

MEETING DATE: 07/20/09

AGENDA ITEM: A Public Hearing Approving a Purchase and Sale Agreement Between the City of Culver City and the Culver City Redevelopment Agency for Property Located at 3433 Wesley Street.

ATTACHMENTS

Pages

- | | |
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| 1. Cooperation Agreement between the City and the Agency for Transfer of the Property at 3433 Wesley Street from the City to the Agency. | 1-20 |
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Attachment 1

COOPERATION AGREEMENT

THIS COOPERATION AGREEMENT (the "Agreement") is entered into this ____ day of _____, 2009 (the "Effective Date"), by and between the CITY OF CULVER CITY, a municipal corporation (the "City") and the CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic (the "Agency"), with reference to the following facts:

A. Redevelopment Plan for the Culver City Redevelopment Project:

1. Pursuant to Ordinance No. CS-712, adopted on July 26, 1971, the City Council for the City of Culver City (the "City Council") adopted a final redevelopment plan for the Slauson-Sepulveda Redevelopment Project, Project No. 1 ("Project Area No.1"); and
2. The redevelopment plan for Project Area No. 1 was amended by the City Council pursuant to Ordinance Numbers CS-892 (adopted on June 6, 1977), 89-034 (adopted on December 11, 1989, and 94-034 (adopted on December 27, 1994); and
3. Pursuant to Ordinance No. CS-729, adopted on December 28, 1971, the City Council adopted a final redevelopment plan for the Overland-Jefferson Redevelopment Project No. 2 ("Project Area No. 2"); and
4. The redevelopment plan for Project Area No. 2 was amended by the City Council pursuant to Ordinance Number 94-035 (adopted on December 27, 1994); and
5. Pursuant to Ordinance No. CS-862, adopted on November 24, 1975, the City Council adopted a final redevelopment plan for the Washington-Culver Redevelopment Project No. 3 ("Project Area No. 3"); and
6. The redevelopment plan for Project Area No. 3 was amended by the City Council pursuant to Ordinance Number 94-036 (adopted on December 27, 1994); and
7. Project Area No. 1, Project Area No. 2, and Project Area No. 3 were merged into the Culver City Redevelopment Project (as Component Areas Nos. 1, 2, and 3, respectively, of the "Project"), and the Redevelopment Plan for Culver City Redevelopment Project (the "Redevelopment Plan") was adopted pursuant to Ordinance No. 98-014 (adopted on November 23, 1998); and
8. Pursuant to Ordinance No. 98-015, adopted on November 23, 1998, the City Council added Component Area No. 4 to the Project; and
9. The Redevelopment Plan was amended by the City Council pursuant to Ordinance Number 2004-001 (adopted on January 12, 2004);
10. The Redevelopment Plan was amended by the City Council pursuant to Ordinance Number 2005-006 (adopted on September 12, 2005);

11. The Redevelopment Plan is incorporated herein by reference and made part hereof as though fully set forth herein.

B. The Agency is engaged in activities necessary to execute and implement the Redevelopment Plan and the City has engaged in such redevelopment activities pursuant to Section 33220 of the California Community Redevelopment Law (Health & Safety Code, Section 33000 *et seq.*) that has aided and assisted in implementing the Redevelopment Plan, and intends to engage in further redevelopment activities.

C. The City is the owner of one parcel of unimproved real property comprised of approximately 4,148 square feet located in the City of Culver City, Los Angeles County, California in the area more commonly known as 3343 Wesley Street ("City Property"), currently being used as a parking lot. The City Property is depicted on Exhibit "A" and legally described on Exhibit "B", which exhibits are attached hereto and incorporated herein by reference.

D. Pursuant to Section 33220 of the Community Redevelopment Law (Health & Safety Code Section 33000, *et seq.*), for the purpose of aiding and cooperating in the planning, undertaking, construction or operation of redevelopment projects in the Project, the City may, among other things, exercise the following powers: sell any of its property to the Agency upon the terms and with or without consideration as the City determines; cause public improvements to be furnished in connection with redevelopment; plan or re-plan and zone or rezone any part of such area and make any legal exceptions from building regulations and ordinances; and enter into agreements with the Agency respecting action to be taken to any of the foregoing powers.

