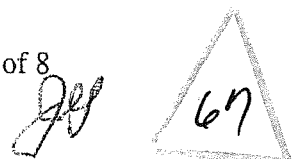


CITY OF CARSON
DEVELOPMENT SERVICES
PLANNING DIVISION
EXHIBIT "B"
CONDITIONS OF APPROVAL
MODIFICATION TO SPECIAL USE PERMIT NO. 106-74

GENERAL CONDITIONS

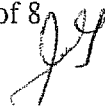
1. If a permit for new mobile homes is not obtained from the State Housing and Community Development Department, or if a building permit is not given for new construction on the project site within one year of the date of approval of Modification to SUP No. 106-74, said permit shall be declared null and void unless an extension of time is requested prior to expiration and approved by the Planning Commission.
2. The approved Resolution, including the Conditions of Approval contained herein, and signed Affidavit of Acceptance, shall be copied in their entirety and placed directly onto a separate plan sheet behind the cover sheet of the approved development plans prior to Building and Safety plan check submittal. Said copies shall be included in all development plan submittals, including any revisions and the final working drawings.
3. The applicant shall make any necessary site plan and design revisions to the site plan and elevations approved by the Planning Commission and on file with the City Planning Division, in order to comply with all the conditions of approval and applicable Zoning Ordinance provisions. Substantial revisions will require review and approval by the Planning Commission. Should an affordable housing agreement between the applicant and the city not be finalized, as required by Condition No. 10, a modification to the site plan shall be reviewed and approved by the Planning Commission to authorize an alternative use for the five units.
4. The applicant shall submit two complete sets of plans that conform to all the Conditions of Approval, and which are consistent with the development plans included as exhibits to the staff report presented at the hearing in which the project was approved, including modifications to the plans and/or conditions of approval made by the Planning Commission during said hearing. Such approved development plans are subject to review and approval by the Planning Division prior to the issuance of a building permit.
5. The applicant and property owner shall sign an Affidavit of Acceptance form and submit the document to the Planning Division within 30 days of receipt of the Planning Commission Resolution.



6. It is further made a condition of this approval that if any condition is violated or if any law, statute or ordinance is violated, this permit may be revoked by the Planning Commission or City Council, as may be applicable; provided the applicant has been given written notice to cease such violation and has failed to do so for a period of thirty days.
7. Decision of the Planning Commission shall become effective and final 15 days after the date of its action unless an appeal is filed in accordance with Section 9173.4 of the Zoning Ordinance.
8. A modification of the conditions of this permit, including additions or deletions, may be considered upon filing of an application by the owner of the subject property or his/her authorized representative in accordance with Section 9173.1 of the Zoning Ordinance.
9. Applicant shall defend, indemnify and hold harmless the City of Carson, its agents, officers, or employees from any claims, damages, action, or proceeding against the City or its agents, officers, or employees to attack, set aside, void or annul, and approval of the City, its advisory agencies, appeal boards, or legislative body concerning Modification to Special Use Permit No. 106-74. The City will promptly notify the Applicant of any such claim, action, or proceeding against the City and the Applicant will either undertake defense of the matter and pay the City's associated legal costs or will advance funds to pay for defense of the matter by the City Attorney. The City will cooperate fully in the defense. Notwithstanding the foregoing, the City retains the right to settle or abandon the matter without the Applicant's consent but should it do so, the City shall waive the indemnification herein, except, the City's decision to settle or abandon a matter following an adverse judgment or failure to appeal, shall not cause a waiver of the indemnification rights herein.

AFFORDABLE HOUSING

10. The applicant shall provide affordable rental housing for five new units at income levels and locations to be determined pursuant to an agreement with the city. The affordable rental rate shall be targeted to moderate (or below)-income households, unless otherwise approved by the city, and may be patterned after State Government Code 66427.5 at the discretion of the city. The affordable rental rate shall remain in effect for a period of not less than 30 years or until such time that the city approves an amendment to the agreement. The affordable housing costs shall consider space rent, principle and interest on the mobilehome, mortgage loan insurance fees, property taxes and assessments, fire and casualty insurance, property maintenance and repairs and a reasonable allowance for utilities. The program must be approved by the city before the applicant gets occupancy of units. Notwithstanding the foregoing, the applicant shall have no obligation to comply with this condition in the event that the city and the applicant are unable to come to an agreement on applicable rental rates and the affordable housing agreement for the five affordable units (see Condition No. 5).



11. If a subdivision conversion to resident ownership is approved, the affordable rental housing covenant on the five units shall be converted to low-income home ownership opportunities for five units. The locations of such units will be subject to an agreement with the city. The agreement shall include a formula to provide a fair distribution between land value and unit value.

PARKING

12. All parking areas and driveways shall remain clear. No encroachment into parking areas and/or driveways shall be permitted.
13. Parking spaces shall be identified (marked) as provided in Section 9162.56 of the Zoning Ordinance.
14. All areas used for the movement parking, loading, repair or storage of vehicles shall be paved with either:
 - a. Concrete or asphaltic concrete to a minimum thickness of three and one-half inches over four inches of crushed aggregate base; or
 - b. Other surfacing material which, in the opinion of the Director of Engineering Services, provides equivalent life, service and appearance.
15. Parking for handicapped shall comply with the requirements of Section 9162.42 of the Zoning Ordinance.

LANDSCAPING/IRRIGATION

16. The applicant shall submit two sets of landscaping and irrigation plans drawn, stamped, and signed by a licensed landscape architect and in substantial conformance with preliminary landscape plans dated as received by the Planning Department on February 14, 2008. Such plans are to be approved by the Planning Division prior to the issuance of any building permit.
17. Such landscaping and irrigation plans shall be stamped and signed by a licensed landscape architect and are to include, but are not limited to:
 - a. Trees, grass, and vine-like landscaping in the proposed park areas;
 - b. Perimeter landscaping near the "dog-run" area, as described on the site plan marked "Exhibit D";
 - c. Annual flowers wherever possible; and
 - d. Irrigation system designed to commercial grade standards.

Furthermore, these plans are subject to Planning Division review and approval before landscape/irrigation construction, which is to be completed prior to the issuance of final occupancy.
18. The applicant shall comply with the provisions of Section 9168 of the Zoning Ordinance, "Water Efficient Landscaping."

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19. The applicant shall install 6-inch by 6-inch concrete curbs around all landscaped planter areas, except for areas determined by a SUSMP/NPDES permit, or other applicable condition of approval that requires certain landscaped areas to remain clear of concrete curbs for more efficient stormwater runoff flow and percolation. Revised landscaping and irrigation plans shall be reviewed and approved by the Planning Division should subsequent modifications be required by other concerned agencies regarding the removal of concrete curbs.
20. Landscaping shall be provided with a permanently installed, automatic irrigation system and operated by an electrically-timed controller station set for early morning or late evening irrigation.

UTILITIES

21. All utilities and aboveground equipment shall be constructed and located pursuant to Section 9126.8 of the Zoning Ordinance, unless otherwise provided for in these conditions.
22. All utility meters will be painted the same color as the structures to reduce visibility (the Gas Company will not allow meters to be placed in boxes).

AESTHETICS

23. The specification of all colors and materials of new construction of trash enclosures, maintenance shed, and carport must be submitted and approved by the Planning Division prior to the issuance of any building permits.
24. Graffiti shall be removed from all project areas within 3 days of written notification by the City of Carson. Should the graffiti problem persist more than twice in any calendar year, the matter may be brought before the Planning Commission for review and further consideration of site modifications (i.e., fencing, landscaping, chemical treatment, etc.)

FENCES/WALLS

25. All fences, walls and hedges shall be located and constructed in compliance with the standards as provided for in Section 9126.3 (residential zones) of the Zoning Ordinance.

TRASH

26. Trash enclosures and recycling areas shall be located on four-inch concrete pads and in locations consistent with the approved site plan, subject to Planning Division review and approval. Painted metal, self-closing doors shall be used for enclosing the entrance to the trash and recycling areas. The trash and recycling area enclosure design is to be approved by the Planning Division prior to issuance of any building permit(s).

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27. Recycling areas shall be provided in accordance with Sections 9164.4 and 9164.5 of the Zoning Ordinance. The number and size of recycling facilities are subject to the approval of the Planning Division.

FIRE DEPARTMENT - COUNTY OF LOS ANGELES

28. Provide water mains, fire hydrants, and fire flows as required by County Forester and Fire Warden for all land shown on the map to be recorded.
29. Provide Fire Department and City approved street signs and building address numbers prior to occupancy.
30. Access shall comply with Section 10.207 of the Fire Code which requires all weather access. All weather access may require paving.
31. All required fire hydrants shall be installed, tested and accepted prior to construction. Vehicular access must be provided and maintained serviceable throughout construction.
32. All required fire hydrants shall be installed, tested and accepted prior to construction. Vehicular access must be provided and maintained serviceable throughout construction.
33. Submit fire flow information to this Los Angeles County Fire Department, Land Development Division office for approval.
34. At the discretion of the applicant, a 39-foot lot line adjustment shall be completed between the subject property and the adjacent Los Angeles County Fire Department property. The lot line adjustment shall be recorded with the Los Angeles County Recorder's Office prior to the occupancy of the new spaces.

PUBLIC SAFETY - CITY OF CARSON

35. Ensure compliance with current seismic mitigation codes.
36. Where practical, surface treatments, accessibility or landscaping strategies should work to deter graffiti. Stucco or cinder block walls, with access to the public, should be set back or landscaped in such a way as to deter graffiti.

ENGINEERING SERVICES DEPARTMENT - CITY OF CARSON

37. Prior to issuance of Building Permit, a soils report, sewer area study, drainage concept, and stormwater quality plan shall be reviewed and approved. Building Permit issuance will not be granted until the required soils, sewer, drainage concept and stormwater information have been received and found satisfactory.
38. Comply with mitigation measures recommended in the approved soils, sewer area study, drainage concept and stormwater quality plan.



39. Dedicate 6-ft of additional right-of-way along portions of Rainsbury Avenue. Developer shall prepare legal description for required dedication, for review and approval of the City Engineer and Recordation with County Recorders Office.
40. If needed, easements shall be granted to the City, appropriate agency, or entity for the purpose of ingress, egress, construction, and maintenance of all infrastructures constructed and handicap access for this development to the satisfaction of the City Engineer and or appropriate agency or entity.
41. Quitclaim or relocate any easements interfering with building locations to the satisfaction of the City, appropriate agency or entity.
42. Repair any broken or raised (one-inch or more) sidewalk, curb and gutter along Avalon Blvd, Albertoni Street, Victoria Street and ~~Rainsbury Avenue~~ within or abutting this proposed development per City of Carson Standard and to the satisfaction of the City Engineer, which is limited to \$10,000 or less in performance costs. *ok ✓ [signature] (SN) 5/21/08*
43. The Developer shall fill in missing sidewalk, remove and replace any broken/damaged driveway approach in the public right of way abutting the proposed development per City of Carson Standard and to the satisfaction of the City Engineer.
44. The Developer shall modify existing driveways in the public right of way per City of Carson Standard to comply with the ADA requirements and to the satisfaction of the City Engineer.
45. Where sidewalk meander around existing driveways and extending beyond the public right of way at any location, the required described sidewalk easements shall be submitted and approved prior to issuance of the building permit.
46. If any, remove unused driveway approach if any, and replace it with full height curb and gutter and sidewalk per City of Carson Standard and to the satisfaction of the City Engineer.
47. Install and/or modify (if necessary) existing wheelchair ramp along Avalon Boulevard at the entrance and exit to the subject site, and at the northwest corner of Rainsbury Avenue and Victoria Street per City of Carson Standard, in compliance with ADA requirements.
48. In the event that the applicant proposes future improvements allowing vehicular access entering or exiting onto Rainsbury Avenue (apart from the two existing "crash gates"), the applicant shall install streetlights on concrete poles with underground wiring Rainsbury Avenue to the satisfaction of the L.A. County Street Lighting Division, Department of Public Works.
49. All new utility lines, along Avalon Blvd, Albertoni Street, Victoria Street and Rainsbury Avenue abutting the proposed development shall be underground to the satisfaction of the City Engineer.

50. Plant approved parkway trees on locations along Avalon Boulevard and Victoria Street where trees are missing per City of Carson Standard Nos. 117, 132, 133 and 134. All new trees must be kept adequately watered.
51. Paint Curbs Red along Avalon Blvd, Albertoni Street, Victoria Street and Rainsbury Avenue within or abutting this proposed development, to the satisfaction of the City Traffic Engineer.
52. The Developer shall install separate sewer laterals to individually serve each building in the development. Installation and dedication of main line sewers may be necessary to meet this requirement.
53. The Developer shall submit a sewer area study to the Los Angeles County Department of Public Works (LACDPW) to determine if capacity is adequate in the sewerage system to be used as the outlet for the sewer of this development. If the system is found to have insufficient capacity, the problem must be addressed and resolved to the satisfaction of the L.A. County Sewer Department.
54. The Developer shall comply with all requirements from L.A. County Sewer Maintenance Division for maintenance of new and/or existing sewer main, relating to this development, prior to release of all improvement bonds.
55. The Developer shall execute and provide to the City Engineer, a written statement from the water purveyor indicating that the water system will be operated by the purveyor and that under normal conditions, the system will meet the requirements for the development and that water service will be provided to each building.
56. Comply with mitigation measures recommended by the water purveyor.
57. The Developer shall submit a copy of approved plans on mylars (i.e. Grading, Sewer, Street, and Storm Drain Improvement Plans), to the City of Carson – Engineering Division, prior to issuance of construction permits.
58. A construction permit is required for any work to be done in the public right-of-way.
59. Any improvements damaged during the construction shall be removed and reconstructed per City of Carson Standard plan and to the satisfaction of the City Engineer.
60. All infrastructures necessary to serve the proposed development (water, sewer, storm drain, and street improvements) shall be in operation prior to the issuance of Certificate of Occupancy.
61. Streets abutting the development, with new utility trench cuts to serve the development, shall be slurry sealed from curb-to-curb or from median-to-curb when medians are existing or as approved by the Engineer in the field. Slurry Seal materials shall be rubberized emulsion aggregate slurry (REAS)

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62. The Developer shall construct and guarantee the construction of all required drainage infrastructures in accordance with the requirements and recommendations of the drainage study, subject to the approval of the City Engineer.
63. Prior to issuance of Building Permit, the following must be on file:
64. Drainage/Grading plan prepared by a registered Civil Engineer, to the satisfaction of the Building and Safety Division.
65. Construction bond as required for all work to be done within the public right of way.
66. Proof of Worker's Compensation and Liability Insurance.
67. The Developer shall comply with the applicable SUSMP requirements and shall incorporate into the project plan a Storm Water Mitigation Plan, which includes those Best Management Practices necessary to control storm water pollution from construction activities and facility operations prior to issuance of Building Permit.

BUSINESS LICENSE DEPARTMENT - CITY OF CARSON

68. Per section 6310 of the Carson Municipal Code, all parties involved in the project, including but not limited to contractors and subcontractors, will need to obtain a City Business License.





