

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

CITY CLERK
City of Carson
701 East Carson St.
Carson, CA 90745-2224

(Space Above For Recorder's Use)

PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT ("Agreement") is entered into as of _____, 2017, by and between CARSON HOLDINGS, LLC, a Delaware limited liability company ("**Assignor**"), and CARSON MULTIFAMILY, LLC, a California limited liability company ("**Assignee**"). Assignor and Assignee shall be referred to within this Agreement jointly as the "**Parties**" and individually as a "**Party**".

RECITALS:

A. The City of Carson, a municipal corporation (the "**City**") and Carson Marketplace, LLC, a Delaware limited liability company ("**Original Developer**"), entered into that certain Development Agreement dated March 21, 2006 (the "**Original Development Agreement**") and recorded October 3, 2006, as Instrument No. 2006-2201898 in the Los Angeles County Recorder's Office (the "**Official Records**").

B. The City and Original Developer modified certain provisions of the Original Development Agreement by entering into that certain First Amendment to Development Agreement dated April 5, 2011 ("**First Amendment**"), recorded November 14, 2012, as Instrument No. 20121727624 of the Official Records and recorded September 2, 2014 as Instrument No. 20140920683 of the Official Records.

C. Original Developer and Assignor entered into that certain Partial Assignment and Assumption Agreement dated May 18, 2015 and recorded on May 20, 2015 as Instrument No. 20150585319 of the Official Records, pursuant to which Original Developer assigned to Assignor, and Assignor assumed, all of Original Developer's rights, title, interests, burdens and obligations of Assignor under the Original Development Agreement, as amended by the First Amendment, to the extent, but only to the extent they apply to the Del Amo Parcel described in Exhibit A (the "**Partial Assignment**").

D. Assignor also entered into that certain Settlement Agreement in October, 2016 with the City and other parties that, among other things, further clarified the development rights of the Del Amo Parcel under the Boulevards at South Bay Specific Plan ("**Settlement Agreement**").

E. The Original Development Agreement, as amended by the First Amendment and as partially assigned in the Partial Assignment is referred to herein, as the "**Development**

Agreement". Capitalized terms used but not defined in this Agreement shall have the meaning ascribed in the Development Agreement.

F. Assignor holds fee title to the Del Amo Parcel, which parcel is more particularly described in the legal description attached hereto as Exhibit A.

G. Section 12.2 of the Development Agreement permits Assignor to sell one or more portions of the Property for residential development subject to any approved final subdivision map to one or more residential builders for construction of residential houses, townhomes, condominiums, or apartments in accordance with the terms of the Development Agreement, and to assign its rights and responsibilities under the Development Agreement with respect to that portion of the Property, provided that such residential builder must enter into an assumption agreement in a form reasonably approved by the City assuming the obligations of the Developer under the Development Agreement relating to such residential development, subject to the "Right to Transfer" provisions in Development Agreement Section 12.1.

H. Assignee is experienced and qualified to serve as a "residential builder" and shall assume the Development Agreement obligations relating to the Del Amo Parcel as set forth herein. Pursuant to Development Agreement Section 12.1(c), Assignee has represented to City that Assignee shall perform the obligations of Assignor under the Development Agreement with respect to the Del Amo Parcel as set forth herein, and that Assignee (i) has the financial strength and capability to perform such obligations, and (ii) has sufficient experience and expertise in the planning, financing, development, ownership and operation of similar projects.

I. Assignor has entered into a Purchase and Sale Agreement with Assignee, under which Assignor will convey, and Assignee will acquire, Assignor's interest in the Del Amo Parcel.

J. Assignor desires to assign to Assignee, and Assignee desires to assume from Assignor, Assignor's rights, title, interests, burdens and obligations under the Development Agreement, to the extent, but only to the extent, those rights, titles, interests, burdens and obligations pertain to the Del Amo Parcel.

NOW, THEREFORE, based upon the foregoing, and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. Assignment. Assignor hereby assigns, effective as of Assignor's conveyance of the Del Amo Parcel to Assignee, all of the rights, title, interests, burdens and obligations of Assignor under the Development Agreement to the extent, but only to the extent, they apply to the Del Amo Parcel.