E. The City desires to sell the City Property to the Agency pursuant to the terms and conditions set forth in this Cooperation Agreement.

F. The conveyance of the Site to the Agency from the City will improve management and administration of the Property as the Agency currently manages all public parking in the City.

G. The Agency will take title to the Property subject to the terms and provisions of the Standard Form License Agreement entered into by and between the City and Jim Hull, the property owner of 3431 Wesley Street, dated October 4, 2001 (the "License Agreement"). The Agency shall fulfill all fiscal obligations of the License Agreement, pursuant to the terms and provisions of the License Agreement.

H. The Agency and the City wish to cooperate with one another to bring about the redevelopment of the Project and accomplish various tasks set forth in the Redevelopment Plan, and now desire to enter into this Agreement to provide for the conveyance of the Site from the City to the Agency, subject to all of the terms and conditions of this Agreement.

I. The Agency members and the City Council, by their respective resolutions duly adopted, made certain determinations pursuant to Sections 33220 of the California Community Redevelopment Law and approved this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and promises contained herein, the parties hereto agree as follows:

TERMS

1. INTRODUCTORY PROVISIONS

The Recitals above are an integral part of this Agreement and set forth the intentions of the parties and the premises on which the parties have decided to enter into this Agreement.

2. OBLIGATIONS

a. Purchase and Sale.

1. The City shall sell the Site to the Agency and the Agency shall purchase the Site from the City, pursuant to the terms and conditions set forth herein.
2. It is the intent of the City and the Agency that the City shall only sell and the Agency shall purchase 4,148 square feet of the City Property pursuant to this Cooperation Agreement.

b. Purchase Price.

The City shall convey the Property to the agency for the "Purchase Price" (as defined in the Agency Promissory Note attached hereto as Exhibit "C" and incorporated herein by this reference).

c. Deed.

The City shall convey the City Property to the Agency by quitclaim deed, substantially in the form attached hereto as Exhibit "D" and incorporated herein by reference.

d. The Agency's obligation to pay the Purchase Price to the City under this Agreement is sometimes referred to herein as the "Agency Obligation".

e. The Agency Obligation shall be a special and limited obligation of the Agency payable to the City solely from the proceeds of any sale of the Land by the Agency.

d. The Agency Obligation shall continue until the sale of the Land by Agency.

e. The obligations of the Agency under this Agreement shall constitute an indebtedness of the Agency within the meaning of Section 33670 of the California Community Redevelopment Law (Health & Safety Code, Section 33000 *et seq.*).

f. The obligation of the Agency to make payments to the City shall, without necessity of further action by the Agency or City, be junior and subordinate to all other obligations or indebtedness heretofore or hereafter voluntarily incurred by the Agency to the

extent, if any, that the Agency expressly provides to contrary effect in the instruments creating such other obligations or indebtedness.

3. LIABILITY AND INDEMNIFICATION

In contemplation of the provisions of Section 895.2 of the California Government Code imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement as defined by Section 895 of the California Government Code, the parties hereto, as between themselves, pursuant to the authorization contained in Sections 895.4 and 895.6 of the California Government Code, shall each assume the full liability imposed upon it, or any of its officers, agents or employees, by law for injury caused by negligent or wrongful acts or omissions occurring in the performance of this Agreement to the same extent that such liability would be imposed in the absence of Section 895.2 of the California Government Code. To achieve the above-stated purpose, each party indemnifies, defends and holds harmless the other party for any liability, losses, cost or expenses that may be incurred by such other party solely by reason of Section 895.2 of the California Government Code. The provisions of Section 2778 of the California Civil Code are made a part hereof as if fully set forth herein.

