DUPLICATE ORIGINAL

AGREEMENT FOR INSTALLATION AND TRANSFER OF TITLE OF WATER SYSTEM FACILITIES

AGREEMENT NO. WO-10806

This Agreement is entered into and effective as of SEP 24 2001 by and between the DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, hereinafter referred to as the "Department", and Boeing Realty Corporation, hereinafter referred to as the "Developer", who agree as follows:

The Developer is the owner of certain land described as Tract No. 52172 and as more fully (or further) shown on Exhibit "A" attached hereto. In developing this land, the Developer is desirous of obtaining a water supply adequate for domestic uses and public fire protection purposes and is desirous of Water System clearance for this project.

In order to provide facilities for a water supply to said land, it is the intention of the parties to this Agreement that the Developer will furnish and install those water mains, fire hydrants, service laterals, valves and all pertinent fittings, and other facilities required for a complete water system to serve the land shown on Exhibit "A", which includes demolition and removal of existing regulating station and design and installation of relief station on Knox Street.

In order to implement the foregoing and in consideration of the terms and conditions herein contained, the parties further agree as follows:

1.0 Developer shall design and construct, at the Developer's sole expense, the water facilities and appurtenances in accordance with Department-approved final plans, and in accordance with Department-approved design standards and specifications, and the terms and conditions of this Agreement.

1.1 Design shall be by a Professional Engineer registered in the State of California, hereinafter referred to as the "Design Engineer", in accordance with the Department's Water Operating Division's latest Engineering Standards Manual and Standard Specification No. DWPWS-D101.

1.2 A copy of the Department's Engineering Standards Manual and Standard Specification No. DWPWS-D101 will be provided to the Developer upon payment of applicable charges.

2.0 The Department, at the Developer's expense, shall review the Developer's plans for the purpose of ensuring the adequacy of the design and conformance with the Department's standards and specifications. The Department reserves the right to add, delete, modify, change, or amend any or all the plans and specifications.

2.1 In the event that the property to be developed includes multiple residential, condominiums, commercial or industrial uses, site plans, grading plans and any available plumbing plot plans will be furnished to the Department by the Developer.

2.1.1 During the course of the development and construction of the project, it is recognized that the City of Los Angeles or other regulatory authority may require, or the Developer may agree to, changes in existing streets, facilities or installations which in turn may require the relocation, replacement or addition of water system facilities. In the event that any such changes are required, or agreed to, the Developer shall, within 30 days thereof, submit to the Department for its review and approval the final plans and specifications detailing the Developer's arrangements to accomplish such work. The Developer shall perform any additional water facility work at the Developer's sole cost. All work performed pursuant to this paragraph shall be subject to the terms and conditions of this Agreement and shall be considered a part hereof.

2.2.0 During the course of the development and construction of the project, it is further recognized that unforeseen circumstances including, but not limited to, surface or subsurface geological and earth features and the presence of artificial structures and/or equipment may prevent the construction of the system as theretofore designed and that changes in the design and construction will be required because of the aforementioned unforeseen circumstances. In such event, the Design Engineer will modify the design to accommodate said unforeseen circumstances to the satisfaction of the Department. The Developer will pay the Department any applicable costs associated with such redesign in accordance with Paragraph 12 herein.

2.2.1 The Department retains in its sole and exclusive discretion, the option to perform such additional work itself. In the event the Department exercises such option, the Developer shall pay the Department's current costs in accordance with Paragraph 12 herein, for such additional water facility work.

3.0 The Developer shall procure, at the Developer's own expense, all licenses, guarantees, approvals and certificates of inspection which are required by the laws, ordinances, rules, regulations or codes of all government bodies having jurisdiction over said construction and property and shall, in addition, comply with all the requirements thereof.

3.1 Excavation/resurfacing permits will be secured by the Department at the Developer's expense. Permits/easements to install, maintain and operate Water System facilities in private property shall be secured by the Developer at the Developer's own expense.

4.0 The water system facilities to be installed pursuant to this Agreement will become an extension of the distribution system of the Department. All materials used must conform with Department specifications for such materials.

4.1.0 Procurement of materials will be the sole responsibility of the Developer.

4.1.1 The Developer may furnish a list of materials unobtainable from other sources, which Developer desires to purchase from the Department. The Developer will be required to show evidence, satisfactory to the Department, that purchase of the requested material is unobtainable through suppliers of such materials. In the event the Department concurs that certain materials are unobtainable, it agrees to supply those materials, which shall be paid for by the Developer as provided herein.

