D**  
**MITIGATION BANK MAPPING**



Google

**Legend**

- |   |  |
|---|--|
|  Synergy Oil Field Boundary            |  Tidal Marsh Rehabilitation     |
|  Sheepcree Wetland                     |  Upland Buffer Establishment    |
|  Trail                                 |  Steamshovel Slough Enhancement |
|  Tidal Marsh Re-establishment          |  Transitional 2 Enhancement     |
|  Transitional Wetland Re-establishment |  Upland Buffer Enhancement      |
|  Transitional 2 Re-establishment       |  |



**LCWA OPTION AGREEMENT**  
Mitigation Bank Exhibit

GLENN LUKOS ASSOCIATES 

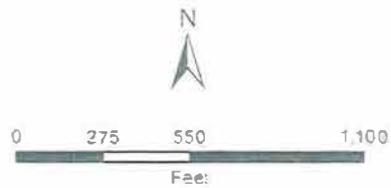
Exhibit D

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EXHIBIT E  
REVEGATION PLAN



-  Synergy Oil Field Boundary
-  Revegetation Areas



**LCWA OPTION AGREEMENT**  
Revegetation Site

**GLENN LUKOS ASSOCIATES**

Exhibit E



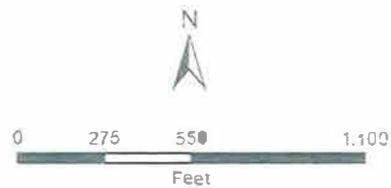
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**EXHIBIT F**  
**PUBLIC ACCESS IMPROVEMENTS**



### Legend

-  Synergy Oil Field Boundary
-  Public Access Improvements



### LCWA OPTION AGREEMENT

Public Access Improvements

GLENN LUKOS ASSOCIATES



Exhibit F

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**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 II**  
**STEAMSHOVEL SLOUGH PROPERTY**



### Legend

-  Project Boundary
-  Steamshovel Slough and LCWAA access (42.2 acres)



Coordinate System: SCS 2-D Plane 83 NAD 83  
Projection: Lambert Conformal Conic  
Datum: NAD83  
Map Prepared by: K. Kutzler - GLA  
Date Prepared: April 29, 2010

**LCWA OPTION AGREEMENT**  
Steamshovel Slough Property

**GLENN LUKOS ASSOCIATES**



Exhibit M

As shown on the map, the project boundary is shown in white and the Steamshovel Slough and LCWAA access is shown in green.

**FIRST AMENDMENT TO  
OPTION AGREEMENT DATED SEPTEMBER 2, 2016**

THIS FIRST AMENDMENT TO THE OPTION AGREEMENT DATED SEPTEMBER 2, 2016 (“First Amendment”), is effective as of this 10th day of June, 2022 (“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.”

**PREAMBLE**

A. WHEREAS LCWA and OPTIONEE entered into an Option Agreement dated September 2, 2016 (“Option Agreement”) that set out the Parties’ respective rights and obligations with respect to the OPTIONEE’s option to effect an exchange of certain property identified as the LCWA Site, described and depicted in Exhibit A to the Option Agreement, for the OPTIONEE Property, described and depicted in Exhibit B to the Option Agreement;

B. WHEREAS the Option Agreement included several conditions precedent that are required to be completed before the OPTIONEE can exercise its option under the Agreement, including Section 3.b of the Option Agreement, which requires the Parties to engage a qualified appraiser to conduct appraisals, at the OPTIONEE’s sole expense, of the LCWA Site and the OPTIONEE Property and that the appraisals shall be reviewed and approved by a mutually agreed upon public entity before the OPTIONEE may exercise its option under the Agreement, and the Land Exchange Framework attached as Exhibit G to the Option Agreement, which requires the Parties to execute a Land Exchange Agreement before the OPTIONEE may exercise its option under the Agreement;

C. WHEREAS Section 3.c of the Option Agreement requires that the OPTIONEE exercise its option within six (6) months after the receipt of all entitlements described in Section 6 of the Option Agreement and completion of all legal challenges to the EIR and the entitlements, or eight (8) years from the effective date of the Option Agreement, whichever occurred first;

D. WHEREAS as of the date of this Amendment all entitlements described in Section 6 of the Option Agreement have been received, there are no pending legal challenges to the EIR or entitlements, but due to unforeseen delays the Parties have not yet satisfied all conditions precedent set forth in Section 3.b or the Land Exchange Framework;

E. WHEREAS under these unusual and unforeseen circumstances, the Parties recognize that there is an apparent inconsistency between Section 3.c and Section 3.b and the Land Exchange Framework insofar as the timing in which the OPTIONEE must exercise its option and the OPTIONEE’s ability to do so given that conditions precedent set forth in those sections still remain outstanding; and

F. WHEREAS the Parties mutually agree that it is in the Parties best interest to resolve the apparent inconsistency between the two provisions and clarify the Parties' mutual rights and obligations under these circumstances.

**AMENDMENT**

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby mutually agree to amend the language of Section 3.c of the Option Agreement as follows:

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

c. OPTIONEE shall exercise the Option within six (6) months of satisfaction of conditions precedent to the exercise of the Option, including specifically those set forth in Section 3 a. and 3.b. of the Option Agreement, the execution of a Land Exchange Agreement as specified in the Land Exchange Framework attached as Exhibit G, and 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.

IN WITNESS WHEREOF, the Parties have executed this First Amendment as of the Effective Date.

**“LCWA”**

**LOS CERRITOS WETLANDS AUTHORITY**

By:  \_\_\_\_\_  
Its: 3EF0743E521D4ED... June 9, 2022  
Mark Stanley, Executive Officer

**“OPTIONEE”**

**LOS CERRITOS WETLANDS, LLC,  
a California limited liability company**

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
John McKeown, CEO

F. WHEREAS the Parties mutually agree that it is in the Parties best interest to resolve the apparent inconsistency between the two provisions and clarify the Parties' mutual rights and obligations under these circumstances.

**AMENDMENT**

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby mutually agree to amend the language of Section 3.c of the Option Agreement as follows:

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

c. OPTIONEE shall exercise the Option within six (6) months of satisfaction of conditions precedent to the exercise of the Option, including specifically those set forth in Section 3 a. and 3.b. of the Option Agreement, the execution of a Land Exchange Agreement as specified in the Land Exchange Framework attached as Exhibit G, and 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.

IN WITNESS WHEREOF, the Parties have executed this First Amendment as of the Effective Date.

**“LCWA”**

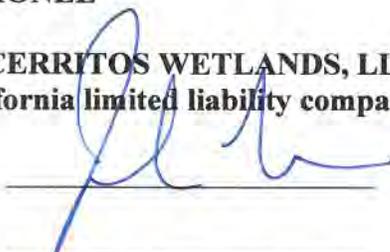
**LOS CERRITOS WETLANDS AUTHORITY**

By: \_\_\_\_\_

Its: \_\_\_\_\_  
Mark Stanley, Executive Officer

**“OPTIONEE”**

**LOS CERRITOS WETLANDS, LLC,  
a California limited liability company**

By:  \_\_\_\_\_

Its: \_\_\_\_\_  
John McKeown, CEO

**SECOND AMENDMENT TO OPTION AGREEMENT**  
**[R&T Draft Version 5-10-24]**

THIS SECOND AMENDMENT TO OPTION AGREEMENT (this “Agreement”), is effective as of \_\_\_\_\_, 2024 (the “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. Prior to the date hereof, the Parties entered into that certain Option Agreement, effective as of September 2, 2016 (“2016 Option Agreement”), which was amended on June 10, 2022 (the “First Amendment” and together with the 2016 Option Agreement, the “Original Agreement”), to set forth the Parties’ respective rights and obligations with respect to Optionee’s option to effect an exchange of the LCWA Site (as hereinafter defined) for the Optionee Property (as hereinafter defined). This Agreement amends and restates in its entirety the Original Agreement.

B. 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”).

C. 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”).

D. Optionee has established a mitigation bank consisting of approximately 67.9 acres on the northerly approximately 77.3 acres of the Optionee Property as more particularly described in **Exhibit “C”** (the “Mitigation Bank Site”) pursuant to that certain Bank Enabling Instrument (Upper Los Cerritos Wetlands Mitigation Bank) dated as of July 24, 2023 (the “BEI”) by and between Optionee and the U.S. Army Corps of Engineers, Los Angeles District (the “Army Corps”), and in connection therewith, intends to implement wetlands and habitat restoration pursuant to the Upper Los Cerritos Wetlands Mitigation Bank Development Plan (“Bank Development Plan”) that has been approved by the Interagency Review Team (“IRT”) headed by the Army Corps. The approximately 77.3 acres will also include public access improvements and approximately 9.4 acres of additional open space that Optionee reserves the right to use for its mitigation need. The initial mapping of the bank components is depicted in **Exhibit “D”** (the “Mitigation Bank Mapping”).

E. 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 Revegetation Site are removed. Optionee is in the process of amending the BEI to include the Revegetation Site.

F. 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 (collectively, the “Public Access Improvements”) within approximately 2.95 acres of the Optionee Property as depicted in **Exhibit “F”** (the “Public Access Improvements Site”) 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.”

G. In order to implement the Bank Development Plan and the Revegetation Plan, and construct the Public Access Improvements, Optionee intends to phase out its oil production operations on the Revegetation Site and Public Access Improvement Site by no later than December 31, 2027, and may relocate a portion of its oil operations to the LCWA Site, subject to restrictions set forth in the Oil & Gas Deed Restriction (as defined in the Land Exchange Agreement, as hereinafter defined) to be recorded prior to the closing of the Land Exchange (as hereinafter defined).

H. On February 15, 2024, the California Coastal Conservancy conditionally approved of the transfer of the LCWA Site to COMPANY.

I. Optionee has either obtained or is in the process of obtaining various permits, approvals, and/or entitlements (collectively, the “Entitlements”) from, *inter alia*, the City of Long Beach, the California Coastal Commission, the Army Corps, 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 Bank Development 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 Entitlements that Optionee has obtained or is in the process of obtaining include, but are not limited to:

1. 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;
2. 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;
3. 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;
4. City of Long Beach certification of the Los Cerritos Wetlands Restoration and Wetlands Consolidation Project Environmental Impact Report (“EIR”) pursuant to CEQA; and

5. California Coastal Commission approval of a Local Coastal Program amendment to reflect the SEADIP amendment, and approval of a Consolidated Coastal Development Permit (“CDP”) to construct the oil production facilities and to implement the wetlands mitigation plan which will be issued by the Coastal Commission upon satisfaction of identified conditions of approval.

J. A condition precedent to the approval of the Entitlements identified above in Recital H is the preparation by the City of Long Beach of an environmental impact report (“EIR”) pursuant to CEQA which was completed and certified by the City as of January 16, 2018.