4. MISCELLANEOUS PROVISIONS

a. Time of Essence. Time is expressly declared to be of the essence in this Agreement and of every provision hereof in which time is an element.

b. Notices. Any notice to be given or other document to be delivered by any party to the other or others hereunder, may be delivered in person to an officer of any party, or may be deposited in the United States mail, duly certified or registered, return receipt requested, with postage prepaid, or by Federal Express or other similar overnight delivery service, or by facsimile machine if concurrently delivered by another permissible method set forth in this Paragraph, and addressed to the party for whom intended, as follows:

City: City of Culver City
9770 Culver Boulevard
Culver City, CA 90232
Attention: Mark Scott, City Manager
Telephone: (310) 253-6000

Agency: Culver City Redevelopment Agency
9770 Culver Boulevard
Culver City, CA 90232
Attention: Sol Blumenfeld, Assistant Executive Director
Telephone: (310) 253-5760

Any notice that is personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received on the documented date of receipt; and any notice that is sent by United States mail, duly certified and registered, with postage prepaid shall be deemed received on the third day after mailing.

c. Binding Effect. This Agreement shall be binding on and inure to the benefit of the parties to this Agreement and their respective heirs, personal representatives, successors and assigns, except as otherwise provided in this Agreement.

d. Titles and Captions. Titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend or describe the scope of this Agreement or any provision hereof. All references to "Paragraph" shall mean the Paragraphs of this Agreement unless otherwise specified.

e. Interpretation. No provision in this Agreement is to be interpreted for or against either party because that party or his legal representatives drafted such provision.

f. Further Assurances. The parties agree to promptly execute such other documents and take such other actions as may be reasonably necessary to further the purposes of this Agreement.

g. Severance. If any provision of this Agreement is determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, such provision shall be deemed to be severed and deleted from the Agreement, and the severance and deletion shall not in any way affect the validity of the remaining provisions of this Agreement.

h. Entire Agreement; Waivers and Amendments. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or part of the subject matter hereof. The terms of this Agreement are only for the benefit of the City and the Agency, and there are no other intended or incidental third party beneficiaries hereto.

All waivers of any of the provisions of this Agreement must be mutually agreed upon in writing and signed by the authorized representatives of the parties.

This Agreement may be amended any number of times upon the mutual approval of the Agency and the City and must be in writing and signed by the authorized representatives of the parties.

[Signatures begin on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

Dated: _____

CITY OF CULVER CITY

By _____
Mark Scott
City Manager

Dated: _____

CULVER CITY REDEVELOPMENT
AGENCY

By _____
Micheál O'Leary
Chair

APPROVED AS TO FORM:

CITY ATTORNEY

Carol Schwab
City Attorney

KANE BALLMER BERKMAN

Murray O. Kane
Agency General Counsel

Exhibit "A"

Site Map

[behind this page]

Exhibit "B"

LEGAL DESCRIPTION

Real property in the City of Culver City, County of Los Angeles, State of California, described as follows:

THAT PORTION OF WESLEY STREET, 50 FEET WIDE, AS SHOWN AND DEDICATED UPON THE MAP OF TRACT NO. 3772, IN THE CITY OF CULVER CITY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER THE MAP RECORDED IN BOOK 41 PAGE 91 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THAT PORTION OF SAID WESLEY STREET, 50 FEET WIDE, AS DESCRIBED IN THE DOCUMENT AND DELINEATED ON THE MAP RECORDED IN BOOK 1123 PAGE 397 OF OFFICIAL RECORDS, IN THE OFFICE OF SAID COUNT RECORDER.

TOGETHER WITH THAT PORTION OF SAID WESLEY STREET AS DESCRIBED IN PARCEL 3 OF THE CORPORATION GRANT DEED TO THE CITY OF CULVER CITY RECORDED MARCH 11, 1968 AS INSTRUMENT NO. 1933, SAID OFFICIAL RECORDS, ALL BOUNDED AS FOLLOWS:

BOUNDED NORTHEASTERLY BY A STRAIGHT LINE DRAWN FROM THE MOST NORTHERLY CORNER OF LOT 17 OF SAID TRACT NO. 3772 TO THE MOST WESTERLY CORNER OF LOT 20 OF SAID TRACT NO. 3772.

BOUNDED SOUTHERLY BY THE NORTHERLY LINE OF NATIONAL BOULEVARD AS DESCRIBED IN PARCEL 2 IN THE ABOVE MENTIONED CORPORATION GRANT DEED TO THE CITY OF CULVER CITY.

EXCEPT THEREFROM ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM RECORDED MARCH 11, 1968 AS INSTRUMENT NO. 1933 OF OFFICIAL RECORDS.