2. Assumption.

2.1. Assignee hereby assumes all of the rights, title, interests, burdens and obligations (including, without limitation, all obligations of litigation indemnity and defense) of Assignor under the Development Agreement to the extent, but only to the extent, they apply to the Del Amo Parcel, and agrees to observe and fully perform all of the duties and obligations of Assignor under the Development Agreement with respect to the Del Amo Parcel, and to be subject

to applicable terms, conditions, and obligations thereof with respect to the Del Amo Parcel, as provided for in this Agreement.

2.2. Assignee does not assume any rights, title, interests, burdens and obligations of any Property owner of the Central Parcel under the Development Agreement with respect to the Central Parcel, including, without limitation, as set forth in Sections 5.2 and 13.3(iii) of the Development Agreement.

2.3. For purposes of specifically allocating responsibility for the Project Public Improvements identified in the Development Agreement, notwithstanding anything to the contrary in this Agreement, the Development Agreement, the Boulevards at South Bay Specific Plan (Ordinance No.: 11-1469) (the "**Specific Plan**"), or the Mitigation Monitoring and Reporting Program (the "**MMRP**"), which is Appendix E to the Specific Plan, as a matter of allocating responsibility between the owner of the Central Parcel and the owner of the Del Amo Parcel, the Project Public Improvements for which Assignee shall be responsible for funding, constructing or otherwise implementing in connection with the development of the Del Amo Parcel are listed in Exhibit B hereto.

Nothing in this Agreement shall be construed to obligate any owner of the Property to construct any Project Public Improvements prior to the commencement of development of the portion of the Property owned by such owner. The undertaking of the Project Public Improvements shall be consistent with the timing requirements for completion of the Project Public Improvements, the Specific Plan and the Development Agreement.

2.4. Notwithstanding Section 17.6 of the Development Agreement or anything to the contrary in the Development Agreement or this Agreement, following the Effective Date of this Agreement, Assignee shall not have any right, title or interest in and is not responsible for any obligations or liabilities under the Development Agreement other than those assigned to and assumed by Assignee herein with respect to the Del Amo Parcel.

2.5. Defaults directly arising from, or relating to, obligations under the Development Agreement with respect to the Del Amo Parcel shall not constitute a default of obligations under the Development Agreement with respect to the Central Parcel. And, defaults directly arising from, or relating to, obligations under the Development Agreement with respect to the Central Parcel shall not constitute a default of obligations under the Development Agreement with respect to the Del Amo Parcel.

3. Specific Plan Clarification. Assignee acknowledges and agrees that the Partial Assignment clarifies that Assignee shall have the right, subject to an approved final subdivision map (to the extent applicable), to develop the Del Amo Parcel up to a maximum density and intensity of use of 350 multi-family rental apartment units and related amenities (the "Apartment Entitlement"), and to exercise on the Del Amo Parcel the Equivalency Program land use conversion rights set forth in Section 8.3 of the Specific Plan with respect to, but only with respect to, those Apartment Entitlements; provided, that, if Assignee, or its successor, elects to use less than all of the Apartment Entitlements in connection with its initial development of the Del Amo Parcel, then any unused Apartment Entitlements shall remain available for use under the Specific Plan and shall thereafter be allocated to and remain available for use in connection with the Central

Parcel and its development under the remaining Specific Plan entitlements. Nothing herein shall limit the right of any property owner to seek other development rights, permits or other entitlements separate from the Specific Plan for its property and such actions shall not require the consent of any other property owner(s). The development of the Del Amo Parcel under the Specific Plan and related fees was further clarified in Section 2 of the Settlement Agreement. Assignor and Assignee hereby acknowledge and agree that: (i) consistent with Section 2 of the Settlement Agreement, Assignor has been provided a copy of Exhibit "D" to the Settlement Agreement, (ii) Assignee is a successor of Assignor with respect to Section 15 of the Settlement Agreement and as such, is benefitted by the entirety of Section 2 of the Settlement Agreement and is one of the "Released Parties" for purposes of Section 4 of the Settlement Agreement solely with regard to Claims (as defined in the Settlement Agreement) concerning, arising out of, or relating to the Del Amo Parcel, and not including any Claims of the City concerning, arising out of, or relating to the ongoing police powers of the City after the Effective Date, including without limitation enforcement of any applicable City, state or federal regulations, but Assignee is not one of the "Released Parties" for purposes of Section 6 of the Settlement Agreement, and (iii) Assignor and Cardinal Cavalry LLC ("Cardinal") retain all of the rights and obligations of Carson Holdings and Cardinal under the Settlement Agreement.