CITY OF CARSON

PLANNING COMMISSION STAFF REPORT

NEW BUSINESS CONSENT: April 9, 2013

SUBJECT: Extension of Time for Modification No. 3 to Special Use Permit No. 106-74

APPLICANT/
OWNER: Nader Qoborsi
Foresight Engineering, INC.
17621 Irvine Blvd.
Tustin, CA 92780

REQUEST: A one-year time extension for permitting an additional 21 mobile home spaces to an existing 404-unit mobile home park (Colony Cove Mobile Estates)

PROPERTY INVOLVED: 17700 S. Avalon Boulevard

COMMISSION ACTION

Without objection, Chairman Faletogo moved, seconded by Commissioner Diaz, to approve the extension of time to April 12, 2014. Motion carried, 8-0 (Commissioner Brimmer had not yet arrived.)

COMMISSIONERS' VOTE

<u>AYE</u>	<u>NO</u>		<u>AYE</u>	<u>NO</u>	
X		Chairman Faletogo	X		Gordon
X		Vice-Chair Verrett	X		Piñon
Absent		Brimmer	X		Saenz
X		Díaz	X		Schaefer
X		Goolsby			

EXHIBIT NO. 01

ITEM NO. 6

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I. Introduction

The applicant, Nader Qoborsi, is requesting a one-year time extension for Modification No. 3 to Special Use Permit No. 106-74. The property is located at 17700 S. Avalon Boulevard and is in the RM-8-D (Residential, Multifamily – 8 units per acre – Design Overlay) zoning district.

II. Background

On November 27, 2012, this project was approved by the Planning Commission at a public hearing. Modification No. 3 to Special Use Permit (SUP) No. 106-74 was approved to grant a one-year time extension for SUP No. 106-74, which was modified on March 25, 2008 to permit up to 21 additional mobile home spaces to the existing 404-unit Colony Cove Mobile Estates. The time extension extended the project to April 12, 2013.

III. Analysis

Pursuant to Section 9172.21.H.2. – of the Carson Municipal Code, a conditional use permit may be extended once for one year from the date of original expiration without a public hearing. The applicant has requested additional time to complete the project. The applicant submitted the extension of time request on February 21, 2013 which is prior to expiration date of April 12, 2013.

IV. Recommendation

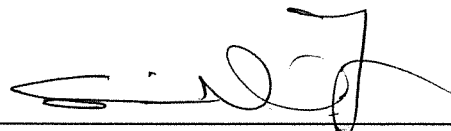
That the Planning Commission:

- **APPROVE** the extension of time until April 12, 2014 for Modification No. 3 to Special Use Permit No. 106-74; and
- **ADOPT** a minute resolution extending the approval of Modification No. 3 to Special Use Permit No. 106-74 to April 12, 2014.

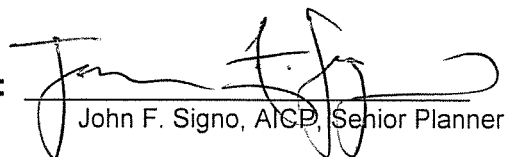
V. Exhibit

1. Planning Commission Resolution No. 12-2454 adopted on November 27, 2012

Prepared by:


Saied Naaseh, Associate Planner

Reviewed by:


John F. Signo, AICP, Senior Planner





CITY OF CARSON

December 5, 2012

Foresight Engineering, Inc.
Attn: Nader Qoborsi
17621 Irvine Boulevard
Tustin, CA 92780

Subject: Modification No. 3 to Special Use Permit 106-74

Dear Applicant:

The Planning Commission, at its meeting of November 27, 2012, approved your request for the above-mentioned item, subject to the conditions in Resolution No. 12-2454.

As indicated in the Resolution, you and the property owner are required to sign the enclosed "Agreement Accepting Conditions" form and return **ONLY** that form to Associate Planner Naaseh within thirty (30) days of the receipt of this letter. Please retain the enclosed resolutions and a copy of the Agreement Accepting Conditions for your records.

If you have any questions concerning the City's procedures or any of the enclosed documents, please feel free to call your case planner at (310) 952-1761.

Sincerely,

Denise Bothe, Planning Secretary
Development Services Group



CITY OF CARSON

PLANNING COMMISSION

RESOLUTION NO. 12-2454

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CARSON APPROVING MODIFICATION NO. 3 TO SPECIAL USE PERMIT NO. 106-74 AND AMENDING RESOLUTIONS NO. 08-2196 AND 10-2300 TO INCLUDE THE ADDITION OF CONDITION NOS. 69-75 AND TO GRANT A ONE-YEAR TIME EXTENSION FOR THE ADDITION OF 21 MOBILEHOME SPACES TO AN EXISTING 404-UNIT MOBILEHOME PARK LOCATED AT 17700 SOUTH AVALON BOULEVARD, ASSESSOR PARCEL NO. 7319-017-086

THE PLANNING COMMISSION OF THE CITY OF CARSON, CALIFORNIA, HEREBY FINDS, RESOLVES AND ORDERS AS FOLLOWS:

Section 1. An application was duly filed by the applicant, Colony Cove Properties, with respect to real property located at 17700 S. Avalon Boulevard, and described in Exhibit "A" attached hereto (the "Property"), requesting authorization of Modification No. 3 to Special Use Permit No. 106-74 to grant a one-year time extension to permit an additional 21 mobilehome spaces to an existing 404-unit mobilehome park ("Colony Cove Mobile Estates") located on approximately 52 acres in the RM-8-D (Residential, Multi-family – 8 units per acre – Design Overlay) zone district.

On March 25, 2008, the Planning Commission adopted Resolution No. 08-2196 approving Modification No. 1 to SUP No. 106-74 for the development of up to an additional 21 mobilehome spaces to the existing Colony Cove Mobile Home Estates, a 404-unit, renter-occupied mobilehome park. Modification No. 1 included a requirement for an affordable rental agreement for five (5) of the 21 units.

On April 13, 2010, the Planning Commission adopted Resolution 10-2300 approving Modification No. 2 to SUP No. 106-74 reauthorizing the 21 mobilehome spaces that were approved by the Planning Commission in On March 25, 2008.

A public hearing was duly held June 12, 2012, at 6:30 P.M. at City Hall, Council Chambers, 701 East Carson Street, Carson, California. A notice of time, place and purpose of the aforesaid meeting was duly given. This hearing was subsequently continued to June 26th, July 10th, September 11th, October 9th, October 23rd, November 13, and November 27, 2012

On March 25, 2008, the Planning Commission adopted Resolution No. 08-2196 approving the development of an additional 21 mobilehome spaces to the existing Colony Cove Mobile Home Estates, a 404-unit, renter-occupied, mobilehome park located at 17700 S. Avalon Boulevard. On April 14, 2009, the Planning Commission approved a time extension to extend the proposal to March 25, 2010. On April 13, 2010, the Planning Commission approved a time extension to extend the proposal to March 25, 2011. On April 12, 2011, the Planning Commission approved a time extension to extend the proposal to March 25, 2012. In January 30, 2012, the applicant applied for Modification No. 3 to extend the entitlement approval for the project for one year until April 12, 2013.

Section 2. Evidence, both written and oral, was duly presented to and considered by the Planning Commission at the aforesaid meetings.

Section 3. The Planning Commission finds that:

- a) Colony Cove Properties, LLC, a Delaware limited liability company ("Applicant"), is the owner of that certain Property.
- b) The Planning Commission for the City on March 25, 2008 approved Modification No. 1 to Special Use Permit No. 106-74 ("Modification of SUP") for the development of an additional 21 mobile home spaces ("Project") to the Colony Cove Mobile Estates, subject to Applicant's satisfaction of certain conditions of approval. The City extended and reauthorized Applicant's rights under the Modification of SUP pursuant to various extensions and reauthorizations.
- c) Ten (10) previously abandoned oil wells are located on the Property ("Existing Wells"). The Existing Wells are shown on Exhibit "B" and incorporated herein by reference.
- d) The Division of Oil, Gas, and Geothermal Resources ("DOGGR") is the State of California agency that oversees the drilling, operation, maintenance, and plugging and abandonment of oil, natural gas, and geothermal wells and in the past, the City relied on DOGGR and its "Construction Site Plan Review Program" and "Well Review Letter Program" (collectively, "DOGGR Development Review Programs") for decisions related to oil wells.
- e) DOGGR has recently terminated its DOGGR Development Review Programs which involved DOGGR's certification of proposed developments of properties containing oil wells based on compliance with DOGGR guidelines and compliance with DOGGR's abandonment and re-abandonment requirements.
- f) As a consequence of DOGGR's termination of DOGGR's Development Review Programs, the Planning Commission for the City requires, as a condition to the City's issuance of required approvals for the Project (collectively, "City Approvals"), that Applicant comply with conditions 69 through 75 (in addition to the rest of the conditions) of the Conditions of Approval set forth in Exhibit "C" attached hereto. These conditions mirror DOGGR's Development Review Programs and are mainly designed to protect public health and safety and to provide appropriate notices to the general public.
- g) SUP 106-74 was scheduled to expire April 12, 2012; however, the applicant has filed a timely extension and has requested a one year extension of time for SUP 106-74. The Planning Commission finds that termination of the permit would constitute an undue hardship upon the Applicant and that the continuation of the permit would not be materially detrimental to the health, safety and general welfare of the public.

Section 4. The Planning Commission based on the aforementioned finding resolves as follows:

- a) Amends Resolution Nos. 08-2196 and 10-2300 to add Modification No. 3 to Special Use Permit No. 106-74 to extend the entitlement for an additional year, with respect to the property described in Section 1 hereof, subject to the Conditions of Approval and amends Resolution Nos. 08-2196 and 10-2300 to include the addition of conditions of approval Nos. 69-75 set forth in Exhibit "C".

Section 5. Other than what is expressly amended herein related to resolution Nos. 08-2196 and 10-2300, those resolutions shall remain in full force and effect and no other part of the resolutions is modified.

Section 6. The Secretary shall certify the adoption of this Resolution and shall transmit copies of the same to the applicant.

Section 7. This action shall become final and effective fifteen days after the adoption of this Resolution unless within such time an appeal is filed with the City Clerk in accordance with the provisions of the Carson Zoning Ordinance.

PASSED, APPROVED AND ADOPTED THIS 27th DAY OF NOVEMBER, 2012.


CHAIRMAN

ATTEST:


SECRETARY

CITY OF CARSON

DEVELOPMENT SERVICES

PLANNING DIVISION

EXHIBIT "A"

LEGAL DESCRIPTION

MODIFICATION NO. 2 TO SPECIAL USE PERMIT NO. 106-74

Property Address: 17700 Avalon Boulevard

The land referred to as parcel no. 7319-017-086 is described as follows:

Parcel 1 in the City of Carson, County of Los Angeles, State of California, as shown on Parcel Map No. 6150 filed in Book 69, Pages 69, 70, and 71 of Parcel Maps, in the Office of the County Recorder of said County.

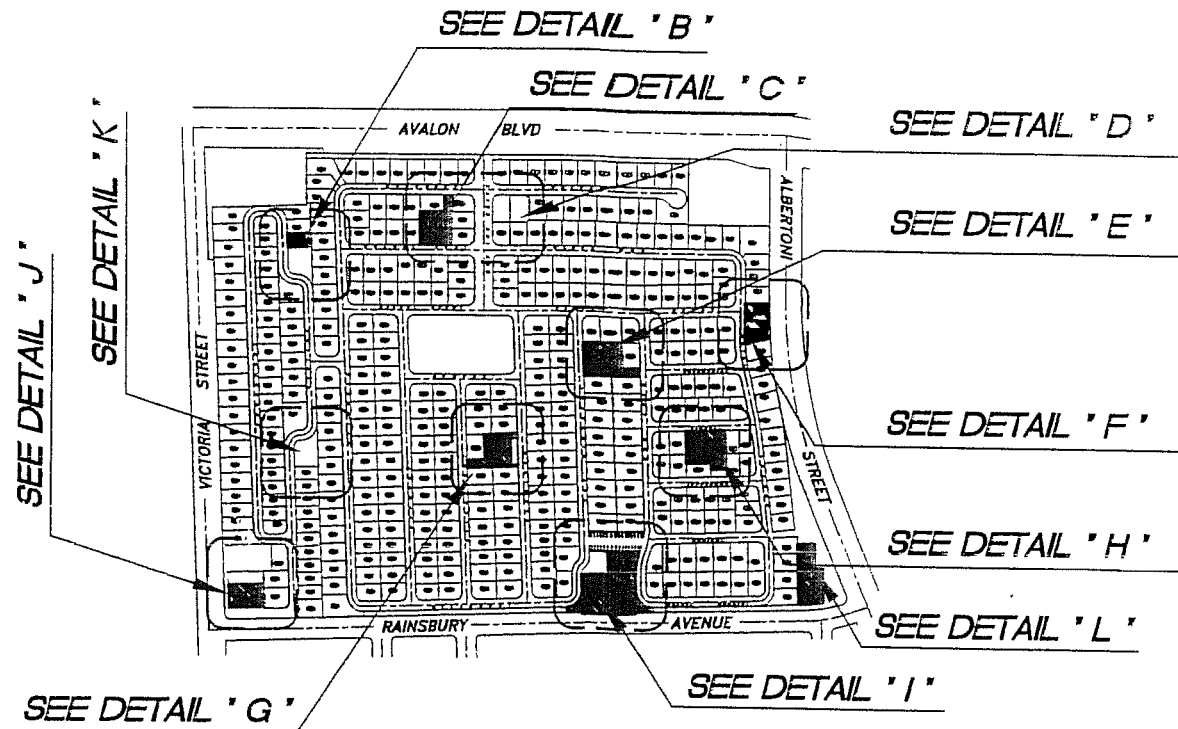
Except from said land that portion lying below a depth of 500 feet, measured vertically from the surface of said land, as said surface existed on October 25, 1965.

Also except therefrom all mobile homes situated on said land.