Exhibit "C"

Promissory Note

[behind this page]

PROMISSORY NOTE

\$395,000
0% Simple Interest Per Annum

Culver City, California
_____, 2009

FOR VALUE RECEIVED, THE CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic (the AAgency@), hereby promises to pay to the CITY OF CULVER CITY, a municipal corporation, (the ACity@), the principal amount equal to Three Hundred Ninety-five Thousand Dollars (\$395,000.00) in lawful money of the United States, as follows pursuant to that certain Cooperation Agreement dated _____, 2009, by and between the City and Agency (the "Agreement"). Any capitalized term not otherwise defined herein, shall have the meaning ascribed to it in the Agreement. The obligations of the Agency to City hereunder are subject to the terms of the Agreement and this Note. Said documents are public records on file in the offices of Agency, and the provisions of said documents are incorporated herein by this reference as though set forth in full herein. The Agency shall pay interest at the rate, in the amount and at the time hereinafter provided.

1. General. This Note evidences the obligation of the Agency to the City for the payment for the purchase of the City Property which is the subject of and more particularly defined in the Agreement.
2. Repayment Terms. This Note shall be repayable as follows:
 - a. This Note is payable to the City in lawful money of the United States.
 - b. The principal amount of this Note shall bear simple interest calculated on an annual basis at the rate of zero percent (0%) commencing upon the date first written above (the "Commencement Date").
 - c. The entire principal balance of this Note and any accrued interest shall be due and payable upon the sale of the City Property by Agency.
 - d. All payments of principal to City shall be applied to reduce the principal amount owed.
 - e. Consistent with the proper and orderly implementation of the Redevelopment Plan for the Culver City Redevelopment Project, Component Area No. 4 (the "Project Area"), all payments made by the Agency pursuant to this Note shall be made from legally available funds of the Project Area.
 - f. The Agency's obligation to make any payment to the City shall not be construed as a "pledge" of property tax revenue for the purposes of

Section 33671.5 of the California Community Redevelopment Law
(Health & Safety Code Section 33000 *et seq.*).

- g. The indebtedness of the Agency created by the Agreement and this Note shall be subordinate to the Agency's existing indebtedness and bond issuance(s) and the refunding or refinancing thereof and any future bonds and/or other indebtedness the Agency may issue and the indebtedness incurred in connection therewith. Indebtedness includes any indebtedness incurred by the Agency for bonds, notes, interim certificates, debentures, certificates of participation or other obligations issued by the Agency.
3. Prepayment. The Agency may refinance or prepay the outstanding indebtedness under this Note, in whole or in part, at any time and from time to time, without penalty
4. City's Remedies. Upon the failure of Agency to perform or observe any term or provision of this Note, the City may exercise its rights or remedies hereunder.
6. Attorneys' Fees. In the event of any dispute, legal proceeding, foreclosure or other enforcement action, reference or arbitration between the parties arising out of or relating to this Note or its breach, the prevailing party shall be entitled to recover from the non-prevailing party all fees, costs and expenses, including but not limited to attorneys' and expert witness fees, incurred in connection with such dispute, legal proceeding, foreclosure or other enforcement action, reference or arbitration, with any counterclaims or cross-complaints, with any appeals, and with any proceeding to establish and recover such costs and expenses, in such amount as the court deems reasonable.
7. Severability. Every provision in this Note is intended to be severable. In the event any term or provision hereof is declared by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable.
8. Number and Gender. In this Note, the singular shall include the plural and the masculine shall include the feminine and neuter gender, and vice versa, if the context so requires.
9. Enforced Delay. For purposes of any provision of this Note, no party, nor any successors or assign of any party, shall be considered in breach of, or default in, its obligations under this Note as a result of the enforced delay in the performance of such obligations due to causes beyond such party's reasonable control, including, without limitation, failure of governmental agencies to act or to issue necessary permits or licenses, acts of God, acts of the public enemy, acts of the State or Federal governments, acts of any other party (including, but not limited to, delays in performing such other party's obligations pursuant to this Note),

fires, floods, epidemics, quarantine restrictions, strikes, labor disputes, freight embargoes, inability to obtain materials or supplies or unusually severe weather or delays of contractors and subcontractors due to such causes; it being the purpose and intent of this provision that in the event of the occurrence of any such enforced delay, the time or times for performance of the obligations of such party shall be extended for the period of the enforced delay.