4.1.2 The Developer may receive purchased materials F.O.B. at the Water System's Central District Headquarters at 433 East Temple Street, Los Angeles, CA 90012, after full prior payment therefor. An advance notice of at least two, (2) working days shall be given by Developer to the Department for pickup of these materials by contacting Mr. David Rice at (213) 367-3554. All materials are subject to availability, and delivery is guaranteed only on Department-stocked materials.

5.0 Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail and shall be addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within 24 hours from the time of mailing if mailed as provided in this paragraph.

DEVELOPER:

Boeing Realty Corporation
3760 Kilroy Airport Way, Suite 300
Long Beach, CA 90806 562.627.4817

DEPARTMENT OF WATER AND POWER:

Mr. Hugo A. Torres
P.O. Box 51111 , Room 1425
Los Angeles, California 90051-0100
Attention Mrs. Setsuko Enomoto
Phone No. (213) 367-1316

5.1.0 The Developer shall give written notice to the Department at least five (5) days before initially starting work under this Agreement.

5.1.1 The Developer and Contractor shall attend a preconstruction meeting with the Department no less than fourteen days prior to commencement of work.

5.1.2 No work on water facilities shall commence prior to the completion of all required curbs and gutters.

6.0 All work and materials shall be subject to inspection and testing by the Department at the Developer's expense. In the event the Developer arranges to have materials fabricated for the project, the Developer may be required to arrange for the Department to inspect that material during fabrication.

6.1 All material fabrications must conform with Department standards and specifications.

6.2 The Department's inspectors shall have unlimited access to perform continuous inspection and have the authority to stop work at any time, by written notice, without any liability whatsoever to the Department, if, in the inspectors' judgment, the work called for by this Agreement or the plans, or the specifications are not being installed or performed in a satisfactory and workmanlike manner according to Department standards and specifications and/or in the event the materials do not comply with the Department's standards and specifications.

6.3 Final acceptance by Developer of all material to be purchased or fabricated by Developer under this Agreement shall be made only with the prior approval of the Department. Approval by the Department, however, shall not operate to relieve the material supplier or the Developer of any guarantees, warranties, or the duty of compliance with any of the requirements of the approved plans and specifications or of this Agreement.

7.0 The Developer shall and by this Agreement does guarantee the Developer's faithful performance of this Agreement and all of its terms and conditions by providing the following:

7.1.0 The Developer shall provide the Department with a Corporate Surety Bond, presentable in Los Angeles, from a financial institution licensed by the State of California and authorized to do and doing business in said State, valid for the length of this Agreement, approved by the City Attorney and accepted by the Department.

7.1.1 A Corporate Surety Bond shall be in the amount of $711,883.00.

7.1.2 The Developer shall, in addition, and by this Agreement does guarantee to the Department that for one year after the acceptance of the Developer-installed and completed water facilities and appurtenances they shall be free from any and all liens and encumbrances and free from any and all defects in the materials or construction thereof. This one-year guarantee shall be an Irrevocable Letter of Credit in the amount of $71,188.00, beginning at the date of the acceptance of the water facilities by the Department.

7.2 Upon acceptance of a Corporate Surety Bond in the amount provided herein and approval by the City Attorney and upon payment of applicable charges, pursuant to Paragraphs 12.0, the Department shall notify the City Engineer that said Corporate Surety Bond has been provided to the Department guaranteeing payment of the cost of installing the water system facilities and appurtenances.

8.0 In order for the Department to accept the facilities, the Developer shall provide the following:

8.1 The Developer shall submit to the Department a field notes drawing prepared by the contractor or Developer's representative in accordance with the Department's latest "Field Notes and As-Constructed Manual".

8.2 The Developer shall, in addition, submit as-constructed drawings prepared by the Design Engineer in accordance with the Department's latest "Field Notes and As-Constructed Manual".

8.3 The Developer shall submit to the Department for accounting purposes, the total cost for furnishing and installing the water system facilities, itemized by size of water mains, type of pipe, type of fire hydrants and size of service laterals.

9.0 The following options may be exercised by the Department:

9.1 The Department may require a Galvanic Cathodic Protection System designed and installed by someone under the direct supervision of or by a Corrosion Specialist certified by the National Association of Corrosion Engineers or a Corrosion Engineer registered by the State of California. The Department retains the option of installing the Galvanic Cathodic Protection System. Department personnel shall be permitted access to perform the installation of Cathodic Protection facilities during the construction of the Water Supply System.

9.2 The Department retains the option to furnish all labor and material to perform the required hydrostatic test of the water system.

9.3 These options will be exercised by the Department, if at all, at the time of plan approval.

10.0 The Developer accepts the responsibility for and the costs occasioned by any reconstruction, relocation, damages to or changes of water services or facilities caused or contributed to directly or indirectly by any subsequent changes in the location of any of said facilities or water meters or water services.