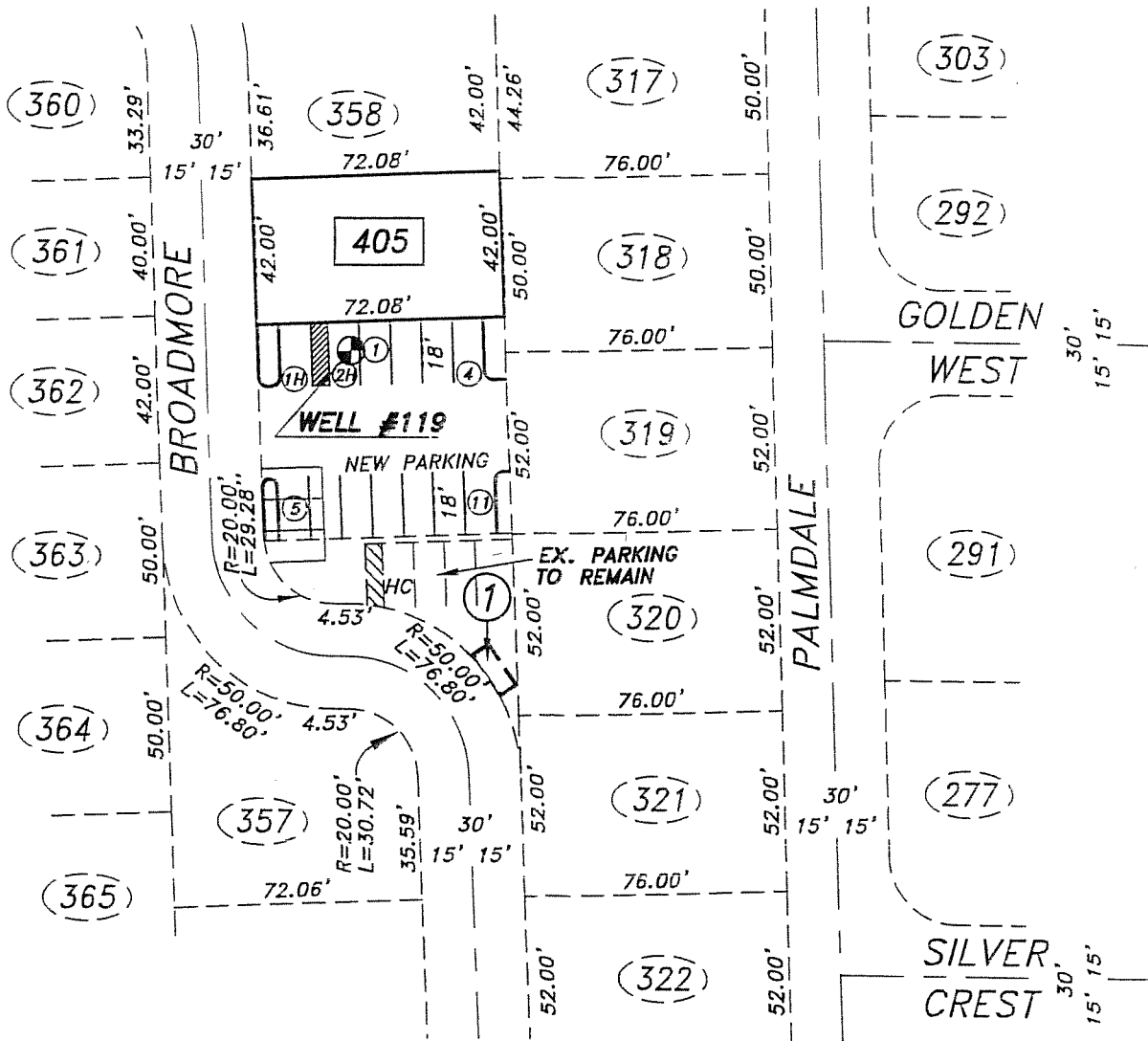
EXHIBIT B
EXISTING OIL WELLS

PRELIMINARY DRAFT SITE PLAN, SUBJECT TO CHANGES.
PROVIDED FOR INFORMATIONAL USE ONLY



KEY PLAN

NOT TO SCALE



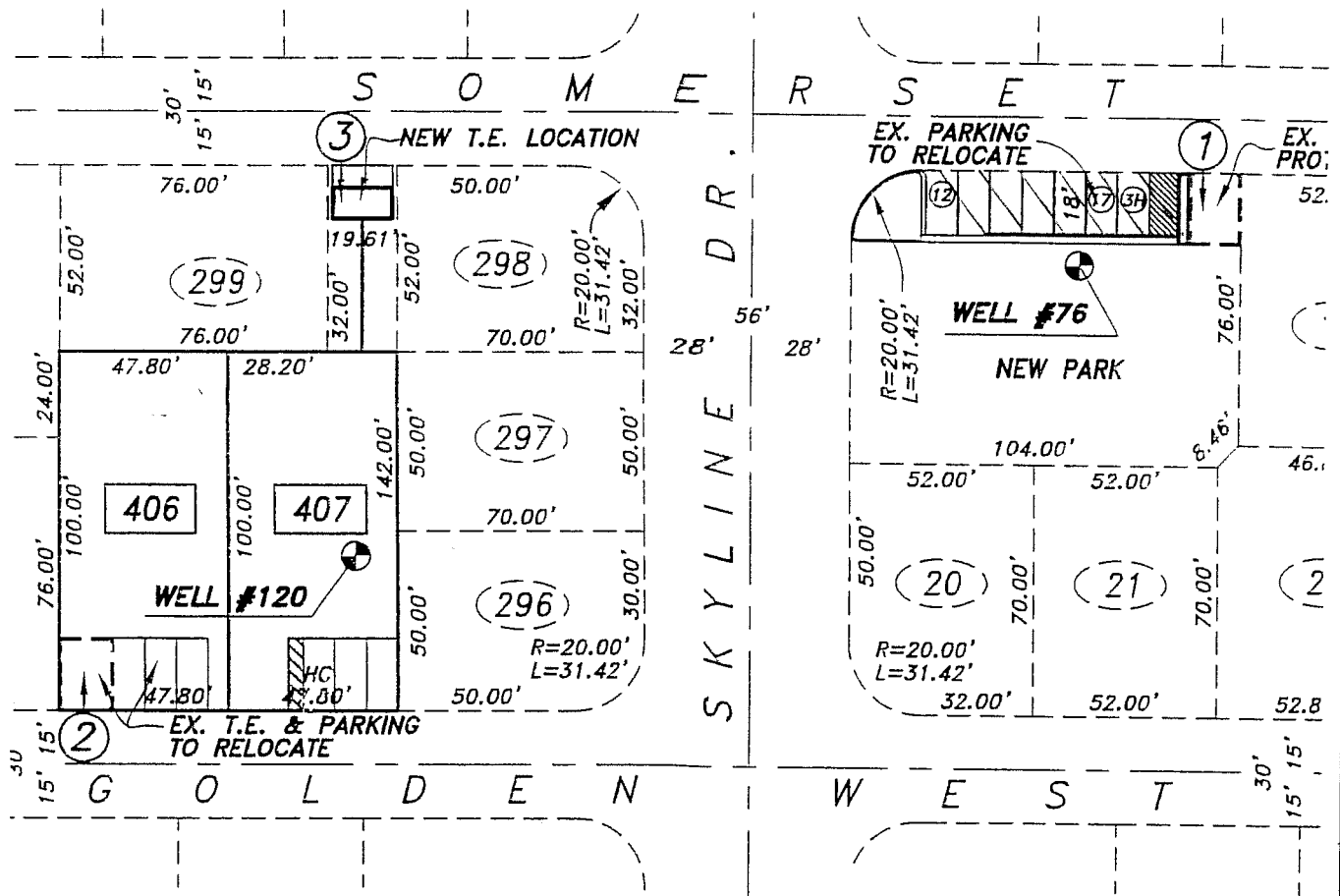
DETAIL "B"

SCALE : 1" = 50'

CONSTRUCTION NOTES :

- ① EX. TRASH ENCLOSURE TO PROTECT IN PLACE
- ② EX. TRASH ENCLOSURE TO REMOVE/RELOCATE
- ③ CONSTRUCT TRASH ENCLOSURE

SPACE NO. 405 - WELL NO. 119



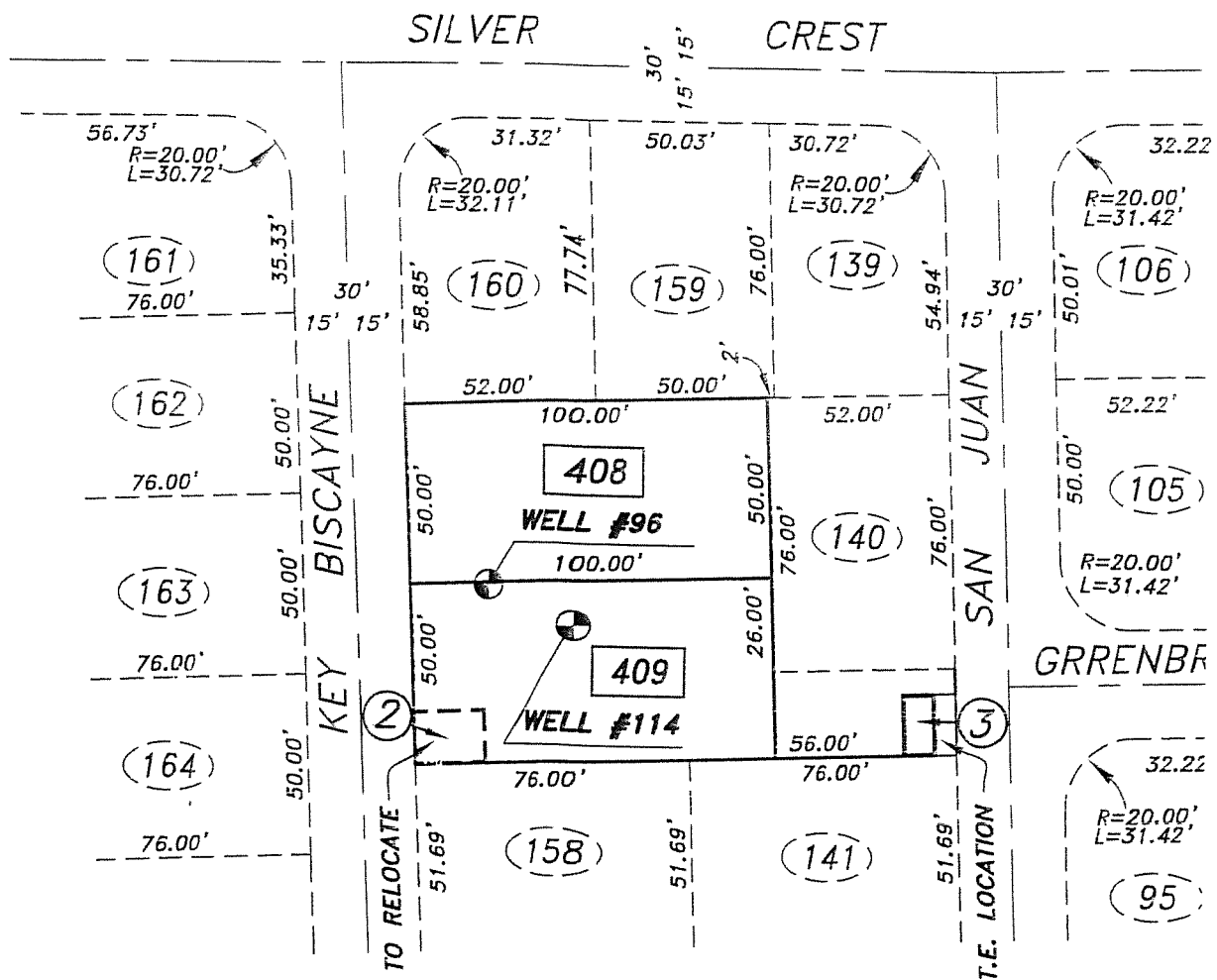
DETAILS "C" & "D"

SCALE : 1" = 50'

CONSTRUCTION NOTES :

- ① EX. TRASH ENCLOSURE TO PROTECT IN PLACE
- ② EX. TRASH ENCLOSURE TO REMOVE/RELOCATE
- ③ CONSTRUCT TRASH ENCLOSURE

SPACES 406 & 407 - WELL NO. 76 & 120



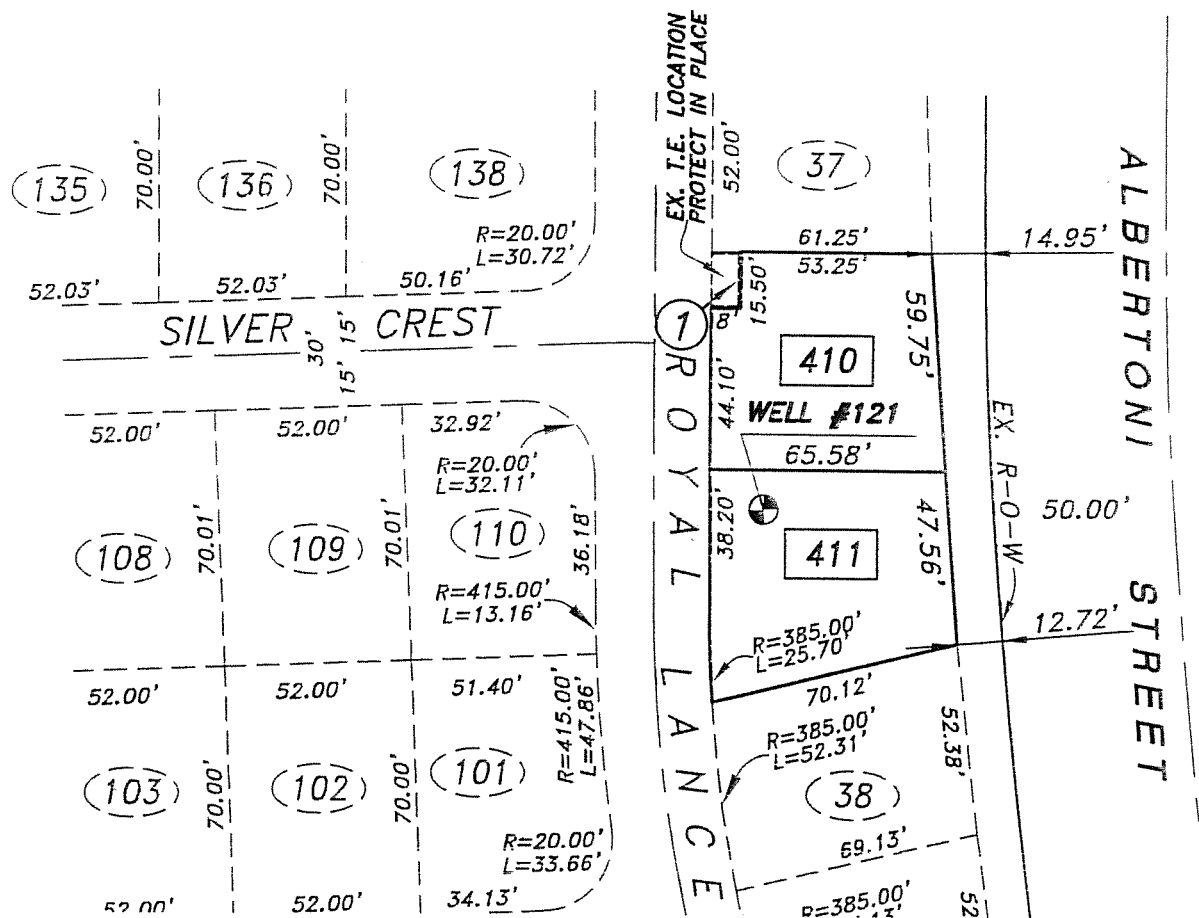
DETAIL "E"

SCALE : 1" = 50'

CONSTRUCTION NOTES :