10. Amendments and Modifications. This Note may not be changed orally, but only by an amendment in writing signed by both Agency and the City.
11. Successors and Assigns. This Note shall bind Agency and Agency's successors and assigns and the benefits hereof shall inure to City and City's successors and assigns.
12. Notices. Any notice to be given or other document to be delivered by either party to the other may be delivered in person or may be deposited in the United States mail, with first class postage prepaid, and addressed as follows:

To Agency: Culver City Redevelopment Agency
Attn: Assistant Executive Director
9770 Culver Boulevard
Culver City, CA 90232

To City: City of Culver City
Attn: Community Development Director
9770 Culver Boulevard
Culver City, CA 90232

IN WITNESS WHEREOF, the Agency has executed this Promissory Note as of the day and year first above written.

CULVER CITY REDEVELOPMENT
AGENCY, a public body corporate and
politic

By _____
Mark Scott
Agency Executive Director

[signatures continue on following page]

APPROVED AS TO FORM:

KANE, BALLMER & BERKMAN
General Counsel

Murray O. Kane

Exhibit "D"

Form of Quitclaim Deed

[behind this page]

OFFICIAL BUSINESS

Document entitled to free
recording per Government Code
Section 6103

Recording Requested By:
THE CITY OF CULVER CITY
P.O. Box 507
Culver City, California 90232
Attention: Sol Blumenfeld, Community Development Director

When Recorded Mail to and
Mail Tax Statements to:

CULVER CITY REDEVELOPMENT AGENCY
9770 Culver Boulevard
Culver City, CA 90232

SPACE ABOVE THIS LINE FOR RECORDER'S USE

QUITCLAIM DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the CITY OF CULVER CITY, a municipal corporation (herein called "Grantor"), hereby remises, releases and quitclaims to the CULVER CITY REDEVELOPMENT AGENCY, a public body, corporate and politic (herein called "Grantee"), all of Grantor's right, title and interest in the real property described in the legal description attached hereto as Exhibit A and incorporated herein by this reference (the "Site").

The Site is within the Merged Culver City Redevelopment Project Area, ("Redevelopment Project") and is subject to the provisions of the Redevelopment Plan for the Redevelopment Project ("Redevelopment Plan"), which was approved and adopted by the City Council of the City of Culver City on November 23, 1998, as amended to date. The Redevelopment Plan is incorporated herein by reference and made a part hereof as though fully set forth herein.

This Grant Deed is made pursuant to that certain Cooperation Agreement between the Grantor and Grantee dated _____, 2009 (the "Agreement"), which is a public record on file at the offices of the Grantor and is incorporated herein by this reference.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Grantor and Grantee have caused this instrument to be executed on their behalf, in Culver City, California, by their respective officers hereunto duly authorized, as of the date(s) set forth below next to each signature, and this Deed shall be deemed effective on the date it has been executed by the Grantor.

"Grantor"

CITY OF CULVER CITY, a municipal corporation

Date: _____

By: _____
City Manager
Mark Scott

ATTEST:

By: _____
Secretary

APPROVED AS TO FORM:

CITY ATTORNEY
CAROL A. SCHWAB

APPROVED AS TO CONTENT:

COMMUNITY DEVELOPMENT DIRECTOR

By: _____
_____, Deputy

By: _____
Sol Blumenfeld

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in the real property conveyed by the within Quitclaim Deed from the CITY OF CULVER CITY, a municipal corporation, to the Culver City Redevelopment Agency, a public body corporate and politic is hereby accepted by the undersigned officer on behalf of the Culver City Redevelopment Agency pursuant to authority conferred by resolution of the Culver City Redevelopment Agency adopted on _____, 2009, and the Grantee consents to recordation thereof by its duly authorized officer.

"Grantee"

CULVER CITY REDEVELOPMENT
AGENCY, a public body, corporate
and politic

Date: _____, 2009

By: _____

Agency Executive Director

KANE, BALLMER AND BERKMAN
Agency General Counsel

By: _____
Murray O. Kane

STATE OF CALIFORNIA)
) ss.
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)

STATE OF CALIFORNIA)
) ss.
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
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Signature _____ (Seal)

Exhibit A

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