11.0 In no event will permanent water service be provided to the Developer's installed system until all applicable charges have been paid by the Developer and all facilities have been conveyed to the Department, including any easements which may be required. Such conveyance shall occur in a timely manner in accordance with the terms of Paragraph 15.

12.0 The Developer shall pay the Department for all costs and charges in accordance with the following:

12.1.0 Payment of 'actual cost' by the Developer shall be the actual direct costs and indirect costs incurred by the Department for such activities, work performed, materials acquired, contracts let or permits obtained under the terms of this Agreement.

12.1.1. Direct costs shall include, but not be limited to, direct labor, materials and equipment cost used specifically for work performed under this Agreement. Indirect cost shall include, but not be limited to, administrative and general expenses, retirement and death benefits, health care costs, supervision and engineering and tool expenses. Indirect costs shall be charged at the Department's in-house percentage rate calculated by the Department's Accounting Division.

12.1.2 The cost for Department-supplied material pursuant to Paragraph 4 will be at the current Department warehouse material cost in effect at the time the material is issued, plus current Department material handling charges for warehouse materials and applicable taxes.

12.2.0 A charge of $12.20 per lineal foot of main to be installed, plus $89.00 each for 2-inch and smaller domestic service laterals plus $163.00 each for other service and fire hydrant laterals as shown on Exhibit "B" shall be paid by the Developer. In the event the aggregate of such charges does not exceed $2,900.00, a minimum charge of $2,900.00 shall apply. This charge will cover the following work items performed by the Department:

Review of Construction Plans and Specifications
Engineering Supervision
Review of Field Notes and As-Constructed Drawings (Final)
Valve Operation
Construction Inspection
Sanitization
Contract Administration
Preparation of Agreements

12.2.1 The costs for Department-furnished Cathodic Protection, materials inspection and testing, and hydrostatic testing shall be based on the actual time and materials used by Department personnel.

12.2.2 Any applicable charges for meters and installation of meters and meter boxes shall be the current cost from the Department's Water Facility Charges.

12.2.3 All actual costs for (or from the Department's Water Facility Charges, if applicable) all Department work or material performed pursuant to the provisions of this Agreement.

12.2.4 All existing water main charges, acreage supply charges, and main connection charges.

12.2.5 All costs for all applicable water fees, permits, licenses, material purchases, special estimates and other charges or costs as may be required in accordance with this Agreement and Department Rules and Regulations.

12.3 The Developer shall pay any or all taxes assessed upon the water facilities being constructed pursuant to this Agreement.

12.4 The Developer shall make payment to the Department within 30 days upon presentation of any bill prepared in accordance with this Agreement, unless payment prior to a service or delivery of material is required. The calculation of all costs and charges by the Department will be made on the Department's costs and charges current at the time service is rendered.

13.0 The Developer acknowledges and represents that it assumes full responsibility for any injury to any person or damage or destruction to any property by reason of the work to be performed, materials to be ordered and delivered, or the obligations of the Department and the Developer undertaken pursuant to this Agreement and expressly undertakes and agrees to release and hold harmless and indemnify the Department and all its officers, employees, and agents from and against all suits and causes of action, claims, loss, demands, expenses, damage or liability of any nature whatsoever, save and except for its sole negligence or sole willful misconduct, for death or injury to the Developer, its agents and contractors, their agents and employees, to the Department, its employees, agents and contractors, their agents and employees, or to third persons or damage or destruction to any property of either party hereto or of third persons in any manner arising by reason or incident to the work to be performed, materials to be ordered and delivered or the obligations of the Department and the Developer undertaken pursuant to this Agreement whether or not contributed to by any act or omission, active or passive, negligent or otherwise, of the Department, or any officers, employees or agents thereof and will make good to and reimburse the Department for any expenditures including reasonable attorney's fees the Department may make by reason of such matters and if requested by the Department will defend any such suits at the sole cost and expense of the Developer.

14.0 The Developer and/or the Developer's primary contractor, not later than the effective date of this Agreement and, in any event, prior to the start of work, shall furnish the Department evidence of insurance coverage in the form of the Department's Additional Insured Endorsement form and/or a Special Endorsement form of insurance for certain designated coverages as specified hereinafter which shall be maintained by the Developer's sole cost and expense. The Developer's insurances shall be primary and not contributing with any other insurance maintained by the Department and shall include a severability-of-interest or cross liability clause.