4. Binding on Successors. All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the Parties hereto and their respective heirs, successors and assigns.

5. Consent and Third Party Beneficiaries. The Parties acknowledge that the City is a third party beneficiary of the terms and conditions of this Agreement, and the City has the right, but not the obligation, to enforce the terms of this Agreement and the Development Agreement.

5.1. The City's execution of the consent attached hereto evidences the City's consent to the partial assignment and assumption of the rights, titles, interests, burdens and obligations of the Development Agreement with respect to development on the Del Amo Parcel, as set forth in and upon the terms provided in this Agreement.

5.2. This Agreement shall not be deemed or construed to confer any rights, title or interest, including without limitation any third party beneficiary status or right to enforce any provision of this Agreement, upon any person or entity other than the Parties and the City.

5.3. City's consent or approval of this Agreement does not constitute a waiver of City's rights pursuant to the "Right to Transfer" provisions of Section 12.1 of the Development Agreement for any other future sale of the Site.

5.4. City's consent to the transfers and assignments made herein releases Assignor of its obligations for performance under the Development Agreement with respect to the Del Amo Parcel, which liability has hereby been transferred to Assignee.

6. Effective Date. The Effective Date of this Agreement shall be the date of its recordation in the Official Records of the County of Los Angeles.

7. Notice Address. The Notice address described in 17.13 of the Development Agreement for Assignee with respect to the Del Amo Parcel shall be:

Carson Multifamily, LLC
4 Park Plaza, Suite 1000
Irvine, California 92614
Attention: Kye Evans

With a copy to:

MBK Real Estate LLC
4 Park Plaza, Suite 850
Irvine, California 92614
Attention: Anita Y. Hsu, Esq.

And a copy to:

Allen Matkins Leck Gamble Mallory & Natsis LLP
1900 Main Street, 5th Floor
Irvine, California 92614-7321
Attention: Matthew R. Fogt, Esq.

8. Authority. Each person executing this Agreement represents and warrants that he or she has the authority to bind his or her respective Party to the performance of its obligations hereunder and that all necessary board of directors', shareholders', partners', members', managers', and other approvals have been obtained.

9. Counterparts. This Agreement may be executed by the Parties in counterparts, which counterparts shall be construed together and have the same effect as if all of the Parties had executed the same instrument.

10. Applicable Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California. Venue for any matter arising out of this Agreement shall be Los Angeles County, California.

11. Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the assignment to Assignee of all the rights, title, interests, burdens and obligations under the Development Agreement to the extent they apply to the Del Amo Parcel and application of the Settlement Agreement. This Agreement supersedes all previous negotiations, discussions, and agreements between the Parties on such matters.

12. Full Force and Effect. Except as specifically provided in this Agreement, the terms of the Development Agreement pertaining to the Del Amo Parcel assigned to Assignee remain unchanged and in full force and effect.

13. Due Execution. The person(s) executing this Agreement on behalf of the Parties hereto warrant that (i) such Party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement,

such party is formally bound to the provisions of this Assignment, and (iv) the entering into this Assignment does not violate any provision of any other agreement to which said party is bound.

14. Recitals. The foregoing Recitals are true and correct and incorporated herein by this reference.

[signatures on following pages]

IN WITNESS WHEREOF, Assignor and Assignee have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

ASSIGNOR:

CARSON HOLDINGS, LLC,
a Delaware limited liability company

By: Cardinal Cavalry LLC, a Delaware limited
liability company, its manager

By: _____

Name: _____

Its: _____

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)

) ss

COUNTY OF _____)

On _____, 2017 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 OF NOTARY PUBLIC

ASSIGNEE:

CARSON MULTIFAMILY, LLC,
a California limited liability company

By: MBK Rental Living, LLC,
a California limited liability company
its Sole Member

By: _____
Craig Jones
President

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)
) ss
COUNTY OF _____)

On _____, 2017 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 OF NOTARY PUBLIC