## **AGREEMENT**

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties 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 an agreement (the “Land Exchange Agreement”) to be negotiated between and entered into by 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 may occur in phases.

(a) Upon exercise of the Option in accordance with this Agreement, Optionee will transfer to LCWA the Mitigation Bank Site in fee, and LCWA will transfer the LCWA Site to Optionee in fee in accordance with the terms and conditions of the Land Exchange Agreement, which shall have been approved by the Parties.

(b) LCWA acknowledges and agrees that Optionee is required to record against the Mitigation Bank Site: (1) a Deed Restriction pursuant to Special Condition 6 and Special Condition 7 of the CDP (collectively the “CDP Deed Restrictions”); and (2) a Conservation Easement required by the Army Corps pursuant to, and in the form required by, the BEI which authorizes the establishment of a Mitigation Bank. LCWA acknowledges and agrees that it will assume title to the Mitigation Bank Site subject to the aforementioned deed restrictions and Conservation Easement; provided, however, that if the Conservation Easement is not recorded prior to the closing of the land exchange (the “Land Exchange”) under the Land Exchange Agreement, then LCWA agrees to record the Conservation Easement against the Mitigation Bank Site promptly following Optionee’s request therefor.

(c) Optionee acknowledges and agrees that pursuant to Special Condition 6 and Special Condition 7 of the CDP, LCWA was required to record and has recorded the CDP Deed Restriction against the LCWA Site and Mitigation Bank Site (as applicable), and that Optionee will assume title to the LCWA Site subject to the applicable CDP Deed Restrictions, and LCWA will assume title to the Mitigation Bank Site subject to the applicable Deed

Restrictions.

(d) 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 “Revegetation IOD”), which offer may be accepted by LCWA or a successor agency in accordance with the terms set forth in the form of Revegetation IOD which is, or shall be, attached as an exhibit to the Land Exchange Agreement.

(e) Also concurrently with the Land Exchange, Optionee will record an Irrevocable Offer of Dedication of fee title to the Public Access Improvements Site in favor of LCWA (the “Public Access IOD”), which offer may be accepted by LCWA or a successor agency in accordance with the terms set forth in the form of Public Access IOD which is, or shall be, attached as an exhibit to the Land Exchange Agreement.

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

(a) CEQA Compliance. Optionee may exercise the Option only after and upon 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. On January 16, 2018, the City certified the EIR and no legal challenges to the EIR were filed. Therefore, this condition precedent has been satisfied.

(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 and shall be completed prior to exercise of the Option. The Parties agree to engage an appraiser at Optionee’s sole expense to conduct appraisals of the LCWA Site and the Optionee Property. The engagement agreement with the appraiser shall provide that both Optionee and LCWA are clients of the appraiser. 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 the Department of General Services (“DGS”) for completion of administrative review and approval of the appraisals. The Parties agree that other than LCWA and DGS pursuant to the foregoing sentence, no other agency review or approval of the appraisals is required.

(c) LCWA Approval. LCWA has approved: (i) the transfer of the LCWA Site; (ii) acceptance of the Mitigation Bank Site; and (iii) assumption of the long term management responsibilities associated with implementation of the Bank Development Plan that has been approved by the IRT and made an exhibit to the BEI.

4. **Exercise of the Option.** Optionee shall exercise the Option by the earlier to occur of (a) September 2, 2024, or (b) six (6) months following the date upon which the Entitlements have been obtained and the conditions set forth in Section 3 above have been satisfied (the “Option Term”). Optionee will exercise the Option by delivering notice in writing to LCWA prior to the expiration of the Option Term. Once the Option is validly exercised by Optionee, an escrow shall be opened pursuant to the Land Exchange Agreement and the Land Exchange shall occur in accordance with the Land Exchange Agreement.

5. **Due Diligence.**

(a) At any time prior to the closing of the Land Exchange, 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 undertaken pursuant to this Section 5(a). Each Party’s obligations under this Section 5(a) shall survive the expiration of the Option Term or any earlier termination of this Agreement for a period of ten (10) years following such expiration or termination (the “Survival Period”).

(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 or equivalent self-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.

6. **Title.** Title to the LCWA Site, the Mitigation Bank Site, the Revegetation Site and the Public Access Improvements Site shall be conveyed in accordance with the Land Exchange Agreement.

7. **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 the Entitlements on behalf of itself and LCWA, as applicable. LCWA shall cooperate with Optionee to process the Entitlements, including but not limited to reviewing and signing applications acceptable to LCWA, 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.

8. **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."

9. **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.

10. **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 reasonable attorneys' fees incurred in enforcing, perfecting and executing such judgment.

11. **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 Agreement and the intended conveyance of the LCWA Site to Optionee and/or the intended conveyance of the Optionee Property to LCWA. The provisions of this Section 11 shall survive the termination of this Agreement.

12. **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; provided, however, that, in the event that that certain Los Cerritos Wetlands Authority Joint Exercise of Powers Agreement, dated as

of March 17, 2006 (as amended, the “JPA”) is terminated pursuant to Section 13 of the JPA, LCWA shall have the right, power and authority to assign this Agreement and its rights hereunder, or to delegate any duties or obligations arising under this Agreement, without Company's consent, to a successor agency, as designated by LCWA.

13. **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.

14. **Offers of Third Parties.** Notwithstanding anything to the contrary in this Agreement, if at any time during the term of the Option LCWA receives from any third party an offer to purchase or otherwise acquire the LCWA Site, LCWA shall not accept such offer.

15. **Term and Termination.** The term of this agreement shall be through September 2, 2024. The Parties may agree in writing to extend the Option Term. Optionee shall have the right, but not the obligation, to terminate the Option upon the occurrence of any of the following:

- (a) The City fails to approve the Entitlements;
- (b) The Coastal Commission’s approval of the Consolidated Coastal Development Permit is vacated by a court of competent law in the State of California; or
- (c) Optionee elects to terminate the Option upon completion of the appraisals obtained pursuant to Section 3(b) above.

If Optionee has not otherwise terminated the Option pursuant to Section 15(a) - 15(c), 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 Slough Property 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 any portion of the Optionee Property pursuant to the BEI and obtaining regulatory permits and approvals, including altering the course of the Steamshovel Slough and diverting water to the remainder of Optionee’s Property, and constructing physical improvements such as a berm or installing sheet piles required to protect all or any portion of the Optionee 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. Notwithstanding the foregoing, conveyance of the Slough Property is not required if Optionee terminates the Option pursuant to Sections 15(a) -15(c) above.

16. **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

17. **Intentionally Omitted.**

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, 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 to, any person or entity other than the Parties.

(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.

(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 have executed this Agreement as of the Effective Date.

**“LCWA”**

LOS CERRITOS WETLANDS AUTHORITY

By: \_\_\_\_\_

Its: \_\_\_\_\_  
[Printed Name and Title]

**“OPTIONEE”**

LOS CERRITOS WETLANDS, LLC,  
a California limited liability company

By: \_\_\_\_\_

Its: \_\_\_\_\_  
[Printed Name and Title]

**Exhibit "A"**

LEGAL DESCRIPTION AND DEPICTION OF THE LCWA SITE

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

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 OF 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 NORTH 00°10'03" EAST, 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 SOUTH 89°50'17" EAST, A DISTANCE OF 493.10 FEET;  
THENCE SOUTH 64°14'06" EAST, A DISTANCE OF 75.53 FEET;  
THENCE SOUTH 00°52'38" WEST, 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 NORTH 89°50'17" WEST, ALONG SAID SOUTHERLY LINE AND SAID CENTERLINE, A DISTANCE OF 556.57 FEET, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 500 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID SELLERS, THEIR HEIRS, SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF 500 FEET, FOR ANY PURPOSE WHATSOEVER, AS SET FORTH IN THE DEED FROM ERNEST A. BRYANT, JR., AND ALLEN L. CHICKERING, AS TRUSTEES UNDER THE LAST WILL

AND TESTAMENT OF SUSANNA BIXBY BRYANT, ALSO KNOWN AS SUSANNA P. BRYANT, DECEASED, RECORDED JULY 27, 1953 AS INSTRUMENT NO. 889, IN BOOK 42302, PAGE 73 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, WITHOUT, HOWEVER, THE RIGHT TO USE THE SURFACE THEREOF, AS EXCEPTED AND RESERVED IN THAT CERTAIN DEED TO EDISON SECURITIES COMPANY, A CORPORATION, DATED SEPTEMBER 2, 1953 AND RECORDED SEPTEMBER 15, 1953 AS INSTRUMENT NO. 2298, IN BOOK 42694, PAGE 232 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.



**Legend**

LCWA Site Boundary

**LCWA OPTION AGREEMENT**

LCWA Site



**GLENN LUKOS ASSOCIATES**

Exhibit A

X:\005\THE RESTRICTION TO REVENUE DESIGN AGREEMENT\ENR\05A.mxd

**Exhibit "B"**

LEGAL DESCRIPTION AND DEPICTION OF THE OPTIONEE PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LONG BEACH 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 OF 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 RESERVED BY SYNERGY OIL & GAS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY IN THAT GRANT DEED RECORDED ON DECEMBER 11, 2013 AS INSTRUMENT NO. 20131748575 OF OFFICIAL RECORDS.

ALL RIGHTS TO THE PRESENT SURFACE AND THE FIRST 500 FEET BELOW THE PRESENT SURFACE OF THE LAND WERE CONVEYED TO THE OWNER OF RECORD BY GRANT DEED RECORDED JULY 19, 2021 AS INSTRUMENT NO. 20211109303 OF OFFICIAL RECORDS.

PARCEL 2: APN 7237-017-011, APN 7237-017-012, APN 7237-017-013, APN 7237-017-014, APN 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.

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 D1842, PAGES 137 THROUGH 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 AS INSTRUMENT NO. 2499, IN BOOK 49471, PAGE 50 OF OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED OCTOBER 22, 1959 AS INSTRUMENT NO. 1768 OF OFFICIAL RECORDS 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 THROUGH 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, NORTH 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 MAP NO. 6256, BOOK 64, PAGES 55 AND 56 OF PARCEL MAPS AND TRACT NO. 7470

IN BOOK 121, PAGES 36 THROUGH 39, INCLUSIVE OF MAPS IN THE OFFICE OF SAID COUNTY RECORDER; AND BOUNDED ON THE NORTH BY THE CENTERLINE OF WESTMINSTER AVENUE AS SHOWN ON SAID MAPS.