- ① EX. TRASH ENCLOSURE TO PROTECT IN PLACE
- ② EX. TRASH ENCLOSURE TO REMOVE/RELOCATE
- ③ CONSTRUCT TRASH ENCLOSURE

SPACES 408 & 409 - WELL NO. 96 & 114



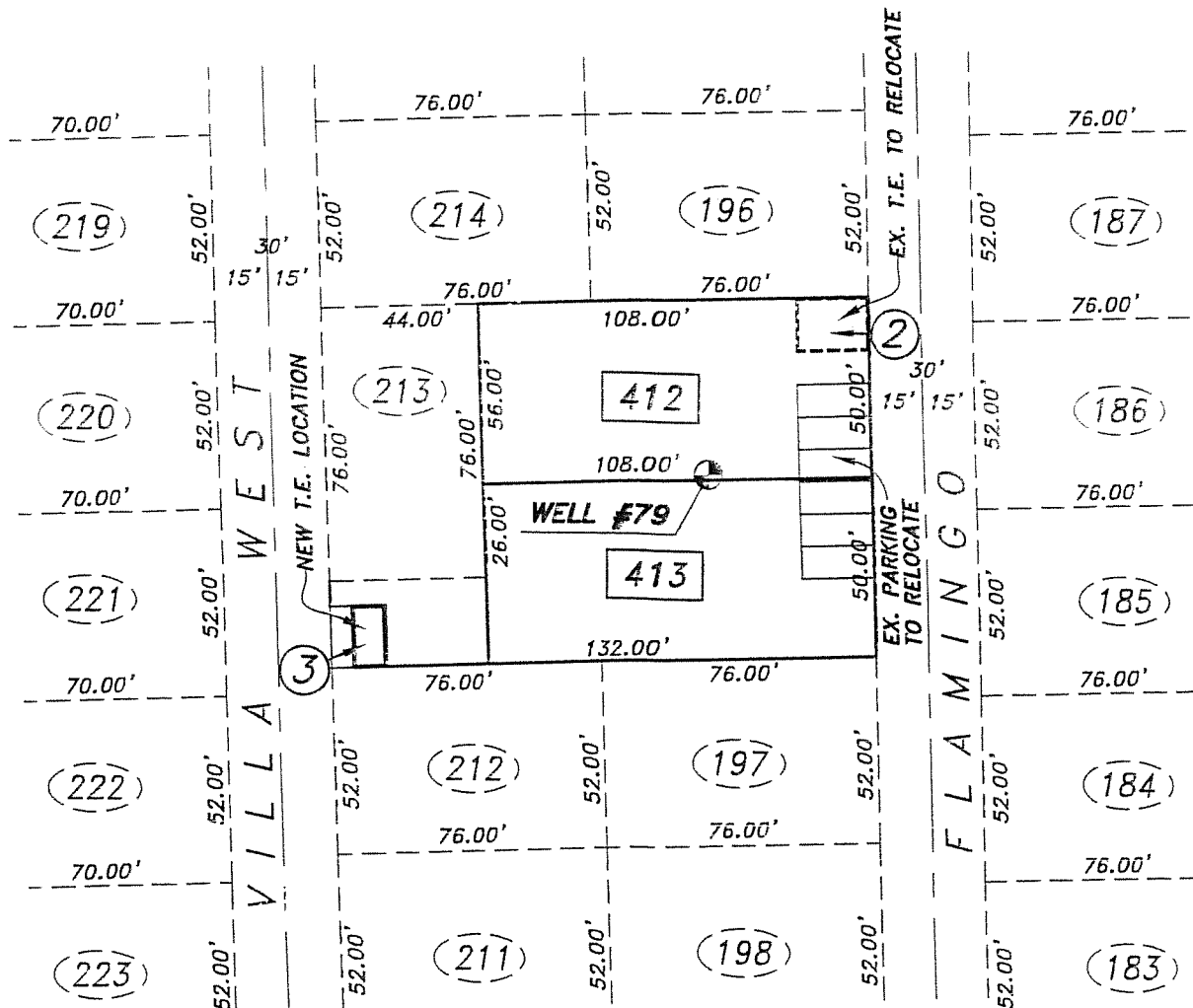
DETAIL "F"

SCALE : 1" = 50'

CONSTRUCTION NOTES :

- ① EX. TRASH ENCLOSURE TO PROTECT IN PLACE
- ② EX. TRASH ENCLOSURE TO REMOVE/RELOCATE
- ③ CONSTRUCT TRASH ENCLOSURE

SPACES 410 & 411 - WELL NO. 121



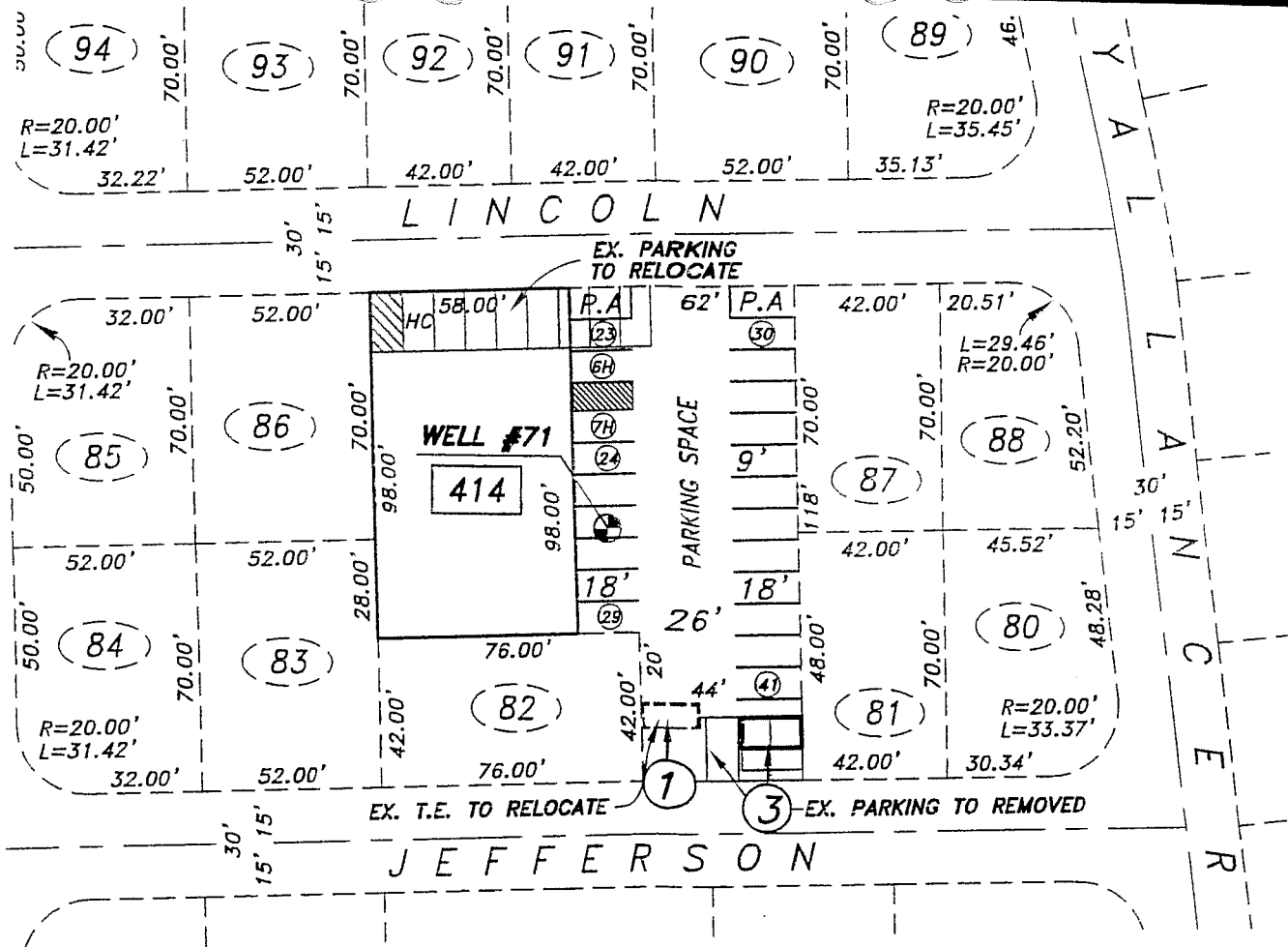
DETAIL "G"

SCALE : 1" = 50'

CONSTRUCTION NOTES :

- ① EX. TRASH ENCLOSURE TO PROTECT IN PLACE
- ② EX. TRASH ENCLOSURE TO REMOVE/RELOCATE
- ③ CONSTRUCT TRASH ENCLOSURE

SPACES 412 & 413 - WELL NO. 79



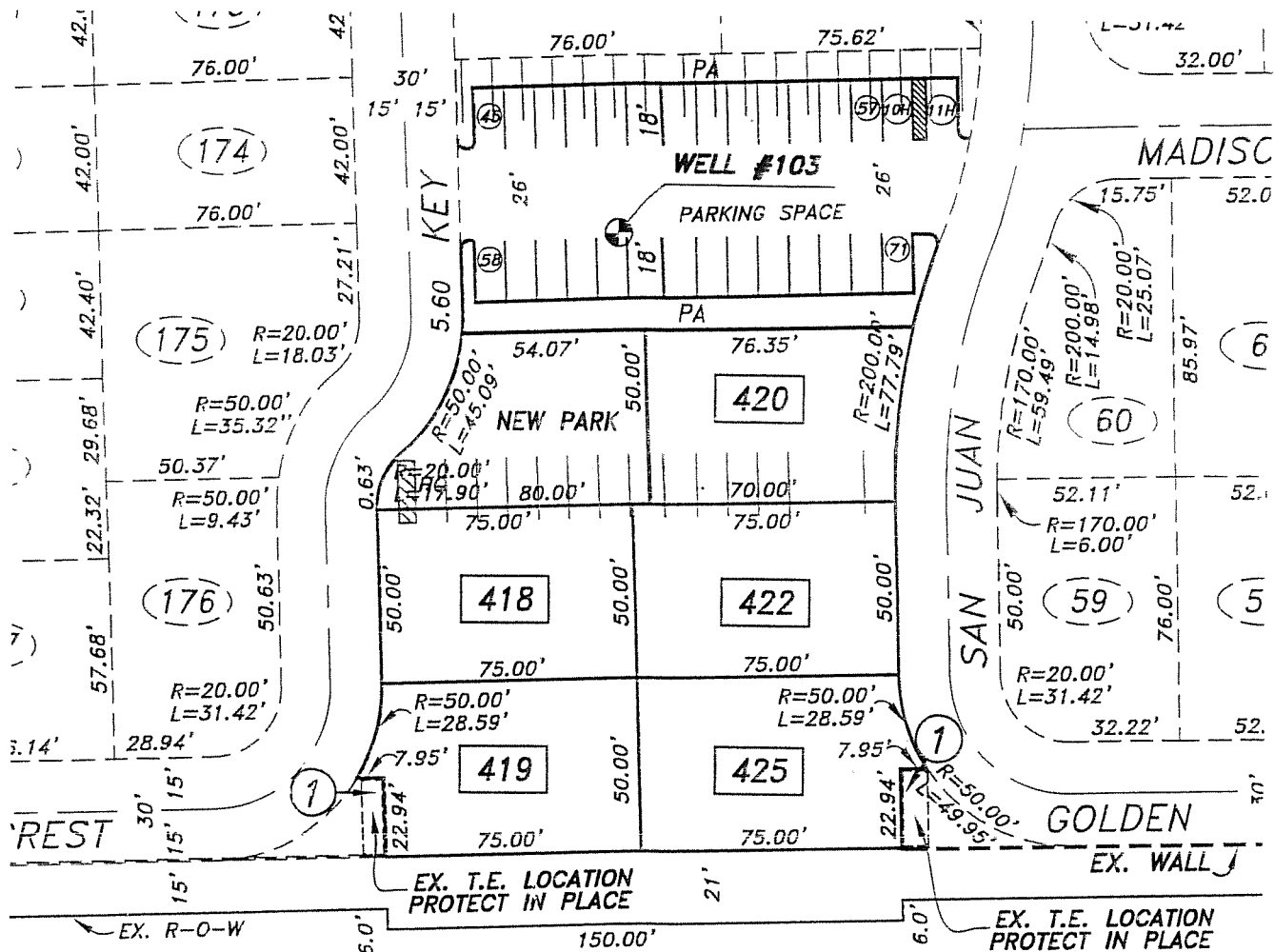
DETAIL "H"

SCALE : 1" = 50'

CONSTRUCTION NOTES :

- ① EX. TRASH ENCLOSURE TO PROTECT IN PLACE
- ② EX. TRASH ENCLOSURE TO REMOVE/RELOCATE
- ③ CONSTRUCT TRASH ENCLOSURE

SPACE 414 - WELL NO. 71



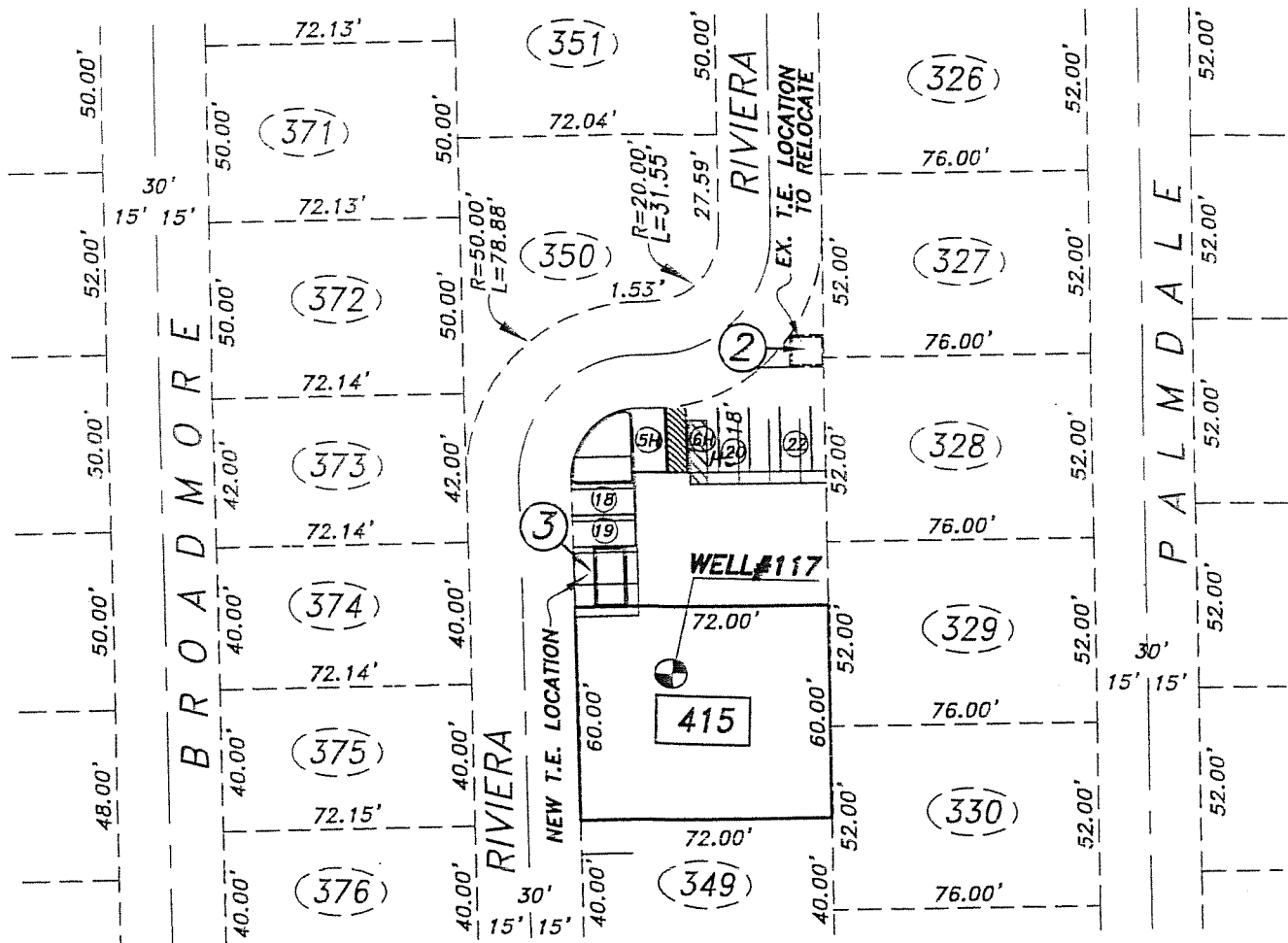
DETAIL "I"