CONSENT TO PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT

The City of Carson hereby consents to the partial assignment and assumption of the rights, titles, interests, burdens and obligations under the Development Agreement with respect to development on the Del Amo Parcel as set forth in the foregoing PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT by and between Carson Holdings, LLC, a Delaware limited liability company, as Assignor, and Carson Multifamily, LLC, a California limited liability company, as Assignee, and agrees to the terms and conditions set forth therein and confirms the continued effectiveness of the severability of the obligations of Assignor and Assignee under the Development Agreement as set forth in Section 2 of the May 18, 2015 Partial Assignment and the administration of the Specific Plan as set forth in Section 3 of the May 18, 2015 Partial Assignment. The City acknowledges and agrees that, pursuant to the foregoing PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT, Assignee has no rights, title, interests, burdens and obligations under the Development Agreement with respect to the Central Parcel. The City of Carson further acknowledges and agrees that Assignor shall be released from any and all burdens and obligations under the Development Agreement arising from and after the Effective Date. The City further acknowledges and agrees that: (i) Assignee is a successor of Assignor under Section 15 of the Settlement Agreement and, as such, is benefitted by the entirety of Section 2 of the Settlement Agreement and is one of the "Released Parties" for purposes of Section 4 of the Settlement Agreement solely with regard to Claims (as defined in the Settlement Agreement) concerning, arising out of, or relating to the Del Amo Parcel, and not including any Claims of the City concerning, arising out of, or relating to the ongoing police powers of the City after the Effective Date, including without limitation enforcement of any applicable City, state, or federal regulations, but Assignee is not one of the "Released Parties" for purposes of Section 6 of the Settlement Agreement, and (ii) Assignor and Cardinal Cavalry LLC ("Cardinal") retain all of the rights and obligations of Carson Holdings and Cardinal under the Settlement Agreement.

CITY OF CARSON,

By: _____
Albert Robles, Mayor

ATTEST:

Donesia L. Gause, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER LLP

Sanaz Soltani, City Attorney

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)

) ss

COUNTY OF _____)

On _____, 2017 before me, _____, a Notary Public, personally appeared **Albert Robles**, 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 OF NOTARY PUBLIC

EXHIBIT A

LEGAL DESCRIPTION OF DEL AMO PARCEL

That certain real property situated in the City of Carson, County of Los Angeles, State of California, and described as follows:

LOT 1 OF TRACT NO. 42385, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1056, PAGES 84 TO 88 INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE OIL, GAS, PETROLEUM AND OTHER HYDROCARBON SUBSTANCES WHICH LIE BELOW A PLANE PARALLEL TO AND 500 FEET BELOW THE NATURAL SURFACE OF SAID LAND, WITHOUT HOWEVER, ANY RIGHT TO ENTER UPON THE SURFACE OF SAID LAND, TO EXPLORE FOR, DEVELOP OR REMOVE SAID SUBSTANCES, BUT WITH FULL RIGHT TO EXPLORE FOR, DEVELOP AND REMOVE THE SAME BY MEANS OF WELLS AND EQUIPMENT HAVING SURFACE LOCATIONS OUTSIDE THE OUTER BOUNDARIES OF SAID LAND, IN AND UNDER OR RECOVERABLE FROM SAID LAND, AS RESERVED IN THE DEED FROM DEL AMO ESTATE COMPANY, A CORPORATION, RECORDED JANUARY 10, 1964 AS INSTRUMENT NO. 2198, IN BOOK D-2318, PAGE 313, OFFICIAL RECORDS.

APN: 7336-010-013

EXHIBIT B

PROJECT PUBLIC IMPROVEMENTS

1. Compliance with the construction period Mitigation Measures (C-1 and C-2) to the extent applicable to the construction activity on the Del Amo Parcel
2. Hamilton & Del Amo Boulevard (Intersection No. 6) – all costs and expenses of funding (or reimbursing any other party that funds) the improvements identified in Mitigation Measure C-4;
3. Figueroa Street & Del Amo Boulevard (intersection No. 7) – all costs and expenses of funding (or reimbursing any other party that funds) the improvements identified in Mitigation Measure C-5;
4. Main Street & Del Amo Boulevard (Intersection No. 8) – cooperate with Assignor and City with regard to the dedication of property without further compensation to Assignee at the southwest perimeter of the Del Amo Parcel to the extent required for Assignor's implementation of the improvements at Main Street & Del Amo Boulevard.
5. Transit Stops – coordinate with the City of Carson Transit Authority and Metropolitan Transit Authority (Metro) to provide a transit stop including benches and shelter, in and/or adjacent to the Del Amo Parcel as required by the City.