EXCEPT THEREFROM ALL OIL, NATURAL GAS, PETROLEUM AND OTHER HYDROCARBONS AS RESERVED BY SYNERGY OIL & GAS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY IN THAT GRANT DEED RECORDED ON DECEMBER 11, 2013 AS INSTRUMENT NO. 20131748575 OF OFFICIAL RECORDS.

ALL RIGHTS TO THE PRESENT SURFACE AND THE FIRST 500 FEET BELOW THE PRESENT SURFACE OF THE LAND WERE CONVEYED TO THE OWNER OF RECORD BY GRANT DEED RECORDED JULY 19, 2021 AS INSTRUMENT NO. 20211109303 OF OFFICIAL RECORDS.

PARCEL 3: APN: 7237-017-018

THAT PORTION OF THE WEST HALF OF SECTION 2, TOWNSHIP 5 SOUTH, RANGE 12 WEST, IN THE RANCHO OF LOS ALAMITOS, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN THE BOOK 700 PAGES 140 AND 141 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AS DESCRIBED IN "PARCEL 3" IN A FINAL ORDER OF CONDEMNATION, HAD IN SUPERIOR COURT CASE NO. 622968, A CERTIFIED COPY OF WHICH IS RECORDED IN THE BOOK 49471 PAGE 50, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WITHIN A STRIP OF LAND 88 FEET WIDE, THE SOUTHERLY SIDE LINE OF SAID STRIP OF LAND BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE EASTERLY TERMINUS OF THAT LINE DESCRIBED IN SAID PARCEL 3, AS HAVING A BEARING AND LENGTH OF "NORTH 75°17'03" EAST 1,765.89 FEET";  
THENCE ALONG SAID LINE, SOUTH 75°17'03" WEST 1,038.03 FEET TO THE TRUE POINT OF BEGINNING;  
THENCE CONTINUING ALONG SAID LINE, SOUTH 75°17'03" WEST 580 FEET.

EXCEPT THEREFROM ALL OIL, NATURAL GAS, PETROLEUM AND OTHER HYDROCARBONS AS RESERVED BY SYNERGY OIL & GAS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY IN THAT GRANT DEED RECORDED ON DECEMBER 11, 2013 AS INSTRUMENT NO. 20131748575, OFFICIAL RECORDS.

ALL RIGHTS TO THE PRESENT SURFACE AND THE FIRST 500 FEET BELOW THE PRESENT SURFACE OF THE LAND WERE CONVEYED TO THE OWNER OF RECORD BY GRANT DEED RECORDED JULY 19, 2021 AS INSTRUMENT NO. 20211109303 OF OFFICIAL RECORDS.



**Legend**

 Synergy Oil Field Boundary

**LCWA OPTION AGREEMENT**

OPTIONEE Property

**GLENN LUKOS ASSOCIATES**

Exhibit B

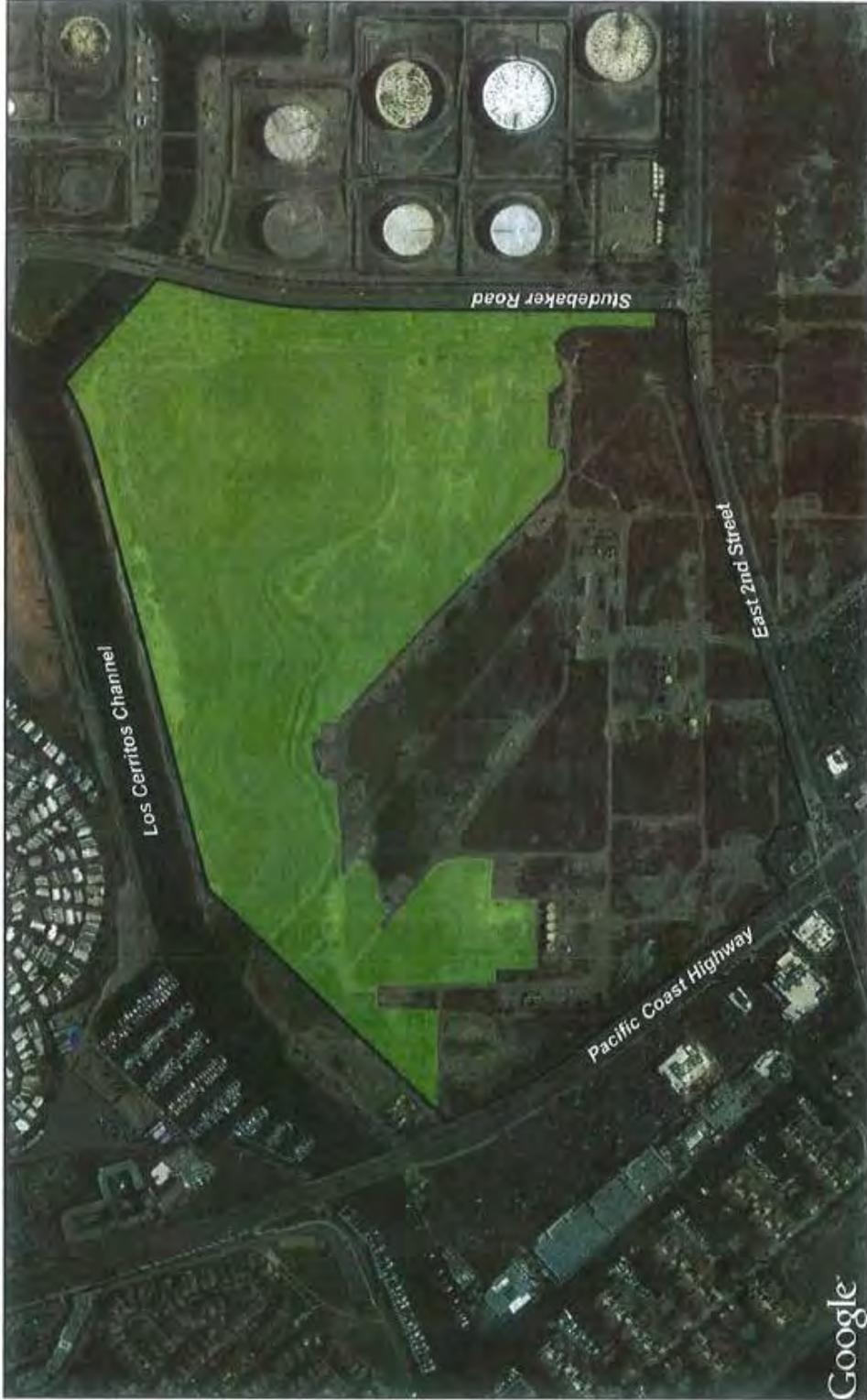


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**Exhibit “C”**

DEPICTION OF THE MITIGATION BANK SITE

(See attached.)



**Legend**

-  Synergy Oil Field Boundary
-  Mitigation Bank Property



**LCWA OPTION AGREEMENT**

Mitigation Bank Property



**GLENN LUKOS ASSOCIATES**

Exhibit C

X:\2003-2004\RESTORATION\PROJECT\Option Agreement\ExhibitC.mxd

**Exhibit “D”**

DEPICTION OF THE MITIGATION BANK MAPPING

(See attached.)



**Legend**

- Synergy Oil Field Boundary
- Sheepcote Wall
- Trail
- Total Marsh Re-establishment
- Transitional Wetland Re-establishment
- Transitional 2 Re-establishment
- Total Marsh Rehabilitation
- Upland Buffer Establishment
- Stormflow Slough Enhancement
- Transitional 2 Enhancement
- Upland Buffer Enhancement

**Scale:** 0 275 550 1,100 Feet

**North Arrow:** N

**LCWA OPTION AGREEMENT**  
Mitigation Bank Exhibit

**GLENN LUKOS ASSOCIATES**  
Exhibit D

K:\00001462\BENTLEY\CDM\TH\Bentley Option Agreement\Bentley CD.mxd

**Exhibit “E”**

DEPICTION OF THE REVEGETATION PLAN

(See attached.)



**LCWA OPTION AGREEMENT**  
 Revetigation Site

**GLENN LUKOS ASSOCIATES**  
 Exhibit E

IN 2008, THE RESTRICTIONS ON THE REPORT, OPTION AGREEMENT AND



-  Synergy Oil Field Boundary
-  Revetigation Areas

**Exhibit “F”**

DEPICTION OF THE PUBLIC ACCESS IMPROVEMENTS SITE

(See attached.)



**Legend**

-  Synergy Oil Field Boundary
-  Public Access Improvements



**LCWA OPTION AGREEMENT**

Public Access Improvements



**GLENN LUKOS ASSOCIATES**

Exhibit F

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## Exhibit “G”

### THE LAND EXCHANGE 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 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 LCW A 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:

- 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

Properly, as may be necessary, to access its Mitigation Bank Site and Revegetation Site. Alternatively, LCWA 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 LCW A per the terms of the Agreement. LCW A 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 LCW A 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.