SCALE : 1" = 50'

CONSTRUCTION NOTES :

- ① EX. TRASH ENCLOSURE TO PROTECT IN PLACE
- ② EX. TRASH ENCLOSURE TO REMOVE/RELOCATE
- ③ CONSTRUCT TRASH ENCLOSURE

SPACES 418, 419, 420, 422 & 425 - WELL NO. 103



DETAIL "K"

SCALE : 1" = 50'

CONSTRUCTION NOTES :

- ① EX. TRASH ENCLOSURE TO PROTECT IN PLACE
- ② EX. TRASH ENCLOSURE TO REMOVE/RELOCATE
- ③ CONSTRUCT TRASH ENCLOSURE

SPACE 415 - WELL NO. 117

CITY OF CARSON
DEVELOPMENT SERVICES
PLANNING DIVISION
EXHIBIT "C"
CONDITIONS OF APPROVAL
MODIFICATION NO. 3 TO SPECIAL USE PERMIT NO. 106-74

GENERAL CONDITIONS

1. If a permit for new mobile homes is not obtained from the State Housing and Community Development Department, or if a building permit is not given for new construction on the project site within one year of the date of approval of Modification No. 3 to SUP No. 106-74, said permit shall be declared null and void unless an extension of time is requested prior to expiration and approved by the Planning Commission.
2. The approved Resolution, including the Conditions of Approval contained herein, and signed Affidavit of Acceptance, shall be copied in their entirety and placed directly onto a separate plan sheet behind the cover sheet of the approved development plans prior to Building and Safety plan check submittal. Said copies shall be included in all development plan submittals, including any revisions and the final working drawings.
3. The applicant shall make any necessary site plan and design revisions to the site plan and elevations approved by the Planning Commission and on file with the City Planning Division, in order to comply with all the conditions of approval and applicable Zoning Ordinance provisions. Substantial revisions will require review and approval by the Planning Commission. Should an affordable housing agreement between the applicant and the city not be finalized, as required by Condition No. 10, a modification to the site plan shall be reviewed and approved by the Planning Commission to authorize an alternative use for the five units.
4. The applicant shall submit two complete sets of plans that conform to all the Conditions of Approval, and which are consistent with the development plans included as exhibits to the staff report presented at the hearing in which the project was approved, including modifications to the plans and/or conditions of approval made by the Planning Commission during said hearing. Such approved development plans are subject to review and approval by the Planning Division prior to the issuance of a building permit.
5. The applicant and property owner shall sign an Affidavit of Acceptance form and submit the document to the Planning Division within 30 days of receipt of the Planning Commission Resolution.

6. It is further made a condition of this approval that if any condition is violated or if any law, statute or ordinance is violated, this permit may be revoked by the Planning Commission or City Council, as may be applicable; provided the applicant has been given written notice to cease such violation and has failed to do so for a period of thirty days.
7. Decision of the Planning Commission shall become effective and final 15 days after the date of its action unless an appeal is filed in accordance with Section 9173.4 of the Zoning Ordinance.
8. A modification of the conditions of this permit, including additions or deletions, may be considered upon filing of an application by the owner of the subject property or his/her authorized representative in accordance with Section 9173.1 of the Zoning Ordinance.
9. Applicant shall defend, indemnify and hold harmless the City of Carson, its agents, officers, or employees from any claims, damages, action, or proceeding against the City or its agents, officers, or employees to attack, set aside, void or annul, and approval of the City, its advisory agencies, appeal boards, or legislative body concerning Modification No. 3 to Special Use Permit No. 106-74. The City will promptly notify the Applicant of any such claim, action, or proceeding against the City and the Applicant will either undertake defense of the matter and pay the City's associated legal costs or will advance funds to pay for defense of the matter by the City Attorney. The City will cooperate fully in the defense. Notwithstanding the foregoing, the City retains the right to settle or abandon the matter without the Applicant's consent but should it do so, the City shall waive the indemnification herein, except, the City's decision to settle or abandon a matter following an adverse judgment or failure to appeal, shall not cause a waiver of the indemnification rights herein.

AFFORDABLE HOUSING

10. The applicant shall provide affordable rental housing for five new units at income levels and locations to be determined pursuant to an agreement with the city. The affordable rental rate shall be targeted to moderate (or below)-income households, unless otherwise approved by the city, and may be patterned after State Government Code 66427.5 at the discretion of the city. The affordable rental rate shall remain in effect for a period of not less than 30 years or until such time that the city approves an amendment to the agreement. The affordable housing costs shall consider space rent, principle and interest on the mobilehome, mortgage loan insurance fees, property taxes and assessments, fire and casualty insurance, property maintenance and repairs and a reasonable allowance for utilities. The program must be approved by the city before the applicant gets occupancy of units. Notwithstanding the foregoing, the applicant shall have no obligation to comply with this condition in the event that the city and the applicant are unable to come to an agreement on applicable rental rates and the affordable housing agreement for the five affordable units (see Condition No. 3).

11. If a subdivision conversion to resident ownership is approved, the affordable rental housing covenant on the five units shall be converted to low-income home ownership opportunities for five units. The locations of such units will be subject to an agreement with the city. The agreement shall include a formula to provide a fair distribution between land value and unit value.

PARKING

12. All parking areas and driveways shall remain clear. No encroachment into parking areas and/or driveways shall be permitted.
13. Parking spaces shall be identified (marked) as provided in Section 9162.56 of the Zoning Ordinance.
14. All areas used for the movement parking, loading, repair or storage of vehicles shall be paved with either:
 - a. Concrete or asphaltic concrete to a minimum thickness of three and one-half inches over four inches of crushed aggregate base; or
 - b. Other surfacing material which, in the opinion of the Director of Engineering Services, provides equivalent life, service and appearance.
15. Parking for handicapped shall comply with the requirements of Section 9162.42 of the Zoning Ordinance.

LANDSCAPING/IRRIGATION

16. The applicant shall submit two sets of landscaping and irrigation plans drawn, stamped, and signed by a licensed landscape architect and in substantial conformance with preliminary landscape plans dated as received by the Planning Department on February 14, 2008. Such plans are to be approved by the Planning Division prior to the issuance of any building permit.
17. Such landscaping and irrigation plans shall be stamped and signed by a licensed landscape architect and are to include, but are not limited to:
 - a. Trees, grass, and vine-like landscaping in the proposed park areas;
 - b. Perimeter landscaping near the "dog-run" area, as described on the site plan marked "Exhibit D";
 - c. Annual flowers wherever possible; and
 - d. Irrigation system designed to commercial grade standards.

Furthermore, these plans are subject to Planning Division review and approval before landscape/irrigation construction, which is to be completed prior to the issuance of final occupancy.

18. The applicant shall comply with the provisions of Section 9168 of the Zoning Ordinance, "Water Efficient Landscaping."

19. The applicant shall install 6-inch by 6-inch concrete curbs around all landscaped planter areas, except for areas determined by a SUSMP/NPDES permit, or other applicable condition of approval that requires certain landscaped areas to remain clear of concrete curbs for more efficient stormwater runoff flow and percolation. Revised landscaping and irrigation plans shall be reviewed and approved by the Planning Division should subsequent modifications be required by other concerned agencies regarding the removal of concrete curbs.
20. Landscaping shall be provided with a permanently installed, automatic irrigation system and operated by an electrically-timed controller station set for early morning or late evening irrigation.

UTILITIES

21. All utilities and aboveground equipment shall be constructed and located pursuant to Section 9126.8 of the Zoning Ordinance, unless otherwise provided for in these conditions.
22. All utility meters will be painted the same color as the structures to reduce visibility (the Gas Company will not allow meters to be placed in boxes).

AESTHETICS

23. The specification of all colors and materials of new construction of trash enclosures, maintenance shed, and carport must be submitted and approved by the Planning Division prior to the issuance of any building permits.
24. Graffiti shall be removed from all project areas within 3 days of written notification by the City of Carson. Should the graffiti problem persist more than twice in any calendar year, the matter may be brought before the Planning Commission for review and further consideration of site modifications (i.e., fencing, landscaping, chemical treatment, etc.)

FENCES/WALLS

25. All fences, walls and hedges shall be located and constructed in compliance with the standards as provided for in Section 9126.3 (residential zones) of the Zoning Ordinance.

TRASH

26. Trash enclosures and recycling areas shall be located on four-inch concrete pads and in locations consistent with the approved site plan, subject to Planning Division review and approval. Painted metal, self-closing doors shall be used for enclosing the entrance to the trash and recycling areas. The trash and recycling area enclosure design is to be approved by the Planning Division prior to issuance of any building permit(s).



27. Recycling areas shall be provided in accordance with Sections 9164.4 and 9164.5 of the Zoning Ordinance. The number and size of recycling facilities are subject to the approval of the Planning Division.

FIRE DEPARTMENT - COUNTY OF LOS ANGELES

28. Provide water mains, fire hydrants, and fire flows as required by County Forester and Fire Warden for all land shown on the map to be recorded.
29. Provide Fire Department and City approved street signs and building address numbers prior to occupancy.
30. Access shall comply with Section 10.207 of the Fire Code which requires all weather access. All weather access may require paving.
31. All required fire hydrants shall be installed, tested and accepted prior to construction. Vehicular access must be provided and maintained serviceable throughout construction.
32. All required fire hydrants shall be installed, tested and accepted prior to construction. Vehicular access must be provided and maintained serviceable throughout construction.
33. Submit fire flow information to this Los Angeles County Fire Department, Land Development Division office for approval.
34. At the discretion of the applicant, a 39-foot lot line adjustment shall be completed between the subject property and the adjacent Los Angeles County Fire Department property. The lot line adjustment shall be recorded with the Los Angeles County Recorder's Office prior to the occupancy of the new spaces.

PUBLIC SAFETY - CITY OF CARSON

35. Ensure compliance with current seismic mitigation codes.
36. Where practical, surface treatments, accessibility or landscaping strategies should work to deter graffiti. Stucco or cinder block walls, with access to the public, should be set back or landscaped in such a way as to deter graffiti.

ENGINEERING SERVICES DEPARTMENT - CITY OF CARSON

37. Prior to issuance of Building Permit, a soils report, sewer area study, drainage concept, and stormwater quality plan shall be reviewed and approved. Building Permit issuance will not be granted until the required soils, sewer, drainage concept and stormwater information have been received and found satisfactory.
38. Comply with mitigation measures recommended in the approved soils, sewer area study, drainage concept and stormwater quality plan.

39. Dedicate 6-ft of additional right-of-way along portions of Rainsbury Avenue. Developer shall prepare legal description for required dedication, for review and approval of the City Engineer and Recordation with County Records Office.
40. If needed, easements shall be granted to the City, appropriate agency, or entity for the purpose of ingress, egress, construction, and maintenance of all infrastructures constructed and handicap access for this development to the satisfaction of the City Engineer and or appropriate agency or entity.
41. Quitclaim or relocate any easements interfering with building locations to the satisfaction of the City, appropriate agency or entity.
42. Repair any broken or raised (one-inch or more) sidewalk, curb and gutter along Avalon Blvd, Albertoni Street, Victoria Street within or abutting this proposed development per City of Carson Standard and to the satisfaction of the City Engineer, which is limited to \$10,000 or less in performance costs.
43. The Developer shall fill in missing sidewalk, remove and replace any broken/damaged driveway approach in the public right of way abutting the proposed development per City of Carson Standard and to the satisfaction of the City Engineer.
44. The Developer shall modify existing driveways in the public right of way per City of Carson Standard to comply with the ADA requirements and to the satisfaction of the City Engineer.
45. Where sidewalk meander around existing driveways and extending beyond the public right of way at any location, the required described sidewalk easements shall be submitted and approved prior to issuance of the building permit.
46. If any, remove unused driveway approach if any, and replace it with full height curb and gutter and sidewalk per City of Carson Standard and to the satisfaction of the City Engineer.
47. Install and/or modify (if necessary) existing wheelchair ramp along Avalon Boulevard at the entrance and exit to the subject site, and at the northwest corner of Rainsbury Avenue and Victoria Street per City of Carson Standard, in compliance with ADA requirements.
48. In the event that the applicant proposes future improvements allowing vehicular access entering or exiting onto Rainsbury Avenue (apart from the two existing "crash gates"), the applicant shall install streetlights on concrete poles with underground wiring Rainsbury Avenue to the satisfaction of the L.A. County Street Lighting Division, Department of Public Works.
49. All new utility lines, along Avalon Blvd, Albertoni Street, Victoria Street and Rainsbury Avenue abutting the proposed development shall be underground to the satisfaction of the City Engineer.

50. Plant approved parkway trees on locations along Avalon Boulevard and Victoria Street where trees are missing per City of Carson Standard Nos. 117, 132, 133 and 134. All new trees must be kept adequately watered.
51. Paint Curbs Red along Avalon Blvd, Albertoni Street, Victoria Street and Rainsbury Avenue within or abutting this proposed development, to the satisfaction of the City Traffic Engineer.
52. The Developer shall install separate sewer laterals to individually serve each building in the development. Installation and dedication of main line sewers may be necessary to meet this requirement.
53. The Developer shall submit a sewer area study to the Los Angeles County Department of Public Works (LACDPW) to determine if capacity is adequate in the sewerage system to be used as the outlet for the sewer of this development. If the system is found to have insufficient capacity, the problem must be addressed and resolved to the satisfaction of the L.A. County Sewer Department.
54. The Developer shall comply with all requirements from L.A. County Sewer Maintenance Division for maintenance of new and/or existing sewer main, relating to this development, prior to release of all improvement bonds.
55. The Developer shall execute and provide to the City Engineer, a written statement from the water purveyor indicating that the water system will be operated by the purveyor and that under normal conditions, the system will meet the requirements for the development and that water service will be provided to each building.
56. Comply with mitigation measures recommended by the water purveyor.
57. The Developer shall submit a copy of approved plans on mylars (i.e. Grading, Sewer, Street, and Storm Drain Improvement Plans), to the City of Carson – Engineering Division, prior to issuance of construction permits.
58. A construction permit is required for any work to be done in the public right-of-way.
59. Any improvements damaged during the construction shall be removed and reconstructed per City of Carson Standard plan and to the satisfaction of the City Engineer.
60. All infrastructures necessary to serve the proposed development (water, sewer, storm drain, and street improvements) shall be in operation prior to the issuance of Certificate of Occupancy.
61. Streets abutting the development, with new utility trench cuts to serve the development, shall be slurry sealed from curb-to-curb or from median-to-curb when medians are existing or as approved by the Engineer in the field. Slurry Seal materials shall be rubberized emulsion aggregate slurry (REAS)

62. The Developer shall construct and guarantee the construction of all required drainage infrastructures in accordance with the requirements and recommendations of the drainage study, subject to the approval of the City Engineer.
63. Prior to issuance of Building Permit, the following must be on file:
64. Drainage/Grading plan prepared by a registered Civil Engineer, to the satisfaction of the Building and Safety Division.
65. Construction bond as required for all work to be done within the public right of way.
66. Proof of Worker's Compensation and Liability Insurance.
67. The Developer shall comply with the applicable SUSMP requirements and shall incorporate into the project plan a Storm Water Mitigation Plan, which includes those Best Management Practices necessary to control storm water pollution from construction activities and facility operations prior to issuance of Building Permit.