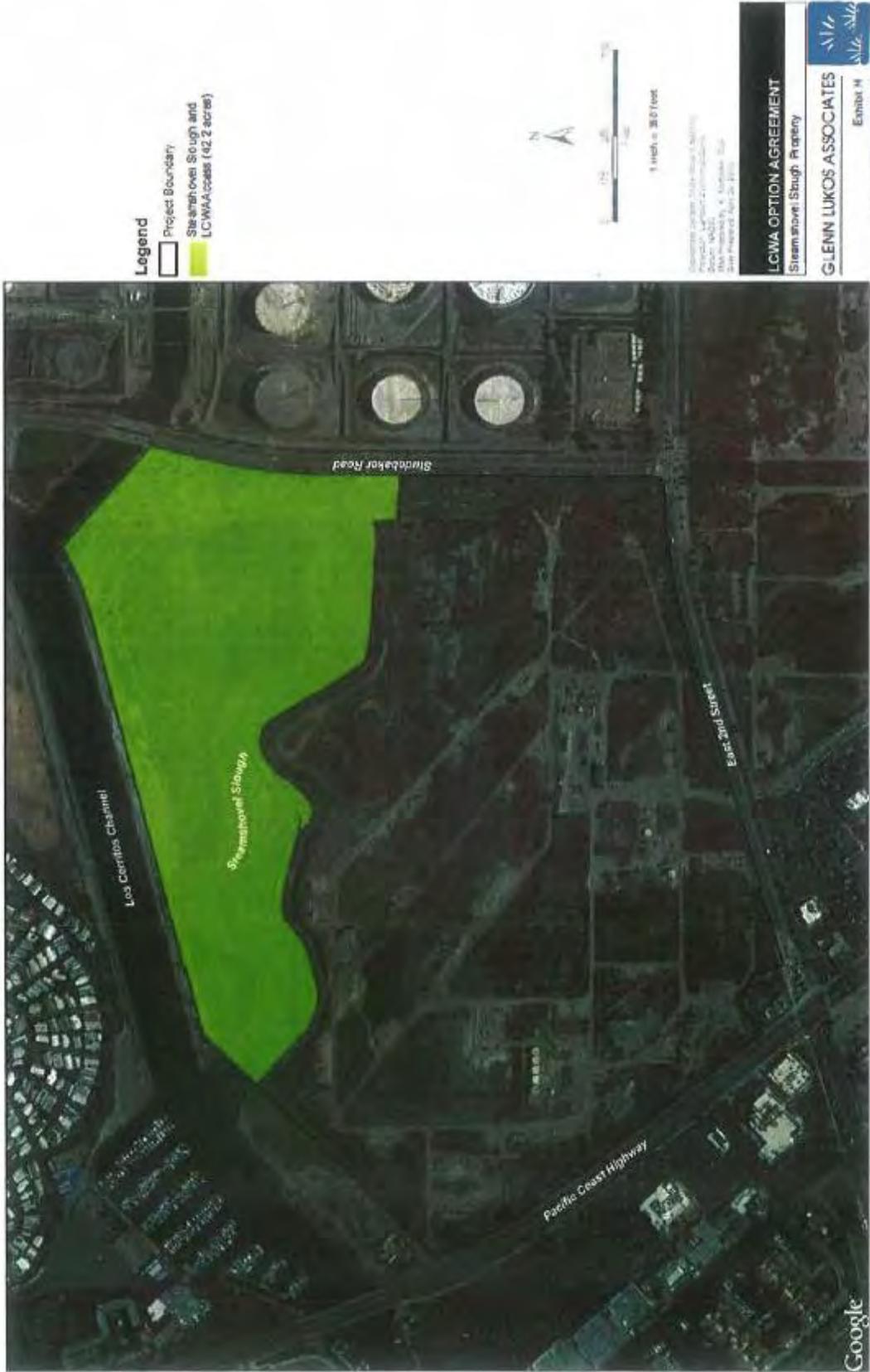
11. Obligation to Negotiate in Good Faith:

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

**Exhibit “H”**

DEPICTION OF THE SLOUGH PROPERTY

(See attached.)



**LAND EXCHANGE AGREEMENT**  
**[R&T Draft Version 5-10-2024]**

This Land Exchange Agreement (the “Agreement”) is entered into by and between the Los Cerritos Wetlands Authority, a joint powers authority formed by the California Coastal Conservancy, the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, the City of Long Beach and the City of Seal Beach (“LCWA”), and Los Cerritos Wetlands, LLC, a California limited liability company (the “Company”) as of \_\_\_\_\_ (the “Effective Date”). LCWA and the Company are sometimes referred to herein individually as a “Party” and together as the “Parties.”

**RECITALS**

A. Prior to or concurrently with the execution of this Agreement, the Parties have entered into a First Amended and Restated Option Agreement, the approved form of which is attached hereto as Exhibit “A” (“Option Agreement”), pursuant to which LCWA granted an option (“Option”) to the Company to acquire an approximately 5.1 acre parcel of property owned by LCWA as described and depicted in Exhibit “B” (hereafter the “LCWA Site”) in exchange for LCWA acquiring interests in certain of the Company properties, referred to in this Agreement as the “Mitigation Bank Site,” “Revegetation Site,” and “Public Access Improvements Site”, each as more particularly described below (collectively, the “Land Exchange”):

1. The Mitigation Bank Site consists of approximately 77.3 acres, including approximately 67.9 acres that will be designated by the U.S. Army Corps of Engineers (the “Army Corps”) and the California Coastal Commission as the Upper Los Cerritos Wetlands Mitigation Bank, pursuant to that certain Bank Enabling Instrument (Upper Los Cerritos Wetlands Mitigation Bank) dated as of July 24, 2023, by and between the Company and the Army Corps (as may be amended from time to time, the “BEI”), as well as approximately 9.4 acres of additional open space (“Northern Open Space”) over which the Company reserves the right to enter onto to implement a mitigation bank restoration plan pursuant to the BEI. The Company’s obligations to implement the BEI mitigation bank restoration plan includes, but is not limited to, implementation of the IRT-approved Mitigation Bank Development Plan (BEI Exhibit C) and Interim Management Plan (BEI Exhibit D-4). Company shall retain all proceeds associated with the sale of wetlands mitigation credits in accordance with the BEI in perpetuity, unless such proceeds are applied to offset the differential in land values as more particularly set forth in Section 5(a)(x)(B) below. The Mitigation Bank Site is more particularly described and depicted in Exhibit “C”.

2. The Revegetation Site consists of approximately 69.92 acres located on the southerly portion of the Company’s property commonly referred to as the Synergy Oil Field, and is more particularly described and depicted in Exhibit “D”. The Company shall retain the right in perpetuity to establish and maintain a mitigation bank on the Revegetation Site at its discretion, which may be accomplished by amendment to the BEI for the Upper Los Cerritos Wetlands Mitigation Bank, and to retain all proceeds associated with the sale of wetlands mitigation credits in accordance with the BEI, unless such proceeds are applied to offset the differential in land values as more particularly set forth in Section 5(a)(x)(B) below. LCWA shall bear no responsibilities

related to any mitigation bank as may be established on the Revegetation Site, unless expressly agreed to by separate agreement between the Parties.

3. The Public Access Improvements Site consists of approximately 2.95 acres, which include an existing building that is intended to be used by LCWA as a Visitors' Center, a parking lot, and a planned public access trail constructed by the Company along the perimeter of the Mitigation Bank Site, and is described and depicted in **Exhibit "E"**.

B. The Parties desire to enter into this Agreement in furtherance of the Option Agreement and to more fully set forth the terms of the Land Exchange.

C. The Land Exchange contemplated hereby is intended to help LCWA further its goals and mission to provide for a comprehensive program of acquisition, protection, conservation, restoration, maintenance and operation and environmental enhancement of the Los Cerritos Wetlands area consistent with the goals of flood protection, habitat protection and restoration, and improved water supply, water quality, groundwater recharge, and water conservation.

## **AGREEMENT**

NOW THEREFORE, for good, valuable and sufficient consideration received, including without limitation LCWA's granting of the "Option" (as defined in the Option Agreement) and the "Option Consideration" (as defined in the Option Agreement), the Parties covenant and agree as follows:

1. **EXERCISE OF OPTION.** This Agreement shall become effective as of the Effective Date; however, the obligations set forth in this Agreement shall not arise until the Company has exercised the Option in accordance with the terms and provisions of the Option Agreement and this Agreement (the "Exercise Date").

2. **CONVEYANCE OF PROPERTIES UPON EXERCISE OF OPTION.** Upon the Option being exercised, the Company and LCWA shall convey the following interests in their respective properties (with the condition of title as set forth in Section 4 below), as follows:

(a) Conveyance by the Company of the Mitigation Bank Site to LCWA by grant deed in the form attached to this Agreement as **Exhibit "F"** (the "Mitigation Bank Site Grant Deed");

(b) Conveyance by LCWA of the LCWA Site to the Company by grant deed in the form attached to this Agreement as **Exhibit "G"** (the "LCWA Site Grant Deed"), subject to the Oil & Gas Deed Restriction (as defined herein);

(c) Recordation of an irrevocable offer to dedicate by the Company to LCWA of the Revegetation Site in the form attached to this Agreement as **Exhibit "H"** (the "Revegetation Site OTD"); and

(d) Recordation of an irrevocable offer to dedicate by the Company to LCWA of the Public Access Improvements Site in the form attached to this Agreement as **Exhibit “I”** (the “Public Access Improvements Site OTD”).

### 3. **ESCROW.**

(a) **Opening of Escrow.** Within ten (10) days following the Exercise Date, the Parties shall deliver this executed Agreement to, and open an escrow (the “**Escrow**”) with, Fidelity National Title Insurance Company (the “**Escrow Holder**”). Escrow Holder shall notify the Parties, in writing, of the date of the opening of the escrow. The Parties shall execute, deliver and be bound by any reasonable or customary supplemental escrow instructions of Escrow Holder or other instruments as may reasonably be required by Escrow Holder in order to consummate the transactions contemplated by this Agreement. Unless otherwise agreed to by the Parties in writing, any such supplemental instructions or other instruments shall not conflict with, amend or supersede any portions of this Agreement. To the extent of any inconsistency between the provisions of such supplemental instructions or other instruments and the provisions of this Agreement, the provisions of this Agreement shall control.

(b) **Closing.** For purposes of this Agreement, the “**Closing**” shall be deemed to have occurred on the date when all of the documents listed in Section 2 of this Agreement have been recorded in the Official Records of Los Angeles County, California (the “**Closing Date**”). The Closing shall occur no later than the date that is the later of (1) five (5) business days following the date upon which all conditions to Closing described in Section 5 have been satisfied, or (2) ninety (90) days from the Exercise Date.

### 4. **TITLE.**

(a) **Title Insurance.** The conveyance of title to the LCWA Site to the Company at the Closing, and the conveyance of the Mitigation Bank Site to LCWA at the Closing, and the future conveyance of title to the Revegetation Site and the Public Access Improvements Site to LCWA when LCWA accepts the irrevocable offers of dedication for those sites, shall each be insured by an extended coverage ALTA Owner’s Policy of Title Insurance (“**Title Policy**”), issued by Fidelity National Title Insurance Company (“**Title Company**”), with a liability amount equal to the appraised value of each such property, as approved by the Department of General Services and as more fully described in Section 3(b) of the Option Agreement, showing title to the applicable property vested in the Party acquiring that property, subject only to the Condition of Title (defined in Section 4(e) below) for that property as agreed upon in accordance with the terms of this Agreement. Each Title Policy may include such endorsements as may be requested by and paid for by a Party for whose benefit the Title Policy is issued, but Title Company’s willingness or failure to issue any or all such endorsements shall not be a condition to Closing or otherwise entitle a Party to terminate this Agreement.

(b) **LCWA Site.** Upon the Closing, the condition of title for the LCWA Site shall be as shown on that certain Preliminary Report issued by the Title Company last amended on October 16, 2023, under Order No. 997-30046857, a copy of which the Company acknowledges having received and reviewed, except as may otherwise be agreed by the Company and Title

Company; provided, however, that prior to the Closing, LCWA shall have recorded a deed restriction in substantially the form attached hereto as **Exhibit “J”** (the “**Oil & Gas Deed Restriction**”).

(c) **Mitigation Bank Site.** Upon the Closing, the condition of title for the Mitigation Bank Site shall be as shown on that certain Preliminary Report issued by the Title Company last amended on September 26, 2023, under Order No. 010-30051785 (the “Company Title Report”), a copy of which LCWA acknowledges having received and reviewed, and clear of any deed restrictions or other recorded covenants, agreements, or restrictions that would prohibit use of the Mitigation Bank Site for wetlands restoration and public access purposes, except: (i) as may otherwise be agreed by LCWA and Title Company, (ii) the Company shall either (i) cause to be removed as a title exception the Notice of Violation shown as Exception 17 in the Title Report, or (ii) if such exception cannot be removed, the Company shall indemnify LCWA in connection therewith as more particularly set forth in Section 4(f) below, (iii) the Conservation Easement (as hereinafter defined), which may be recorded against the Mitigation Bank Site either before or after the Closing, and (iv) the mineral, oil and gas rights that are 500 feet and below ground surface shall be excluded from the interest being acquired by LCWA.

(d) **Revegetation Site and Public Access Improvements Site.** When LCWA accepts the offer of dedication to each of the Revegetation Site and Public Access Improvements Site, the condition of title for each such site shall be as shown on the Company Title Report, and clear of any deed restrictions or other recorded covenants, agreements, or restrictions that would prohibit use of the sites for wetlands restoration and public access purposes, except: (i) as may otherwise be agreed by LCWA and Title Company; (ii) the Company shall either (i) cause to be removed as a title exception the Notice of Violation shown as Exception 17 in the Title Report, or (ii) if such exception cannot be removed, the Company shall indemnify LCWA in connection therewith as more particularly set forth in Section 4(f) below, (iii) the Conservation Easement which may be recorded against the Revegetation Site either before or after the Closing; and (iv) all mineral, oil and gas rights that are 500 feet and below ground surface shall be excluded from the interest being acquired by LCWA.

(e) **Condition of Title.** The condition of title for each property as determined in accordance with subsections 4(a) through 4(d) above shall be the “**Condition of Title**” for that property.

(f) **Notice of Violation.** The Parties acknowledge that on July 24, 2007, the California Coastal Commission recorded a Notice of Violation of the Coastal Act (“**Notice of Violation**”) against all of the real property owned by Company, including without limitation the Mitigation Bank Site, the Revegetation Site and the Public Access Improvements Site. In the event the Company is not able to cause the Notice of Violation to be terminated of record prior to the conveyance of the Mitigation Bank Site, the Revegetation Site and/or the Public Access Improvements Site to LCWA, the Company shall (i) assume responsibility for complying with any and all mitigation requirements required to resolve the Notice of Violation, and (ii) indemnify LCWA for all Claims (as hereinafter defined) incurred by LCWA arising out of or in any way related to the Notice of Violation. In no event shall LCWA be responsible or liable for any obligations related to the Notice of Violation, including without limitation, any mitigation requirements, fines, damages, monetary assessments, or other requirements resulting from any

enforcement actions as may be taken by the California Coastal Commission or other entity with jurisdiction related to the Notice of Violation. Any such obligations shall remain the responsibility of the Company and its successors or assigns, and all such obligations shall survive the Closing.

(g) **No Further Encumbrances.** Each Party shall cause to be removed from their respective properties any additional or new title exceptions which arise between the date of the respective title reports described above and the Closing Date (except as may otherwise be agreed in writing by the other Party).

## 5. CONDITIONS TO CLOSING.

(a) **Conditions to LCWA's Obligations to Close.** LCWA's obligation to close as contemplated by this Agreement is subject to the satisfaction or written waiver, in LCWA's sole discretion, of the following conditions for LCWA's benefit:

(i) As of the Closing, the Company shall not be in default of its obligations under this Agreement.

(ii) Company or LCWA has recorded the Oil & Gas Deed Restriction.

(iii) If the Company has initiated the restoration work on the Mitigation Bank Site pursuant to the BEI prior to exercise of the Option, the Company shall represent in writing to LCWA that the Company is not in default with the requirements of the BEI's Development Plan (BEI Exhibit C), Interim Management Plan (BEI Exhibit D-4), or Long Term Management Plan (BEI Exhibit D-5) if applicable, all of which are hereby incorporated herein by reference as if fully attached hereto.

(iv) If the Company established a mitigation bank on the Revegetation Site and has initiated the restoration work on the Revegetation Site pursuant to the applicable BEI prior to exercise of the Option, the Company shall represent in writing to LCWA that the Company is not in default with the requirements of the applicable BEI's Development Plan, Interim Management Plan, or Long Term Management Plan if applicable.

(v) As of the Closing, Title Company is irrevocably committed to issuing in favor of LCWA the Title Policy as to the Mitigation Bank Site described above.

(vi) The Company has recorded the conservation easement over the approved 67.90 acre mitigation bank area within the Mitigation Bank Site as contemplated by and otherwise in accordance with the BEI (the "Mitigation Bank Site Conservation Easement"); provided, however, that in the event the Mitigation Bank Site Conservation Easement has not been recorded on or prior to the Closing, this condition shall be automatically waived and LCWA shall cooperate with the Company as may be necessary in order to record the Mitigation Bank Site Conservation Easement following the Closing. The Mitigation Bank Site Conservation Easement and BEI are incorporated by reference herein.

(vii) If Company has established a mitigation bank on the Revegetation Site, the Company has recorded a conservation easement over the 69.92 acre additional mitigation bank area outside of the area within the Mitigation Bank Site as contemplated by and otherwise in accordance with and amended BEI (the “Revegetation Site Conservation Easement”); provided, however, that in the event the Revegetation Site Conservation Easement has not been recorded on or prior to the Closing, this condition shall be automatically waived and LCWA shall cooperate with the Company as may be necessary in order to record the Revegetation Site Conservation Easement following the Closing.

(viii) The Company shall not be in material default under the Section XII.E. of the BEI beyond any applicable cure periods therein.

(ix) The Company has obtained one or more insurance policies naming LCWA as an additional insured party providing, at a minimum, coverage for the Mitigation Bank Site, Revegetation Site, and the Public Access Improvements Site and covering any pollution liability, environmental liability, petroleum related pollution, asbestos related pollution, or any combination thereof, with a limit no less than \$1,000,000 per claim or occurrence and \$10,000,000 aggregate per policy period of one year, with the Company responsible for all costs not covered by the policy including but not limited to any deductible, and self-insured retention.

(x) The Company shall compensate LCWA in an amount of the difference between the appraised value of the LCWA Site and the appraised aggregate value of the Mitigation Bank Site, Revegetation Site and Public Access Improvements Site but only in the event and to the extent that the LCWA Site’s appraised value exceeds the aggregate appraised value of the Mitigation Bank Site, Revegetation Site and Public Access Improvements Site (the “Excess Land Value”); provided, however, that the Company may fulfill the foregoing compensation obligation through (A) the performance of certain improvements of the Company property to be reasonably agreed upon by the Parties, and/or (B) through payment to LCWA of a portion of the proceeds received from the sale of wetlands mitigation credits for the Mitigation Bank Site and/or Revegetation Site on a schedule reasonably agreed upon by the Parties, and/or (C) such other compensation as may be reasonably agreed upon by the Parties. In the event the aggregate appraised value of the Mitigation Bank Site, Revegetation Site and Public Access Improvements Site exceed the value of the LCWA Site, the Company intends that any excess value of its properties be conveyed to LCWA in furtherance of LCWA’s mission to provide for a comprehensive program of acquisition, protection, conservation, restoration, maintenance and operation and environmental enhancement of the Los Cerritos Wetlands area consistent with the goals of flood protection, habitat protection and restoration, and improved water supply, water quality, groundwater recharge, and water conservation.

(xi) If the Long Term Management Plan, Conservation Easement, or Endowment Agreement to fund the activities of the Southwest Resource Management Association required under the BEI is modified or proposed to be modified before the Closing, Company has notified LCWA and provided LCWA with a reasonable opportunity to review and provide comments to Company and the IRT.

(xii) If the Mitigation Bank Site is damaged in a manner described in Section VIII.B.5 of the BEI at any time prior to the commencement of Long Term Management Plan implementation as required under the BEI, then the Company will notify LCWA and will fully comply with the terms of the BEI, as determined by the IRT, with respect to repairing or remedying such damage.

(xiii) If the Conservation Easement has been recorded, the Company has complied with any notice provisions pursuant to the Conservation Easement regarding conveyance of the Mitigation Bank Site and has obtained any consents required thereby.

(b) **Conditions to the Company's Obligations to Close.** the Company's obligation to close as contemplated by this Agreement is subject to the satisfaction or written waiver, in the Company's sole discretion, of the following conditions for the Company's benefit:

(i) As of the Closing, LCWA shall not be in default of its obligations under this Agreement.

(ii) As of the Closing, Title Company is irrevocably committed to issuing in favor of the Company the Title Policy described above with respect to the LCWA Site.

## 6. **DELIVERIES TO ESCROW HOLDER.**

(a) **By the Company.** At least one (1) business day prior to the Closing, the Company shall deposit or cause to be deposited with Escrow Holder the following documents and instruments:

- (i) The Mitigation Bank Site Grant Deed;
- (ii) The Revegetation Site OTD;
- (iii) The Public Access OTD;
- (iv) Oil & Gas Deed Restriction;
- (v) Proof of the insurance required pursuant to Section 5(a)(vi) above;
- (vi) Reconveyance of any security instrument evidencing financing obtained by Company as to the surface and 500 feet below the surface of the Mitigation Bank Site, the Revegetation Site and the Public Access Improvements Site (provided, however, that any such reconveyance may be recorded following the Closing so long as the Title Company has agreed to issue any Title Policy in favor of LCWA free and clear of the applicable security instrument); and
- (vii) Such other documents and instruments as may be reasonably requested by Title Company or Escrow Holder to consummate the transactions contemplated herein.

(b) **By LCWA.** At least one (1) business day prior to the Closing, LCWA shall deposit or cause to be deposited with Escrow Holder the following documents and instruments:

- (i) LCWA Site Grant Deed; and

(ii) such other documents and instruments as may be reasonably requested by Title Company or Escrow Holder to consummate the transactions contemplated herein.

**7. TRANSFER OF THE REVEGETATION SITE AND PUBLIC ACCESS IMPROVEMENTS SITE.**

(a) Upon LCWA's acceptance of the Irrevocable Offer of Dedication to the Revegetation Site ("Revegetation Site OTD") and the Irrevocable Offer of Dedication to the Public Access Improvements Site ("Public Access OTD"), the Parties will provide for the conveyance of the Revegetation Site and the Public Access Improvements Site pursuant to the terms of the Revegetation Site OTD and the Public Access OTD.

(b) The Parties recognize the transfer of the Revegetation Site may take more than ten (10) years to complete. Accordingly, the Company waives any defenses to LCWA's acceptance of the Irrevocable Offers of Dedication for that site based on Probate Code Division 11, Part 2, Chapter 1, Article 2 (commencing with section 21205).