BUSINESS LICENSE DEPARTMENT - CITY OF CARSON

68. Per section 6310 of the Carson Municipal Code, all parties involved in the project, including but not limited to contractors and subcontractors, will need to obtain a City Business License.

OIL WELLS

69. Prior to commencing construction of any of the additional 21 mobile home spaces, the applicant shall survey the precise location and leak test oil well numbers 120, 76, 96, 79, 71, and 103 and/or any other wells which will be within close proximity of any additional spaces. The results of the survey and leak tests shall be submitted to the City of Carson Planning Division ("Planning Division") for review and approval. If leaks are present in any of such oil wells, such oil wells shall be re-abandoned prior to commencement of construction of any additional spaces in the park in accordance with the requirements of Division of Oil, Gas & Geothermal Resources ("DOGGR") at the cost of the applicant. The term "close proximity" as used in this Condition No. 69 shall have the same meaning as described in Exhibit A of the Well Status Review Letter concerning the park dated June 21, 2012, as updated September 13, 2012 (collectively, "Well Status Review Letter").
70. Prior to commencing construction of any of the additional 21 mobile home spaces, the applicant shall submit an updated plot plan to the Planning Division for review and approval showing that no new mobile home space will be constructed atop any oil wells, setbacks as specified by DOGGR and described in the Well Status Review Letter will be established with respect to the new mobile home spaces to be constructed from all oil wells, and methane mitigation measures pertaining to the oil wells are achieved in accordance with the

mitigation plan as described in Condition of Approval 71 below. If any new mobile home space cannot meet the requirements of Conditions of Approval 69, 70, 71, or 72 the updated plot plan shall eliminate such new space or spaces and such new space or spaces shall not be constructed. No new spaces shall be constructed until such updated plot plan is approved in writing by the Planning Division.

71. Prior to commencing construction of any of the additional 21 mobile home spaces, the applicant shall prepare and obtain approval from the Planning Division and the City of Carson Building and Safety Division of a plan identifying mitigation measures, including, but not limited to, venting systems for oil well numbers 120, 76, 96, 79, 71, 103, 114, 117, 119, and 121 venting systems for new parking lots, patios and other hardscape being constructed on or immediately adjacent to such oil wells, and methane detection systems and methane barriers for new building foundations, if any, being constructed on or immediately adjacent to such oil wells.
72. Prior to commencing construction of any of the additional 21 mobile home spaces, the applicant shall record in the County Recorder's Office covenants, conditions and restrictions to run with the land for the benefit of the City and its respective successors and assigns indemnifying the City for any claims arising or related to the City's approval of the additional 21 units and/or related to the oil wells on the subject property (the "CC&Rs"). The CC&Rs shall be substantially identical to the form of CC&Rs attached hereto as Schedule 1. The CC&Rs shall be approved by the City Attorney's Office prior to recordation and shall be furnished to owners and/or tenants prior to the sale and/or occupancy of the proposed new mobile home spaces.
73. No mitigation of leaking fluids or gas from abandoned oil wells, modifications to oil well casings, or any re-abandonment work on abandoned oil wells, nor any other work requiring a DOGGR permit, shall be performed without obtaining the prior written approval of DOGGR in the form of an appropriate permit.
74. Prior to commencing construction of any of the additional 21 mobile home spaces, the applicant shall survey the precise location and leak test oil well numbers 114, 117, 119, and 121 and/or any other oil wells not previously leak tested as described in Condition 69 and which are located on the subject property. The results of the survey and leak tests shall be submitted to the Planning Division for review and approval. If leaks are present in any of such oil wells, such oil wells shall be re-abandoned in accordance with the requirements of DOGGR at the cost of the applicant. If necessary, the applicant may have to temporarily move some units to access such oil wells that are in need of re-abandonment.
75. Prior to obtaining any permits or approvals from HCD to construct any of the additional 21 mobile homes spaces and prior to commencement of construction of any of them, the applicant shall provide a compliance report to the City subject to the Planning Division's approval demonstrating compliance with Conditions of Approval 69 through 74. The applicant shall provide the compliance report at least 30 days prior to commencement of construction to allow the Planning

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Division to review and determine that the aforementioned conditions have been satisfied. If the Planning Division determines that further clarification is needed or additional steps are necessary to achieve compliance, the applicant shall delay construction until a final determination and approval is obtained. If the applicant proceeds with construction and knowingly fails to submit the compliance report and obtain compliance approval, this condition shall cause the permit to become null and void immediately.

MEARNS CONSULTING LLC

ENVIRONMENTAL CONSULTANTS
RISK ASSESSORS

738 Ashland Avenue, Santa Monica, California 90405
Cell 310.403.1921
Tel 310.396.9606 Fax 310.396.6878
Mearns@MearnsConsulting.com
www.MearnsConsulting.com

October 24, 2013

via email

Ms. Sunny K. Soltani, Esq.
Aleshire & Wynder, LLP
18881 Von Karman Avenue, Suite 400
Irvine, California 92612

RE: **Methane Gas Leak Test Report**
Colony Cove, 17700 Avalon Boulevard, Carson, California

Dear Ms. Soltani:

I am pleased to present for your review this Methane Gas Leak Test Report for the nine (9) previously abandoned oil wells tested on the property identified as Colony Cove located at 17700 Avalon Boulevard, in Los Angeles County, Carson, California.

The methane gas leak test consisted of testing the interior and exterior of the exposed casings for methane using a GMI Series GT43 methane detection meter (serial number 613243) calibrated on August 28, 2013 (Certificate of Calibration is attached) pursuant to the *DOGGR Construction-Site Review Program, Conducting Gas Tests on Wells* guidelines.

September 27, 2013 - Five (5) previously abandoned oil wells were tested for methane on September 27, 2013 in the presence of A. Marr (ENVIRON) and Innovative Construction Solutions, Inc. (ICS) personnel.

The contractor, ICS, on behalf of ENVIRON, daylighted five previously abandoned oil wells prior to the morning of September 27, 2013. Four of the excavations were square with shoring and access to the well head was via a ladder. One oil well excavation was sloped such that a shoring box was not necessary and access to the well head was via a ramp (API 037-00346). ENVIRON had stipulated that entering the wells was entering a confined space; therefore the ICS employee, Mr. Glen Mentzel, who was appropriately trained for confined space entry conducted the methane gas leak test using the GMI Series GT-43 meter with my guidance. Mr. Mentzel then repeated the methane gas leak test using the meter provided by ENVIRON.

For each well head, Mr. Mentzel entered the well and cleaned the surface plug of debris using an air compressor prior to conducting the methane gas leak tests. One well (API 037-07901) had a small well cap that covered the inner 6-inch casing only. Consequently the surface plug in the outer 11-inch casing was covered with dirt. Mr. Mentzel used a pick-ax to remove the dirt and locate the surface plug prior to using the air compressor to clean the surface plug of dirt and debris.

EXHIBIT NO. 02

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The previously abandoned oil wells then were tested for methane gas. All wells had two casings; the inner diameter of each casing was measured. The GMI Series GT-43 was used to test for methane gas leak tests on the interior and exterior of each casing and across the face of the surface plug for each well. The greatest detected results for each casing are presented below:

1. API 037-00346 (Brea Canon Oil Company, “Callender” 103) – 21ppmv interior 6-in casing; 12ppmv interior 11-in casing
2. API 037-07070 (Brea Canon Oil Company, “Callender” 96) – 17ppmv interior, 11ppmv exterior 6-in casing; 17ppmv interior, 6ppmv exterior 11 ½-in casing
3. API 037-07091 (Brea Canon Oil Company “Callender” 121) – 44ppmv interior, 55ppmv exterior 6-in casing; 47ppmv interior, 14ppmv exterior 11-in casing *This well had a well cap on the 6-in casing ONLY.
4. API 037-07090 (Brea Canon Oil Company “Callender” 120) – 69ppmv interior, 219ppmv exterior 6-in casing; 204ppmv interior measured at visible crack, 1ppmv exterior 10 ½-in casing
5. API 037-07058 (Brea Canon Oil Company “Callender” 79) – 26ppmv interior, 23ppmv exterior 9-in casing; 37ppmv interior, 10ppmv exterior 15-in casing.

ENVIRON’s Multi-Rae meter did not detect any methane gas at any of the well heads.

All the well caps bore the initials B.C.O., the letters CALL, the well number and the date of last entry. Typically instead of, or, in-addition-to the well name and number, the API number is welded onto the cap for ease of identification. The well cap that only covered the 6-in casing had C instead of CALL, more than likely due to space limitations.

Recommendations –

1. A well cap that would cover the 11-in casing should be installed at API 037-07091.
2. Well API 037-07090 should remain accessible for rig access in the event the well needs to be entered and re-abandoned at some future point in time. Development on this lot should be configured to allow access to this well.
3. Vent cones should be placed over all well heads and the wells should be vented to the surface pursuant to the appropriate Building and Safety codes.
4. A methane assessment should be conducted of the surface and subsurface soils in conformance with the appropriate Building and Safety Codes if the property is to be developed in order to evaluate the concentrations of methane in the subsurface and the potential for methane to infiltrate a structure, should one be developed on the property.
5. Based on the results of the methane assessment it may be necessary to install a methane mitigation barrier underneath the proposed development on the property.

October 4, 2013 – Four (4) previously abandoned oil wells were tested for methane on October 4, 2013 in the presence of A. Marr (ENVIRON) and ICS personnel.

The contractor, ICS, on behalf of ENVIRON, daylighted these previously abandoned oil wells on October 3, 2013. All of the excavations were square with shoring and access to the well head was via a ladder. As on September 27, 2013, ENVIRON stipulated that entering the wells was entering a confined space; therefore the ICS employee, Mr. Glen Mentzel, who was appropriately trained for confined space entry conducted the methane gas leak test using the GMI Series GT-43 meter with my guidance. Mr. Mentzel then repeated the methane gas leak test using the meters provided by ENVIRON.

For each well head, Mr. Mentzel entered the well and cleaned the surface plug of debris using an air compressor prior to conducting the methane gas leak tests. The previously abandoned oil wells then were tested for methane gas. All wells had multiple casings, the inner diameter of each casing was measured.

The GMI Series GT-43 was used to test for methane gas leak tests on the interior and exterior of each casing and across the face of the surface plug for each well. The greatest detected results for each casing are presented below:

1. API 037-07052 (Brea Canon Oil Company, “Callender” 71) – 11ppmv exterior 6-in casing; 5ppmv interior 12-in casing
2. API 037-07055 (Brea Canon Oil Company, “Callender” 76) – 6ppmv interior 6-in casing; 0ppmv interior and exterior 12-in casing *This well had a well cap on the 6-in casing ONLY.
3. API 037-07087 (Brea Canon Oil Company “Callender” 117) – 1,860ppmv interior, 14,840ppmv exterior 6-in casing; 12,720ppmv interior, 158ppmv exterior 10-in casing; 68ppmv interior, 15ppmv exterior 17-in casing *The well cap on this well was sized to fit the 10-in casing ONLY.
4. API 037-07089 (Brea Canon Oil Company “Callender” 119) – 5ppmv interior, unable to test exterior of 6-in casing as the surface plug had dropped to 12in below the top of the casing; unable to test interior of 11-in casing due to drop in surface plug, 0ppmv exterior 11-in casing

ENVIRON’s Multi-Rae meter did not detect any methane gas at any of the well heads. ENVIRON requested Mr. Mentzel test API 037-07087 with their FID meter, the FID meter measured a concentration of 719ppmv methane at API 037-07087.

All the well caps bore the initials B.C.O., the letters CALL or C, the well number and the date of last entry. Typically instead of, or, in-addition-to the well name and number, the API number is welded onto the cap for ease of identification.

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Recommendations –

1. A well cap that would cover the 12-in casing should be installed at API 037-07055
2. API 037-07087 failed the methane gas leak test and should be re-abandoned to current DOGGR standards and specifications if possible. The oil wells records and/or discussions with DOGGR engineers may indicate re-abandonment is not feasible or practical. In the event re-abandonment to the bottom of the casing is unachievable the surface plug should be removed to a minimum depth of 25-ft below the top of the casing (per DOGGR code) and replaced. The well should be retested for methane gas leaks after the work has been completed. Current cost estimates to re-abandon an oil well to the bottom of the casing are \$100,000 - \$1,000,000. As this well has three casings and the middle casing is leaking, the costs more than likely will be on the high end of the range.
3. The surface plug at the exterior of the 6-in casing, interior of the 11-in casing at API 037-07089 should be brought to within 2-in of the top of the casing, pursuant to DOGGR standards, using neat “G” cement or the equivalent and allowed to cure. The surface plug then should be tested for methane gas leaks.
4. Vent cones should be placed over all well heads and the wells should be vented to the surface pursuant to the appropriate Building and Safety codes.
5. A methane assessment should be conducted of the surface and subsurface soils in conformance with the appropriate Building and Safety Codes if the property is to be developed in order to evaluate the concentrations of methane in the subsurface and the potential for methane to infiltrate a structure, should one be developed on the property.
6. Based on the results of the methane assessment it may be necessary to install a methane mitigation barrier underneath the proposed development on the property.

Should you have any questions or desire additional information, please contact me at your earliest convenience at 310.403.1921.

Sincerely,

X 

Susan L. Mearns, Ph.D.

Mearns Consulting LLC

ENCLOSURE – CERTIFICATE OF CALIBRATION

Certificate of Calibration

The described test equipment has been calibrated and is traceable to the National Institute of Standards and Technology. The indicated work has been performed and the data obtained using traceable test equipment. This certificate may not be reproduced without written approval from LIFECON, Inc.