**8. COSTS AND EXPENSES.**

(a) The Company shall pay the following costs and expenses:

(i) County and (if applicable) City transfer taxes;  
(ii) The premium for the Title Policies described above;  
(iii) The escrow fees charged by Escrow Holder; and  
(iv) The cost of recording (if applicable) the LCWA Site Grant Deed, the Mitigation Site Grant Deed, the Revegetation Site OTD and the Public Access OTD.

(b) All closing costs mutually agreed upon by the Parties, not otherwise described in Section 7(a) above, shall be paid by the Company.

**9. PRORATIONS.** The following prorations shall be made between the Company and LCWA on the Closing, computed as of the Closing:

(a) Taxes and Assessments:

(i) Assessments (if any) shall be prorated as of 12:01 a.m. on the date of the Closing as to the Mitigation Banks Site, and on the respective dates on which LCWA accepts the OTDs for the Revegetation Site and the Public Access Improvements Site.

(ii) Property taxes will not need to be prorated as LCWA is tax exempt. the Company shall pay all property taxes which are due and payable as of the Closing Date as to the Mitigation Bank Site prior to the Closing, and shall pay all property taxes on the properties subject to the two OTDs through and including the tax period in which LCWA accepts each such property. The Company may apply for a refund for that portion of taxes and assessments allocated to any period after the Closing, the acceptance of either OTD in accordance with the applicable

provisions of the Revenue and Taxation Code. LCWA shall cooperate in good faith with any attempt by the Company to obtain a refund of overpaid property taxes.

(b) Utilities:

(i) LCWA and the Company shall cooperate to arrange for all utility services to the Mitigation Bank Site to be discontinued in the Company's name and to be reinstated in LCWA's name within 30 days after the Closing.

(ii) LCWA and the Company shall cooperate to arrange for all utility services to the LCWA Site to be discontinued in LCWA's name and reinstated in the Company's name within 30 days after the Closing.

10. **INDEMNITY.** Except with respect to a material breach by LCWA of a covenant set forth in this Agreement, the Company and its sole member (collectively, the "**Company Parties**"), shall, to the fullest extent permitted by law indemnify, defend, protect and hold harmless LCWA, its constituent members, directors, officers, agents, attorneys, and employees (collectively, "**LCWA Indemnitees**"), from and against any and all liabilities, complaints, claims, actions, causes of action, proceedings, judgments, orders, liens, damages, costs, expenses (including, but not limited to, all actual litigation costs incurred by LCWA Indemnitees, and any fees and costs for expert witnesses, consultants and attorneys), fines, fees, penalties and losses, including attorneys' fees (collectively, "**Claims**"), incurred by LCWA arising out of or in any way related to this Agreement. The foregoing obligations include, but are not limited to, Claims arising from third parties related to claims that wastes generated from any Company Parties' activities or omissions were not properly disposed of by the Company Parties; Claims that real or personal property have been damaged; Claims of bodily injury; Claims related to any alleged violations of any applicable laws by the Company Parties; Claims brought by any regulatory agency to recover its costs (including but not limited to response or oversight costs); Claims related to any Hazardous and Petroleum Substances and Materials (defined below) that are located on or within the Mitigation Site Bank, Revegetation Site, Public Access Improvements Site, or any combination thereof; and Claims that relate to or in any way arise from the Company's obligations or responsibilities in its role as the Mitigation Bank Sponsor pursuant to any approved BEI. For purposes of this Agreement, "**Hazardous and Petroleum Substances and Materials**" includes, without limitation, any of the following wastes, materials, chemicals, or other substances (whether in the form of liquids, solids, or gases, and whether or not airborne) which are ignitable, reactive, corrosive, toxic, or radioactive, or which are deemed to be pollutants, contaminants, or hazardous or toxic substances under or pursuant to, or which are to any extent regulated by or under or form the basis of liability under any statute, regulation, rule, ordinance, order, or requirement concerning such wastes, materials, chemicals, or other substances (in each case, an "**Environmental Law**"), including, but not limited to, petroleum-based products, formaldehyde, urea, natural gas, natural gas liquids, liquified natural gas, or synthetic gas useable for fuel or mixture thereof, radon, asbestos and any byproduct of the same and any material containing or producing any polychlorinated biphenyl, dioxin, or asbestos, as well as any biocide, herbicide, insecticide, or other agrichemical, at any level that may (i) constitute a present or potential threat to human health, safety, welfare, or the environment, (ii) exceed any applicable or relevant and appropriate cleanup standard, or (iii) cause any person to incur any investigation, removal, remediation, maintenance,

abatement, or other cleanup expense; it being understood that such Environmental Laws include, but are not limited to: CERCLA, as defined above; the Hazardous Materials Transportation Act (49 USC Sections 6901 *et seq.*); the Hazardous Waste Control Law (California Health & Safety Code Sections 25100 *et seq.*); the Hazardous Substance Account Act (California Health & Safety Code Sections 25300 *et seq.*); and any rule, regulation, or other promulgation adopted under any of the foregoing laws. This Section 11 supersedes and replaces in its entirety Section 10 of the Option Agreement. This Section 11 shall survive the Closing until the date which is ten (10) years following the Closing (the "Survival Period"); provided, however, that the Survival Period shall not apply to Claims arising out of or in any way related to the plugging and abandonment by the Company and/or the Company Parties of the wells located in or on the Mitigation Site Bank, the Revegetation Site, or the Public Access Improvements Site (the "Well Claims"), and the foregoing indemnification with respect to any such Well Claims shall survive the Closing in perpetuity.

11. **COOPERATION.** Each Party shall cooperate with the other Party in carrying out the obligations described in this Agreement, including providing access to their respective properties to the other Party for the purposes of conducting site inspections, studies and tests on the property to determine the suitability of the sites for their proposed uses; and signing applications submitted to the governmental agencies for the permits and approvals described above.

12. **REPRESENTATIONS.**

(a) **LCWA Site As-Is Transfer.** EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NO WARRANTY OR REPRESENTATION IS MADE BY LCWA WITH RESPECT TO THE LCWA SITE WHATSOEVER, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY AS TO (A) FITNESS FOR ANY PARTICULAR PURPOSE, (B) MERCHANTABILITY, (C) CONDITION, (D) ABSENCE OF DEFECTS OR FAULTS, (E) ABSENCE OF HAZARDOUS OR TOXIC SUBSTANCES, (F) FLOODING, OR (G) COMPLIANCE WITH LAWS AND REGULATIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO HEALTH, SAFETY, AND THE ENVIRONMENT, AS THEY MAY APPLY TO THE CURRENT CONDITION OF THE LCWA SITE OR THE COMPANY'S INTENDED DEVELOPMENT, CONSTRUCTION OR USE, OR FOR ANY OTHER PURPOSE, OR OTHERWISE. THE COMPANY ACKNOWLEDGES THAT THE COMPANY HAS ENTERED INTO THIS AGREEMENT WITH THE INTENTION OF MAKING AND RELYING UPON ITS OWN INVESTIGATION OF THE PHYSICAL, ENVIRONMENTAL, ECONOMIC USE, COMPLIANCE, AND LEGAL CONDITION OF THE LCWA SITE AND THAT THE COMPANY IS NOT NOW RELYING AND WILL NOT LATER RELY, UPON ANY REPRESENTATIONS AND WARRANTIES MADE BY LCWA OR ANYONE ACTING OR CLAIMING TO ACT, BY, THROUGH, OR UNDER OR ON LCWA'S BEHALF CONCERNING THE LCWA SITE. THE PROVISIONS OF THIS SECTION SHALL SURVIVE INDEFINITELY ANY CLOSING OR TERMINATION OF THIS AGREEMENT AND SHALL NOT BE MERGED INTO ANY DOCUMENTS, EXECUTED OR DELIVERED AT CLOSING. THE COMPANY REPRESENTS, WARRANTS, ACKNOWLEDGES, AND AGREES THAT IT HAS HAD FULL AND AMPLE OPPORTUNITY PRIOR TO THE COMPANY'S EXERCISE OF THE OPTION TO INVESTIGATE THE LCWA SITE INCLUDING, BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL

CONDITION THEREOF; THE PRESENCE, ABSENCE OR CONDITION OF IMPROVEMENTS THEREON; AND THAT THE COMPANY SHALL ACCEPT THE LCWA SITE AS-IS WITH ALL FAULTS.

(b) **LCWA Site Release.** FROM AND AFTER THE CLOSING, EXCEPT FOR THE OBLIGATIONS OF LCWA ARISING UNDER THIS AGREEMENT TO THE EXTENT SURVIVING THE CLOSING, THE COMPANY ON BEHALF OF ITSELF, ITS AFFILIATES, AND ITS SUCCESSORS AND ASSIGNS, WAIVES ITS RIGHT TO RECOVER FROM, AND FOREVER RELEASES AND DISCHARGES THE LCWA INDEMNITEES FROM ANY AND ALL DEMANDS, CLAIMS, LEGAL OR ADMINISTRATIVE PROCEEDINGS, LOSSES, LIABILITIES, DAMAGES, PENALTIES, FINES, LIENS, JUDGMENTS, COSTS, OR EXPENSES WHATSOEVER (INCLUDING, WITHOUT LIMITATION, COURT COSTS AND ATTORNEYS' FEES AND DISBURSEMENTS), WHETHER DIRECT OR INDIRECT, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, THAT MAY ARISE ON ACCOUNT OF OR IN ANY WAY BE CONNECTED WITH THE LCWA SITE, THIS AGREEMENT, AND THE TRANSACTIONS CONTEMPLATED HEREBY, INCLUDING, WITHOUT LIMITATION (A) THE PHYSICAL CONDITION OF THE LCWA SITE, INCLUDING, WITHOUT LIMITATION, ALL STRUCTURAL AND SEISMIC ELEMENTS, ALL PLUMBING, SEWAGE, AND OTHER SYSTEMS, AND (B) ANY LAW OR REGULATION APPLICABLE TO THE LCWA SITE, INCLUDING ANY ENVIRONMENTAL LAW. THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH OF ITS EXPRESSED TERMS AND PROVISIONS, INCLUDING THOSE RELATING TO UNKNOWN AND UNSUSPECTED CLAIMS, DAMAGES AND CAUSES OF ACTION. THIS SECTION SHALL SURVIVE THE CLOSING INDEFINITELY.

WITH RESPECT TO THE FOREGOING RELEASE, THE COMPANY WAIVES AND RELINQUISHES EVERY RIGHT AND BENEFIT IT HAS OR MAY HAVE UNDER SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

\_\_\_\_\_  
THE COMPANY'S INITIALS

(c) The Company hereby represents and warrants that the Company has delivered to LCWA a true and correct copy of all material reports (provided that the Company shall have the right to redact any confidential or proprietary information from such reports) prepared in connection with the Mitigation Bank Site, the Revegetation Site, and the Public Access Improvements Site.