CUSTOMER:

Means Consulting, LLC

REPAIR #:

36277

DATE:

8-28-13

UNIT MODEL:

GMI GT 43

UNIT SERIAL #:

613243

CUSTOMER #:

SENSOR	SENSOR DATE CODE	SENSOR EXP. DATE	ALARM LEVEL	READING BEFORE CAL		CAL DATE	READING AFTER CAL	
				WITHOUT GAS	WITH GAS		WITHOUT GAS	WITH GAS
OXYGEN								
(O2)	<i>049</i>	<i>5-14</i>	<i>H 23.5 / 19.5 L</i>	<i>20.8 %</i>	<i>11.5 %</i>	<i>8-28-13</i>	<i>20.9 %</i>	<i>12 %</i>
COMBUST.								
(% LEL)	<i>1-12</i>	<i>1-14</i>	<i>H 10 L</i>	<i>0 %</i>	<i>45 %</i>		<i>0 %</i>	<i>50 %</i>
TOXIC								
(CO)	<i>114</i>	<i>112</i>	<i>H 25 L</i>	<i>0 PPM</i>	<i>50 PPM</i>		<i>0 PPM</i>	<i>50 PPM</i>
TOXIC								
(H2S)	<i>114</i>	<i>112</i>	<i>H 10 L</i>	<i>0 PPM</i>	<i>25 PPM</i>		<i>0 PPM</i>	<i>25 PPM</i>
<i>CH4 PPM</i>	<i>✓</i>	<i>✓</i>	<i>H 14 L</i>	<i>0 PPM</i>	<i>735 PPM</i>	<i>✓</i>	<i>0 PPM</i>	<i>500 PPM</i>
<i>CH4 % VOL</i>	<i>✓</i>	<i>✓</i>	<i>H 4</i>	<i>0</i>	<i>51</i>	<i>✓</i>	<i>0</i>	<i>50 %</i>
CALIBRATION GAS								
	MFG	LOT #	VALUE					
NITROGEN (N2)	<i>7113</i>	<i>66100-1</i>	<i>12 %</i>					
METHANE (CH4)	<i>✓</i>	<i>✓</i>	<i>50 %</i>					
CARBON MONOXIDE (CO)	<i>✓</i>	<i>✓</i>	<i>50 PPM</i>					
HYDROGEN SULFIDE (H2S)	<i>✓</i>	<i>✓</i>	<i>25 PPM</i>					
<i>CH4 PPM</i>	<i>✓</i>	<i>✓</i>	<i>CG 376</i>	<i>500 PPM</i>				
<i>CH4 % VOL</i>	<i>✓</i>	<i>✓</i>	<i>CG 307</i>	<i>50 %</i>				

TEMPERATURE: *72.7°F 12724* PUMP FLOW RATE: *154 L/min 12725*

HUMIDITY: *47%*

BATTERY VOLTAGE: *8.2V*

NEXT CALIBRATION DUE ON: *11-28-13*

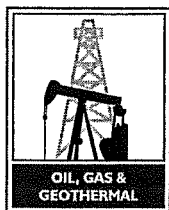
This is to certify this gas detector has passed the QA Test. Certification is void if the manufacturer's instructions for use, care and maintenance are not followed. Alterations or misuse will also void all certification and warranty.

CALIBRATION & TEST BY:

Stenple



5081 Argosy Ave
Huntington Beach, CA 92649
800-824-5178



NATURAL RESOURCES AGENCY OF CALIFORNIA
DEPARTMENT OF CONSERVATION
DIVISION OF OIL, GAS & GEOTHERMAL RESOURCES
5816 Corporate Ave., Suite 100 Cypress, CA 90630-4731
Phone:(714) 816-6847 Fax:(714) 816-6853

No. T 115-1349

REPORT ON OPERATIONS

Mr. Rey Javier
Brea Canon Oil Co. (B6100)
23903 S. Normandie Ave.
Harbor City, CA 90710

Cypress, California
December 22, 2015

Your operations at well "**Callender**" 117, A.P.I. No. 037-07087, Sec. 32, T. 03S, R. 13W, SB B.&M., **Dominguez** field, in **Los Angeles** County, were witnessed on 9/30/2015, by **Paula Maat**, a representative of the supervisor.

The operations were performed for the purpose of **re-abandonment**.

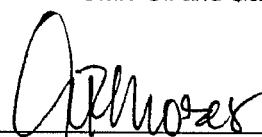
DECISION: **APPROVED**

NOTE: The required Class 112M blowout prevention equipment was inspected and approved on 9/4/2015.

DEFICIENCIES NOTED AND CORRECTED: NONE

EM:dt

Kenneth A. Harris Jr.
State Oil and Gas Supervisor

By 
for Daniel J. Dudak, District Deputy



DEPARTMENT OF CONSERVATION
DIVISION OF OIL, GAS & GEOTHERMAL RESOURCES
5816 Corporate Ave., Suite 100 Cypress, CA 90630-4731
Phone:(714) 816-6847 Fax:(714) 816-6853
REPORT OF WELL ABANDONMENT

Cypress, California
December 22, 2015

Mr. Rey Javier
Brea Canon Oil Co. (B6100)
23903 S. Normandie Ave.
Harbor City, CA 90710

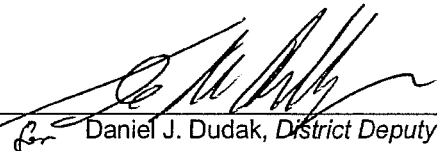
Your report of abandonment of well "**Callender**" **117**, A.P.I. No. **037-07087**, Section **32**, T. **03S**, R. **13W**, **SB** B.&M., **Dominguez** field, **Los Angeles** County, dated **11/3/2015**, received **11/10/2015**, has been examined in conjunction with records filed in this office. We have determined that all of the requirements of this Division have been fulfilled relative to plugging and abandonment of the well, removal of well equipment and junk, and filing of well records.

- NOTE:** 1. Surface plugging completed on 9/30/2015.
2. Site inspection made and approved on 10/7/2015.
3. This well has been abandoned in compliance with Division permit number 114-0981 issued on 12/9/2014.

Blanket Bond

Kenneth A. Harris Jr.
State Oil and Gas Supervisor

By


for Daniel J. Dudak, District Deputy

EM:vm

cc:

OG159

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FREE RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

THE CITY OF CARSON
701 East Carson Street
Carson, California 90745
Attn: _____

(Space Above this Line for Recording Purposes Only)

DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
("Declaration") is made this ____ day of _____, 2016, by and between COLONY COVE
PROPERTIES, LLC, a Delaware limited liability company ("Declarant"), and the CITY OF
CARSON, a municipal corporation ("City").

RECITALS:

- A. Declarant is the owner of that certain real property located at 17700 S. Avalon Boulevard, Carson, County of Los Angeles, State of California more particularly described in Legal Description attached hereto as Exhibit "A" and incorporated herein by reference ("Property").
- B. The Planning Commission for the City on March 25, 2008 approved Modification No. 1 to Special Use Permit No. 106-74 ("Modification of SUP") for the development of up to an additional 21 mobile home spaces ("Project") to the Colony Cove Mobile Estates, subject to Declarant's satisfaction of certain conditions of approval. The City extended and reauthorized Declarant's rights under the Modification of SUP pursuant to various extensions and reauthorizations.
- C. Nine (9) previously abandoned oil wells identified as Well Nos. 71, 76, 79, 96, 103, 117, 119, 120 and 121 are located on the Property ("Existing Wells"). The Existing Wells are shown on Exhibit "B" and incorporated herein by reference.
- D. The Division of Oil, Gas, and Geothermal Resources ("DOGGR") is the State of California agency that oversees the drilling, operation, maintenance, and plugging and abandonment of oil, natural gas, and geothermal wells.
- E. DOGGR has terminated its "Construction Site Plan Review Program" and "Well Review Letter Program" (collectively, "DOGGR Development Review Programs"), which involved DOGGR's certification of proposed developments of properties containing oil wells based on compliance with DOGGR guidelines and compliance with DOGGR's abandonment and re-abandonment requirements.



- F. As a consequence of DOGGR's termination of DOGGR's Development Review Programs, the Planning Commission for the City has required, as a condition to the City's issuance of required approvals for the Project (collectively, "**City Approvals**"), that Declarant hold, sell, and convey the Property subject to the covenants, conditions, and restrictions set forth in this Declaration and that the City have the right and power to enforce the covenants, conditions, and restrictions as provided herein.
- G. Declarant desires to establish and grant certain covenants, conditions, and restrictions upon the Property for the benefit of the City and its respective successors and assigns for the purpose of putting owners of the Property on notice of the Existing Wells, and providing for certain release, indemnity, enforcement and mortgagee protections pertaining to obligations relative to the Existing Wells as described herein. Such covenants, conditions and restrictions shall run to the benefit of the City and bind the Property, the Declarant and its successors and assigns.

NOW, THEREFORE, the Declarant declares, covenants and agrees, by and for itself, its heirs, executors and assigns, and all persons claiming under or through it that the Property shall be held, transferred, encumbered, used, sold, conveyed, leased and occupied subject to the covenants and restrictions hereinafter set forth, which covenants are established expressly and exclusively for the use and benefit of the City.

TERMS AND CONDITIONS

ARTICLE 1

COVENANTS, CONDITIONS, AND RESTRICTIONS

1.1. Purpose of Declaration. Declarant seeks to have the City issue City Approvals so that the Project may proceed. City is prepared to issue such City Approvals, provided notice is given to future owners of the Property and City is released and indemnified for such action, as provided herein.

1.2. Compliance with Ordinances. The Project shall be in compliance with all ordinances and regulations of the City applicable to the Project.

1.3. Notice. Declarant shall provide any proposed tenants or purchasers of any portion of the Property with a copy of this Declaration.

1.4. Access to Wells. All improvements pertaining to the Project shall be installed and located in accordance with the Site Plan attached hereto as **Exhibit "C"** and incorporated herein by reference ("**Site Plan**"). Declarant shall not modify the Site Plan, and shall not build any building or structure on the Property which would interfere with the ability to perform necessary maintenance work on the Existing Wells without the prior written approval of City.

ARTICLE 2

DEFINITIONS

2.1. **Definitions:** For purposes of this Declaration, the following terms shall have the following meanings:

2.1.1. "**Environmental Claim**" means any claim for personal injury, death and/or property damage made, asserted or prosecuted by or on behalf of any third-party, including, without limitation, any governmental entity, relating to the Property and arising or alleged to arise under any Environmental Law.

2.1.2. "**Environmental Cleanup Liability**" means any cost or expense of any nature whatsoever incurred to contain, remove, remedy, clean up, or abate any contamination or any Hazardous Materials on or under all or any part of the Property, including the ground water thereunder, including, without limitation, (i) any direct costs or expenses for investigation, study, assessment, legal representation, cost recovery by governmental agencies, or ongoing monitoring in connection therewith and (ii) any cost, expense, loss or damage incurred with respect to the Property or its operation as a result of actions or measures necessary to implement or effectuate any such containment, removal, remediation, treatment, cleanup or abatement.

2.1.3. "**Environmental Compliance Cost**" means any cost or expense of any nature whatsoever necessary to cure or remediate any violation of applicable Environmental Laws then in effect in accordance with a remediation plan approved by the applicable governmental agency. "Environmental Compliance Cost" shall include all costs reasonably necessary to demonstrate that the Property is not in violation.

2.1.4. "**Environmental Law**" means any federal, state or local statute, ordinance, rule, regulation, order, consent decree, judgment or common law doctrine, and provisions and conditions of permits, licenses and other operating authorizations relating to (i) pollution or protection of the environment, including natural resources, (ii) exposure of persons, including employees, to Hazardous Materials or other products, raw materials, chemicals or other substances, (iii) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substance from industrial or commercial activities, or (iv), regulation of the manufacture, use or introduction into commerce of chemical substances, including, without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, store and disposal.

2.1.5. "**Hazardous Material**" is defined to include any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance which is: (i) petroleum or oil or gas or any direct or derivate product or byproduct thereof, (ii) defined as "hazardous waste," "extremely hazardous waste" or "restricted hazardous water" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (iii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter Presley Tanner

Hazardous Substance Account Act), (iv) defined as a "hazardous material," "Hazardous substance," or "Hazardous waste" under Sections 25501(j) and (k) and 25501.1 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (v) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (vi) "used oil" as defined under Section 25250.1 of the California Health and Safety Code, (vii) asbestos, (viii) listed under Chapter 11 of Division 4.5 of Title 22 of the California Code of Regulations, or defined as hazardous or extremely hazardous pursuant to Chapter 10 of Division 4.5 of Title 22 of the California Code of Regulations, (ix) defined as waste or a hazardous substance pursuant to the Porter Cologne Act, Section 13050 of the California Water Code, (x) designated as a "toxic pollutant" pursuant to the Federal Water Pollution Control Act, 33 U.S.C. Section 1317, (xi) defined as a "hazardous waste" pursuant to the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq. (42 U.S.C. § 9603), (xii) defined as a "hazardous substance" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq. (42 U.S.C. § 9601), (xiii) defined as "Hazardous Material" pursuant to the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, et seq., or (xiv) defined as such or regulated by any "Superfund" or "Superlien" law, or any other federal, state or local law, statute, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning Hazardous Materials and/or oil wells and/or underground storage tanks and/or pipelines, as now, or at any time hereafter in effect.

ARTICLE 3

REPRESENTATIONS, WARRANTIES, RELEASE AND INDEMNIFICATION

3.1. No Representation or Warranty by City. City is not aware of any health or safety concerns with the Existing Wells. The City has immunity under Government Code Sections 818.2 and 818.4 et. seq. for the issuance or failure to issue a permit, license or approval or to enforce a law. Notwithstanding the generality of the foregoing, City makes no representation or warranty as to the following: (i) that the Existing Wells will not leak methane gas, Hazardous Materials or similar substances, (ii) that the Existing Wells are in suitable condition for the Project, or for the proposed use of the Property; (iii) that DOGGR will issue any approval concerning the Project if required or necessary; or (iv) that the Existing Wells will not present any health or safety concerns now or in the future. City specifically disclaims all representations or warranties of any nature concerning the Existing Wells made by it, or its employees, agents and representatives. Further, City makes no representation or warranty related to the Existing Wells by virtue of its issuing permits or any other approvals for the Project.

3.2. Authority of DOGGR Concerning Abandoned Oil Wells on Property. Declarant understands and agrees that DOGGR is the State of California agency charged with the authority to order re-abandonment of oil wells for any dangers to health, life or property under Public Resources Code Sections 3208.1 and 3255. The City has reviewed certain leak tests results prepared by Declarant's environmental consultant from leak tests conducted during September and October of 2013 on the Existing Wells. Such leak tests results showed that Well Nos. 71, 76, 79, 96, 103, 119, 120 and 121 of the Existing Wells were not leaking with the

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exception of Well No. 117, which was shown to be leaking. Well No. 117 was subsequently re-abandoned pursuant to DOGGR's requirements according to DOGGR's December 22, 2015 "Report of Well Abandonment". Leak testing results conducted by the operator of the Existing Wells after such re-abandonment showed Well No. 117 to be no longer leaking. All abandonment and re-abandonment of the Existing Wells was overseen by DOGGR and approved by DOGGR. The City does not issue approvals related to oil well work related to abandonment or re-abandonment process and, instead, relies on all well work to be performed in compliance with California law under DOGGR review.