13. **ATTORNEYS' FEES.** In the event of any legal action to interpret this Agreement or to enforce the rights or remedies of any Party pursuant to this Agreement, the prevailing Party shall be entitled to recover its costs and expenses (including, without limitation, reasonable attorneys' fees) of such action.

14. **AUTHORIZATION TO SIGN.** Each person executing this Agreement on behalf of a Party represents and warrants that he/she is duly authorized to execute it and that the Party is bound by the terms and conditions hereof.

15. **NOTICES.** All notices or other communications required or permitted hereunder shall be in writing, and shall be 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 mailed, five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (b) (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt, or (c) if by email, upon confirmed written receipt by the recipient, with an automatic "read receipt" not constituting acknowledgment of an email for purposes of this section, or confirmed by a notice delivered by another method in accordance with this section.

All notices to the Company shall be sent to:

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

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  
Email:  
Telephone:

16. **EXHIBITS.** The following Exhibits are attached hereto and incorporated herein by this reference:

Exhibit "A"	Option Agreement
Exhibit "B"	Depiction and description of the LCWA Site
Exhibit "C"	Depiction and description of Mitigation Bank Site
Exhibit "D"	Depiction and description of Revegetation Site
Exhibit "E"	Depiction and description of Public Access Improvements Site
Exhibit "F"	Mitigation Bank Site Grant Deed

Exhibit "G"	LCWA Site Grant Deed
Exhibit "H"	Revegetation Site OTD
Exhibit "I"	Public Access Improvements Site OTD
Exhibit "J"	Oil & Gas Deed Restriction

17. **MISCELLANEOUS.**

(a) **Required Actions of the Company and LCWA.** the Company and LCWA shall 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 transactions herein contemplated and shall use good faith efforts to accomplish the Closing 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 paragraphs or subparagraphs of this Agreement are solely for the convenience of the Parties, 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, to any person or entity other than the Parties.

(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.

(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) **Entire Agreement.** This Agreement and the Exhibits attached hereto and the Option Agreement supersede any prior agreements, negotiations and communications, oral or written, and constitute the entire agreement between the Parties as to the subject matter hereof. Should there be a conflict between this Agreement and any other exhibit to this Agreement, this Agreement shall control. Should there be a conflict between this Agreement and the Option Agreement, this Agreement shall control.

(i) **Survival.** The covenants and obligations in Sections 4, 8, 9, 11 and 12 herein shall survive the Closing for the Survival Period.

(j) **Governing Law and Venue.** This Agreement and the rights of the Parties hereunder shall be governed by and construed in accordance with the laws of the State of California including all matters of construction, validity, performance, and enforcement and without giving effect to the principles of conflict of laws. Any action brought by either Party shall be brought in the state or federal courts of Los Angeles County.

(k) **Assignment by LCWA.** In the event that that certain Los Cerritos Wetlands Authority Joint Exercise of Powers Agreement, dated as of March 17, 2006 (as amended, the “JPA”) is terminated pursuant to Section 13 of the JPA, LCWA shall have the right, power and authority to assign this Agreement and its rights hereunder, or to delegate any duties or obligations arising under this Agreement, without Company's consent, to a successor agency, as designated by LCWA.

[Signature page follows]

**IN WITNESS WHEREOF**, the Parties have each executed this Agreement on the dates identified below.

**LOS CERRITOS WETLANDS AUTHORITY**

By: \_\_\_\_\_

Mark Stanley

Title: LCWA Executive Officer

Date: \_\_\_\_\_

**LOS CERRITOS WETLANDS, LLC**

By: \_\_\_\_\_

John McKeown

Title: Chief Executive Officer

Date: \_\_\_\_\_

**Exhibit “A”**

OPTION AGREEMENT

(See attached)

**Exhibit "B"**

DEPICTION AND DESCRIPTION OF THE LCWA SITE

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

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 OF 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 NORTH 00°10'03" EAST, 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 SOUTH 89°50'17" EAST, A DISTANCE OF 493.10 FEET;  
THENCE SOUTH 64°14'06" EAST, A DISTANCE OF 75.53 FEET;  
THENCE SOUTH 00°52'38" WEST, 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 NORTH 89°50'17" WEST, ALONG SAID SOUTHERLY LINE AND SAID CENTERLINE, A DISTANCE OF 556.57 FEET, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, TOGETHER WITH THE RIGHT TO USE THAT PORTION ONLY OF SAID LAND WHICH UNDERLIES A PLANE PARALLEL TO AND 500 FEET BELOW THE PRESENT SURFACE OF SAID LAND, FOR THE PURPOSE OF PROSPECTING FOR, DEVELOPING AND/OR EXTRACTING SAID OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES FROM SAID LAND BY MEANS OF WELLS DRILLED INTO SAID SUBSURFACE OF SAID LAND FROM DRILL SITES LOCATED ON OTHER LAND, IT BEING EXPRESSLY UNDERSTOOD AND AGREED THAT SAID SELLERS, THEIR HEIRS, SUCCESSORS AND ASSIGNS, SHALL HAVE NO RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, OR TO USE SAID LAND OR ANY PORTION THEREOF, TO SAID DEPTH OF 500 FEET, FOR ANY PURPOSE WHATSOEVER, AS SET FORTH IN THE DEED FROM ERNEST A. BRYANT, JR., AND ALLEN L. CHICKERING, AS TRUSTEES UNDER THE LAST WILL AND TESTAMENT OF SUSANNA BIXBY BRYANT, ALSO KNOWN AS SUSANNA P.

EXHIBIT "B"

BRYANT, DECEASED, RECORDED JULY 27, 1953 AS INSTRUMENT NO. 889, IN BOOK 42302, PAGE 73 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL OIL, GAS, PETROLEUM AND OTHER MINERAL OR HYDROCARBON SUBSTANCES IN AND UNDER SAID LAND, WITHOUT, HOWEVER, THE RIGHT TO USE THE SURFACE THEREOF, AS EXCEPTED AND RESERVED IN THAT CERTAIN DEED TO EDISON SECURITIES COMPANY, A CORPORATION, DATED SEPTEMBER 2, 1953 AND RECORDED SEPTEMBER 15, 1953 AS INSTRUMENT NO. 2298, IN BOOK 42694, PAGE 232 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT "B"



**Legend**

 LCWA Site Boundary

**LCWA OPTION AGREEMENT**  
LCWA Site

**GLENN LUKOS ASSOCIATES**  
Exhibit A

X:\005\THE RESTRICTION\To Review\_Coign Agreements\ENR\SLA.mxd

 N

 0 40 80 160 Feet

**Exhibit “C”**

DEPICTION AND DESCRIPTION OF MITIGATION BANK SITE

**Exhibit “D”**

DEPICTION AND DESCRIPTION OF REVEGETATION SITE

**Exhibit “E”**

DEPICTION AND DESCRIPTION OF PUBLIC ACCESS IMPROVEMENTS SITE

**Exhibit “F”**

MITIGATION BANK SITE GRANT DEED

(See attached)

**Exhibit “G”**

LCWA SITE GRANT DEED

(See attached)

**Exhibit “H”**

REVEGETATION SITE OTD

(See attached)

**Exhibit “I”**

PUBLIC ACCESS IMPROVEMENTS SITE OTD

(See attached)

**Exhibit “J”**

OIL & GAS DEED RESTRICTION

(See attached)

This page is part of your document - DO NOT DISCARD



20131748575



Pages:  
0010

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

12/11/13 AT 08:00AM

FEES:	56.00
TAXES:	0.00
OTHER:	0.00
PAID:	56.00



LEADSHEET



201312110300016

00008643199



005933145

SEQ:  
01

DAR - Title Company (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

t55

RECORDING REQUESTED BY

WHEN RECORDED MAIL TO

NAME SYNERGY OIL & GAS LLC

MAILING 6433 E. 2ND ST

CITY, STATE ZIP CODE LONG BEACH

CA 90803

12/11/2013



\*20131748575\*

2

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

TITLE(S)

GRANT DEED

1A

Recording Requested By  
Fidelity National Title

3

Grant Deed

RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:

Synergy OIL & GAS, LLC  
6433 E. 2ND STREET  
Attention: Long Beach, CA 90803

MAIL TAX STATEMENTS TO:

Synergy OIL & GAS, LLC  
6433 E. 2nd Street  
Long Beach, CA 90803

23021381-TC  
SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

5

GRANT DEED

The undersigned grantor declares:

Pursuant to Section 11925(d) of the California Revenue and Taxation Code, as amended, Documentary Transfer Tax is zero (0) because the grantor and the grantee in this conveyance are comprised of the same parties who continue to hold the same proportionate interest in the property.

City of Long Beach and County of Los Angeles

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Synergy Oil & Gas, LLC, a California limited liability company ("Grantor"), hereby GRANTS to Los Cerritos Wetlands, LLC, a California limited liability company ("Grantee"), the following described real property ("Property") located in the City of Long Beach and County of Los Angeles, State of California.

See Exhibit "A" attached hereto and incorporated herein by this reference.

This conveyance is made subject and subordinate to all matters of record, all matters which an inspection or survey of the Property would disclose, real property taxes which are a lien but not yet due and payable and all applicable laws and ordinances.

Grantor, for itself and its successors and/or assigns, reserves the following rights:

(a) all right, title and interest in and to the mineral estate underlying the Property including, without limitation, all oil, natural gas, petroleum, other hydrocarbons and any other minerals by whatsoever name known, in, on and under the Property, 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.

(b) all surface and subsurface equipment, facilities and pipelines currently in place constituting a fixture, utilized in connection with development, production, processing, storing and marketing of

The grantors and the grantees in this conveyance are comprised of the same parties who continue to hold the same proportionate interest in the property, R & T 11923(d).

21276976v2

DOCUMENTARY TRANSFER TAX \$	✓	Ⓟ
— COMPUTED ON FULL VALUE OF PROPERTY CONVEYED		
— OR COMPUTED ON FULL VALUE LESS LIENS AND ENCUMBRANCES REMAINING AT TIME OF SALE.		
SIGNATURE OF DECLARANT OR AGENT DETERMINING TAX. FIRM NAME		

1A

Hydrocarbons, including but not limited to pumping units, Christmas Trees, wellhead equipment, tanks, storage and monitoring facilities and office facilities.

(c) all contracts, documents, deeds, leases, licenses, operating agreements, division orders, construction contracts, or other agreements associated with or burdening the mineral estate or any portion thereof.

(d) dominant estates and easements to use and occupy the surface and subsurface of the Property (and the estates therein):

(i) to produce, drill, explore, operate, develop, store, extract and take Hydrocarbons through well bores of wells drilled or to be drilled on the surface of the Property, or well bores located on adjoining properties, but drilled directionally underlying the Property or directionally drilled wells from properties other than the Property into, through or across the subsurface of the Property and to bottom such whip stocked or directionally drilled wells under and beneath the Property.

(ii) to conduct operations by methods now known or unknown, which are reasonably necessary to develop, explore, produce, store, extract or take Hydrocarbons or other minerals from the Property including, without limitation, conducting seismic operations on the surface and subsurface, use of surface and subsurface waters, injecting materials including, without limitation, steam, carbon dioxide gas and other hydraulic fluids into the subsurface to enhance or maintain Hydrocarbon production.

(iii) to inject, store, pressurize or remove any Hydrocarbons produced from the Property, for purposes of storing the same in the subsurface of the Property, and for all current and future pipelines used in connection therewith.

(iv) with full access and use interests as reasonably necessary in connection with exploring, developing, producing, processing, storing (surface or subsurface) and marketing Hydrocarbons and construction, expansion, relocation, repair and replacement of pipelines, electrical, water, utilities and other necessary facilities for the production, transportation or storage of Hydrocarbons and other substances that are extracted from or injected into well bores.

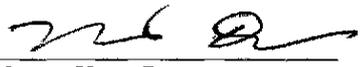
(v) for ingress, egress and access in connection with remediation of Hydrocarbon impacted or other contaminated soils or ground water including, without limitation, onsite biological remediation soil blending, the importation of clean soils and/or the implementation of any other processes which may be approved by any cognizant governmental agency regulating such remediation activities.

(vi) for ingress, egress and access on, over and across the surface of the Property for vehicular equipment, and pedestrian access in connection with the exercise of any rights otherwise reserved unto Grantor in this Grant Deed.

IN WITNESS WHEREOF, this Grant Deed has been executed and delivered this 20<sup>th</sup> day of November, 2013.

**GRANTOR:**

Synergy Oil & Gas, LLC,  
a California limited liability company

By: 

Name: Hong Duan  
Title: President, Secretary and  
Chief Financial Officer/Treasurer



**NOTARY SEAL  
GOVERNMENT CODE SECTION 27361.7**

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

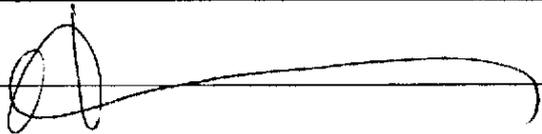
**NAME OF NOTARY**  Maria Isabel Briskorn

**DATE COMMISSION EXPIRES**  December 20, 2016

**COMMISSION NUMBER**  2001623 NNA1

**PLACE OF EXECUTION**  Newport Beach, CA

**DATE**  December 9, 2013

**SIGNED** 

**EXHIBIT A  
to Grant Deed**

**LEGAL DESCRIPTION**

The Land includes the following parcels in the City of Long Beach, Los Angeles County, California, 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.

**PARCEL 2 (APNS: 7237-017-011, -012, -013, -014 and -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.

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

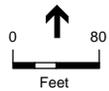
**PARCEL 3 (APN: 7237-017-018):**

THAT PORTION OF THE WEST HALF OF SECTION 2, TOWNSHIP 5 SOUTH, RANGE 12 WEST, IN THE RANCHO OF LOS ALAMITOS, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN THE BOOK 700 PAGES 140 AND 141 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AS DESCRIBED IN PARCEL 3 IN A FINAL ORDER OF CONDEMNATION, HAD IN SUPERIOR COURT CASE NO. 622968, A CERTIFIED COPY OF WHICH IS RECORDED IN THE BOOK 49471 PAGE 50, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WITHIN A STRIP OF LAND 88 FEET WIDE, THE SOUTHERLY SIDE LINE OF SAID STRIP OF LAND BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE EASTERLY TERMINUS OF THAT LINE DESCRIBED IN SAID PARCEL 3 AS HAVING A BEARING AND LENGTH OF NORTH 75° 17' 03" EAST 1,765.89 FEET; THENCE ALONG SAID LINE, SOUTH 75° 17' 03" WEST 1,038.03 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID LINE, SOUTH 75° 17'03" WEST 580 FEET.

**PARCEL 4 (APN: 7237-020-003):**

THAT PORTION OF THE WEST HALF OF FRACTIONAL SECTION 11, TOWNSHIP 5 SOUTH, RANGE 12 WEST, IN THE RANCHO LOS ALAMITOS, IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 700, PAGE 140 OF DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, INCLUDED WITHIN A STRIP OF LAND 400.00 FEET WIDE, THE NORTHWESTERLY LINE OF SAID STRIP OF LAND, BEING COINCIDENTAL WITH THE SOUTHEASTERLY LINE OF PARCEL. NO. 7470, FILED IN BOOK 121, PAGES 36 TO 39 OF PARCEL MAPS, RECORDS OF SAID COUNTY AND ITS NORTHEASTERLY PROLONGATION THEREOF.



SOURCE: Urban Arena

Long Beach Cerritos Wetland . 150712

**Figure 2-18**  
Visitors Center







**LOS CERRITOS WETLANDS AUTHORITY  
100 N. Old San Gabriel Canyon Road Azusa, CA 91702  
(626) 815-1019**

**LEASE AGREEMENT (OTD Parcel, approx. two acres) – 3<sup>rd</sup> OPTION TO EXTEND**

The original lease agreement (“Agreement”) dated September 11, 2020, is **amended** as of the **1<sup>st</sup> day of October 2023** (“Effective Date”),

BY AND BETWEEN

Los Cerritos Wetlands Authority (LCWA), a joint powers authority between the Rivers and Mountains Conservancy (RMC), the State Coastal Conservancy (SCC), City of Long Beach, and the City of Seal Beach

AND

Ellis Equipment, Inc.  
1015 E. Burnett Street  
Signal Hill, CA 90755  
(562) 424-9991  
hereinafter referred to as “Tenant”

The parties hereto do mutually agree to amend the agreement with respect to the following sections:

**2. Identification of Premises:** Subject to the terms and conditions in this Agreement, LCWA rents to Tenant, and Tenant rents from LCWA, for non-hazardous storage of roadway construction materials, including steel beams (lengths vary from 2ft to 150ft), lumber (including 4in x 4in, 2in x 4in, 12in x 12in), plywood (4ft x 8ft sheets), k-rails (20ft), and precast concrete blocks (2ft x 4ft x 8ft) located on the LCWA property also known as the “OTD Parcel” at the northeast corner of the intersection of Studebaker Road and East 2nd Street in the City Long Beach, Los Angeles County, California 90803. Assessor Parcel Number: 7237-019-809. Legal Description: A 5.11-Acre (gross area) Portion of Parcel 3 of the City of Long Beach Lot Line adjustment No. 3704-09, recorded December 12, 1997 as Instrument No. 97-1958950, Official Records of Los Angeles County, California, being a portion of the East ½ 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 (see Exhibit A). The premises include a shared driveway, gate, and vacant land.

Rental of the premises also includes driveway, site access and parking space that will be maintained by tenant (see Exhibit B). Site is leased in “as is condition” with Tenant agreeing to make site suitable for non-hazardous storage of roadway construction materials at no additional cost to the LCWA and as described in this lease document.

**4. Term of the Tenancy:** The term of the rental will be extended from October 1, 2023 to September 30, 2024. If the Tenant vacates before the term ends, Tenant will forfeit remaining term and fee balance for the rent for the remainder of the term.

**4.2 Termination Prior to Expiration of Lease Term:** The LCWA or Tenant may terminate the lease prior to September 30, 2024. A written notice must be provided at least 30 days prior to terminating the agreement.

**5. Payment of Rent:** Tenant will pay to LCWA an annual rent of \$47,196.00 which may be paid at \$3,933.00 in monthly installments, due in advance by the first of the month beginning October 1, 2023. Rent will be paid in the following manner unless LCWA designates otherwise:

Payment will be made payable to:

Los Cerritos Wetlands Authority  
Attn: Fiscal Services  
100 N. Old San Gabriel Canyon Road  
Azusa, Ca 91702

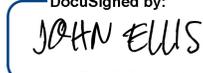
LCWA will accept payment by personal check, cashier's check, money order, or ACH/wire transfer through the City of Long Beach, LCWA's Treasurer.

**All other terms remain the same.**

PROPERTY OWNER/LANDLORD  
LOS CERRITOS WETLANDS AUTHORITY

TENANT  
ELLIS EQUIPMENT, INC

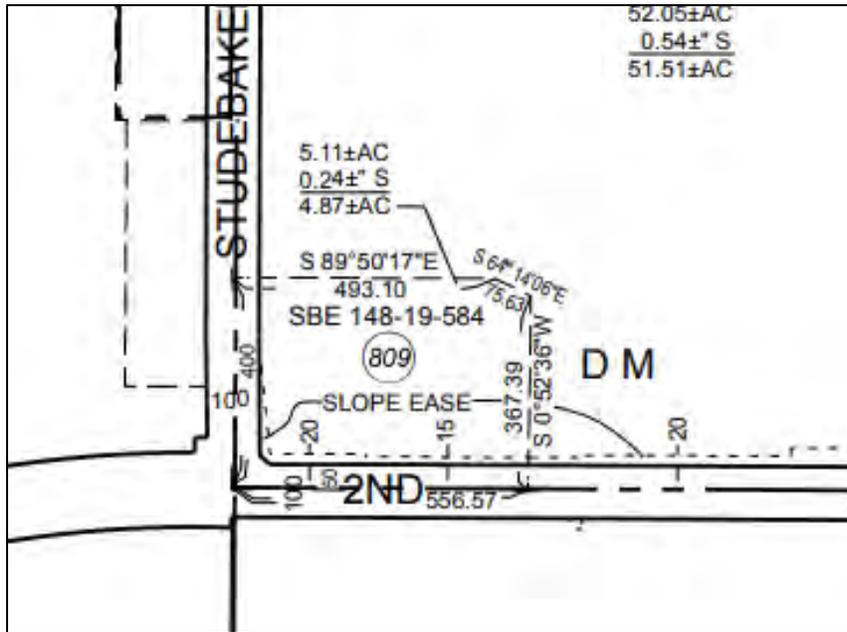
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By \_\_\_\_\_  
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Mark Stanley  
Executive Officer

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John Ellis  
Tenant

Date: August 28, 2023 | 9:35 AM PDT  
\_\_\_\_\_

Date: August 25, 2023 | 2:36 PM PDT  
\_\_\_\_\_

### Exhibit A



### Exhibit B