3.3. Release. Declarant understands and agrees that in the event Declarant incurs any loss or liability concerning the issuance by the City of the City Approvals for the Project, under no circumstances shall Declarant look to City for any liability or indemnification regarding such actions by the City. Declarant, for itself, and its successors and assigns, hereby waives, releases, remises, acquits and forever discharges the City and its officers, employees, and agents, acting in their governmental capacity, of and from any and all actions, suits, legal or administrative orders or proceedings, demands, actual damages, loss, costs, liabilities and expenses: (i) arising from and related to the issuance by the City of the City Approvals for the Project, and (ii) incurred by the City for Environmental Compliance Costs (as defined above) as a result of the physical or environmental conditions of the Property to the extent related to the existence of the Existing Wells whether such condition existed prior to, at or after the execution of this Declaration. In connection herewith, Declarant and each of the entities constituting Declarant, expressly agree to waive any and all rights which said party may have under Section 1542 of the California Civil Code, but only to the extent of the release provided herein. Notwithstanding the foregoing, this release specifically excludes matters to the extent arising from and related to the acts or omissions of the City or its officers, employees or agents occurring after the date of the Project Approvals or arising at any time as a result of the gross negligence or willful misconduct of the City or its officers, employees or agents.

3.4. Indemnity. Declarant shall indemnify, protect, defend, and hold harmless the City from and against any and all matters included in the release set forth in Section 3.3(i) and (ii) above, including, but not limited to, all reasonable attorneys' fees and environmental consultant fees actually incurred and investigation costs and expenses, directly arising therefrom, and including fines and penalties of any nature whatsoever, assessed, levied or asserted against the City to the extent that the fines and/or penalties are the result of such matters. Notwithstanding the foregoing, this indemnity does not include matters that are not specifically released by Section 3.3(i) and (ii) above, and further, does not include matters arising as a result of the gross negligence or willful misconduct of the City or its officers, employees or agents. Anything to the contrary herein notwithstanding, this indemnity shall (i) have no further force or effect upon Declarant in the event title to the Property is no longer held by Declarant, (ii) as to Declarant, be automatically reduced in proportion to the number of lots of the Property which Declarant sells that bears to the total number of lots of the Property which are still owned by Declarant, and (iii) not prejudice Declarant's right to seek performance or payment of such indemnity obligations by responsible parties.

ARTICLE 4

ENFORCEMENT

4.1. Termination. No breach of this Declaration shall entitle any party to cancel, rescind or otherwise terminate this Declaration, or excuse the performance of such party's obligation hereunder; provided, however, that this limitation shall not affect in any manner any other rights or remedies which the parties may have by reason of such breach.

4.2. Remedies. In addition to any other remedy permitted by this Declaration, at law or in equity, in the event of any violation or threatened violation of any of the terms, covenants, restrictions and conditions contained herein, in addition to the other remedies herein provided, the parties hereto shall have the right to enjoin such violation or threatened violation in a court of competent jurisdiction. Notwithstanding the foregoing, Declarant shall not be deemed to be in default under the terms of this Declaration, unless Declarant fails to cure a default within thirty (30) days after receipt of written notice of such default from the City, or if such default is of a kind which cannot reasonably be cured within thirty (30) days, Declarant does not within such thirty (30) day period commence to cure such default and diligently thereafter prosecute such cure to completion. The foregoing cure periods shall not be applicable in the event of the occurrence of an emergency creating imminent harm to public health and safety.

4.3. Other Rights of City. In the event of any violation or threatened violation of any of the provisions of this Declaration, then in addition to, but not in lieu of, any of the rights or remedies the City may have to enforce the provisions hereof, the City shall have the right to enforce the provisions hereof as a party hereto.

4.4. Attorneys' Fees. In any action between the parties seeking enforcement of any of the terms and provisions of this Declaration, the prevailing party in such action shall be awarded, in addition to any damages, injunctive or other relief, its reasonable costs and expenses, including reasonable attorneys' fees.

4.5. No Waiver. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Declaration.

ARTICLE 5

MORTGAGEE PROTECTION

5.1. Validity of Mortgages. Breach of any of the covenants or restrictions contained in this Declaration shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value as to the Property or any part thereof or interest therein, whether or not said mortgage or deed of trust is subordinated to this Declaration; provided the terms, conditions, covenants, restrictions and reservations of this Declaration shall be binding and effective against the holder of any such mortgage or deed of trust and any owner of any of the Property or any part thereof whose title thereto is acquired by foreclosure, trustee's sale, or otherwise.

5.2. Binding Effect. No purported rules, regulations, modification, amendment and/or termination of this Declaration shall be binding upon or affect the rights of any mortgagee holding a mortgage or deed of trust upon the Property that is recorded in the Office of the Los Angeles County Recorder prior to the date any such rules, regulations, modification, amendment or termination is recorded in such office, without the prior written consent of such mortgagee.

5.3. Priority of Liens. Any monetary lien provided for herein shall be subordinate to any bona fide mortgage or deed of trust covering an ownership interest or leasehold or subleasehold estate in and to any parcel and any purchaser at any foreclosure or trustee' sale (as well as any by deed or assignment in lieu of foreclosure or trustee's sale) under any such mortgage or deed of trust shall take title free from any such monetary lien, but otherwise subject to the provisions hereof; provided that, after the foreclosure of any such mortgage and/or deed of trust, all other assessments provided for herein to the extent they relate to the expenses incurred subsequent to such foreclosure, assessed hereunder to the purchaser at the foreclosure sale, as owner of the Property after the date of such foreclosure sale, shall become a lien upon the Property upon recordation of a notice of claim of lien as herein provided.

ARTICLE 6

COVENANTS TO RUN WITH THE LAND

6.1. Covenants Running With the Land. This Declaration is designed to create equitable servitudes and covenants appurtenant running with the Property. Declarant hereby declares that all of the Property shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the covenants, conditions, and restrictions herein contained, all of which are for the purposes of providing notice to current and future property owners, tenants and the general public of the existence and condition of the Existing Wells and that the City does not make any representations or warranties regarding whether the Existing Wells will present any health or safety concerns. The covenants, conditions, and restrictions set forth herein shall run with the Property and shall be binding upon all persons having any right, title or interest in the Property, or any part thereof, their heirs, successive owners and assigns; shall inure to the benefit of the City and its successors and assigns and successors in interest; shall be binding upon Declarant, its successors and assigns and successors in interest; and may be enforced by the City. City and Declarant hereby further declare their understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of the Property by the citizens of the City and by furthering the health, safety and welfare of the residents of the City.

6.2. Agreement Among Declarant and City. In exchange for granting of the City Approvals by City, the Declarant hereby agrees to hold, sell, and convey the Property subject to the covenants, conditions and restrictions contained in this Declaration. Declarant also grants to the City the right and power to enforce the covenants, conditions and restrictions contained in this Declaration against the Declarant and all persons having any right, title or interest in the Property, or any part thereof, their heirs, successive owners and assigns.



ARTICLE 7

TERM

The covenants, conditions and restrictions contained in this Declaration shall remain in effect for a period of forty (40) years from the date this Declaration was executed. At the expiration of said forty (40) year period the term of this Declaration shall be automatically renewed for successive five (5) year periods, unless the City provides the other party written notice of its intent not to extend the term within one hundred twenty (120) days prior to the expiration of the initial term or any extended term.

ARTICLE 8

MISCELLANEOUS

8.1. Modification. This Declaration may not be modified, terminated or rescinded, in whole or in part, except by a written instrument duly executed and acknowledged by the parties hereto, their successors or assigns and duly recorded in the Office of the County Recorder, County of Los Angeles.

8.2. Estoppel Certificate. City hereby covenants that within thirty (30) days of the written request of Declarant or Declarant's successor, it will issue to such party, or to any prospective mortgagee or purchaser of the Property, an estoppel certificate stating: (a) whether the City knows of any default under this Declaration and, if there are known defaults, specifying the nature thereof; (b) whether to its knowledge this Declaration has been assigned, modified or amended in any way (and if it has, then stating the nature thereof); and (c) whether to the City's knowledge, this Declaration as of that date is in full force and effect.

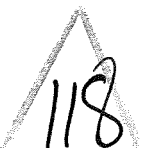
8.3. Governing Law. This Declaration shall be governed by and construed in accordance with the laws of the State of California.

8.4. Severability. The invalidity or unenforceability of any provision of this Declaration with respect to a particular party or set of circumstances shall not in any way affect the validity and enforceability of any other provision hereof, or the same provision when applied to another party or to a different set of circumstances.

8.5. Notices. Any notice to be given under this Declaration shall be given by personal delivery, by nationally recognized overnight courier, or by depositing the same in the United States Mail, certified or registered, postage prepaid, at the following address:

City:

City of Carson
701 East Carson Street
Carson, California 90745
Attn: _____



With Copy to: Aleshire & Wynder LLP
18881 Von Karman Avenue
Suite 1700
Irvine, CA 92612
Attn: Sunny Soltani, Esq.

Declarant: Colony Cove Properties, LLC
c/o James & Associates, Inc.
255 N. El Cielo Road, Suite 140-286
Palm Springs, CA 92262
Attn: Anne James

With Copy to: Gilchrist & Rutter
1299 Ocean Avenue, Suite 900
Santa Monica, CA 90401
Attn: Richard Close, Esq.

Any notice delivered personally shall be effective upon delivery. Any notice given by nationally recognized overnight courier shall be effective upon the next business day. Any notice given by mail as above provided shall be effective four (4) business days after deposit in the mails. Any party may change address for notice by giving written notice of such change to the other party.

8.6. Counterparts. This Declaration may be executed in any number of counterparts each of which shall be an original but all of which shall constitute one and the same document.

8.7. Authority to Enter Declaration. Each party executing this Declaration on behalf of a party represents and warrants that such person is duly and validly authorized to do so on behalf of the entity it purports to bind and if such party is a limited liability company, partnership, corporation or trustee, that such limited liability company, partnership, corporation or trustee has full right and authority to enter into this Declaration and perform all of its obligations hereunder.

[see next page for signatures]

IN WITNESS WHEREOF, the undersigned have executed this Declaration and was executed as of the date first written above.

Declarant

COLONY COVE PROPETIES, LLC
a Delaware limited liability company

By: El Dorado Palm Springs, Ltd., a California
limited partnership
Its Manager

By: Goldstein Properties, Inc., a
California corporation
Its General Partner

By: _____
Name: _____
Title: _____



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

State of California)
County of Los Angeles)

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

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

WITNESS my hand and official seal.

Signature _____

seal

ATTEST

"City"

CITY OF CARSON, a municipal corporation

By: _____

_____ City Manager

APPROVED AS TO FORM:

ALESHIRE & WYNDER LLP

City Attorney

RECOMMENDED:

Director of Public Works

EXHIBIT "A"

[LEGAL DESCRIPTION OF PROPERTY]

All that certain property located in City of Carson, County of Los Angeles, State of California, described as follows:

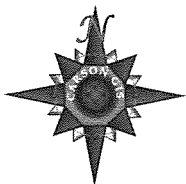
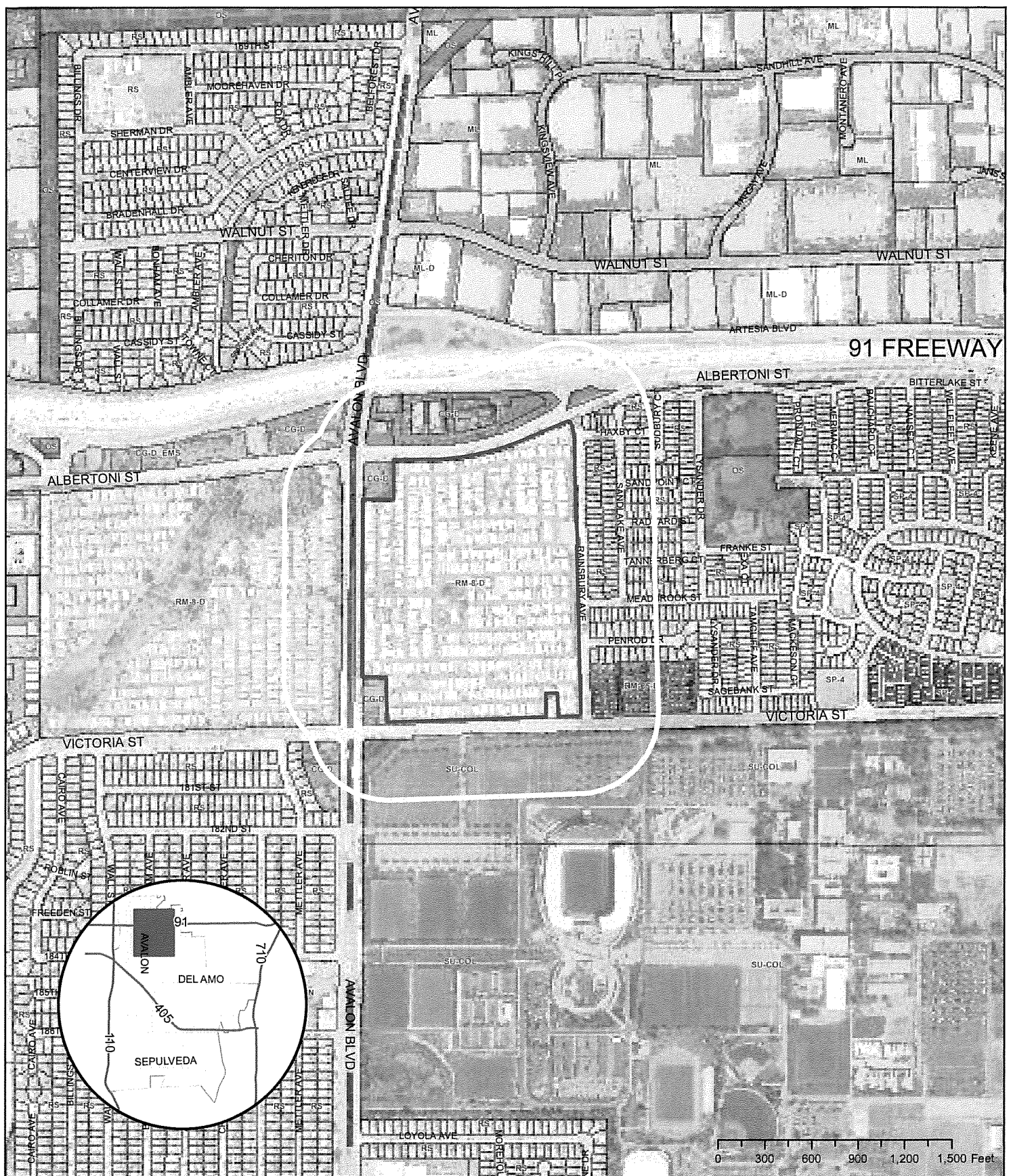
PARCEL 1 IN THE CITY OF CARSON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP NO. 6150 FILED IN BOOK 69 PAGES (S) 69, 70 AND 71 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT "B"

[SEE ATTACHED EXISTING WELLS]

EXHIBIT "C"

[SEE ATTACHED SITE PLAN]



City of Carson
500 Foot Radius Map
17700 Avalon Boulevard

EXHIBIT NO. 05

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