All such evidence of coverage shall be subject to the approval of the Office of the City Attorney, Water and Power Division, as to compliance with these provisions. Each policy hereinafter specified shall contain a provision that the policy cannot be cancelled or reduced in coverage or amount without first giving 30 days' notice thereof by receipted delivery, to the City Attorney, c/o Mrs. Setsuko Enomoto, Department of Water and Power, P.O. Box 51111, Room 1425, Los Angeles, California 90051-0100.

14.1 Workers' Compensation Insurance covering all of the Developer's employees, and all contractor's employees, shall be furnished in accordance with the laws of any state in which the work is to be performed and including Employer's Liability insurance which shall have a limit of not less than $1,000,000 each accident.

Evidence of Workers' Compensation and Employers' Liability coverages shall be in the form of the Department's Special Endorsement form.

The Developer shall require the carrier(s) providing Workers' Compensation and Employers' Liability to waive all rights of subrogation against the City of Los Angeles, the Board of Water and Power Commissioners of the City of Los Angeles, the Department of Water and Power of the City of Los Angeles, and their officers, agents, and employees.

14.2 The General Liability Insurance shall be of the Comprehensive form if available and the Commercial form if not and shall include Contractual Liability, Independent Contractors, Products/Completed Operations, Broad Form Property Damage, Personal Injury, and Explosion, Collapse and Underground coverages and shall provide for limits of not less than $1,000,000 Combined Single Limit. The Products/Completed Operations coverage shall be maintained for two years following final acceptance of the work under this agreement.

The Comprehensive Automobile Liability Insurance shall include coverages for owned, non-owned, hired, and leased automobiles and shall provide for limits of not less than $1,000,000 Combined Single Limit. The Comprehensive Automobile Liability may be a separate policy or can be included with the Comprehensive General Liability.

Evidence of Comprehensive General Liability and Comprehensive Automobile Liability shall be in the form of the Department's Additional Insured Endorsement forms.

14.3 The Developer may use an Umbrella or Excess Liability coverage to meet coverage limits as specified in Paragraphs 14.1 and 14.2. Evidence of Excess Liability shall be in the form of the Department's Additional Insured Endorsement form. The Developer shall require the carrier for Excess Liability to properly schedule and identify the underlying policies as provided for on the Additional Insured Endorsement form, including as appropriate, Comprehensive General Liability, Comprehensive Automobile Liability, and Employers' Liability.

14.4 Each policy specified in Paragraphs 14.2 and 14.3 shall include the City of Los Angeles, the Board of Water and Power Commissioners of the City of Los Angeles, the Department of Water and Power of the City of Los Angeles, and their officers, agents, and employees while acting within the scope of their employment, as additional insureds with the Developer, and shall insure against liability for death, bodily injury, or property damage allegedly arising out of, or in connection with, the work to be performed under this agreement.

14.5 The foregoing requirements as to types, limits and the Department's approval of insurance coverage to be maintained by the Developer are not intended to, and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Developer under this contract.

15.0 The Developer shall furnish an itemized Bill of Sale or other acceptable document transferring title and ownership of the completed facility and shall request in writing the formal acceptance of the installed facilities when all applicable conditions of this Agreement have been completed. Upon compliance with all of the terms and conditions of this Agreement, the Department will mail a written notice of acceptance thereof, to the address provided herein. Title to the ownership of said facilities and appurtenances shall thereby be conveyed to the City of Los Angeles and the Department of Water and Power. The Department will thereafter operate and maintain said facilities so as to furnish water service to the development (Exhibit "A") in accordance with the Department's Rules and Regulations.

16.0 The Department's failure to enforce any provisions of this Agreement or the waiver thereof in any instance shall not be construed as a general waiver or relinquishment on its part of any such provision, but the same shall nevertheless be and remain in full force and effect.

AGREEMENT NO. WO-10806

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES

for DAVID H. WIGGS
General Manager

Date 9/24/01

DEVELOPER
Boeing Realty Corporation

By

Senior Real Estate Manager
Title

Date 7/18/01

APPROVED AS TO FORM AND LEGALITY
ROCKARD J. DELGADILLO, CITY ATTORNEY

SEP 20, 2001

BY
EDWARD A. SCHLOTMAN
Assistant City Attorney

AGREEMENT NO. WO-10806

STATE OF CALIFORNIA)
) SS.
COUNTY OF Los Angeles)

On July 20, 2001 before me, Dawn E. Shaver, Notary Public

personally appeared S. Mario Stavale

[X] personally known to me -OR- [ ] 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.

SRS1 DAWN E. SHAVER
COMM. # 1158725
Notary Public - California
ORANGE COUNTY
My Comm. Expires Oct. 14, 2001 SRS1

WITNESS my hand and official seal.

Dawn E. Shaver
Signature of Notary

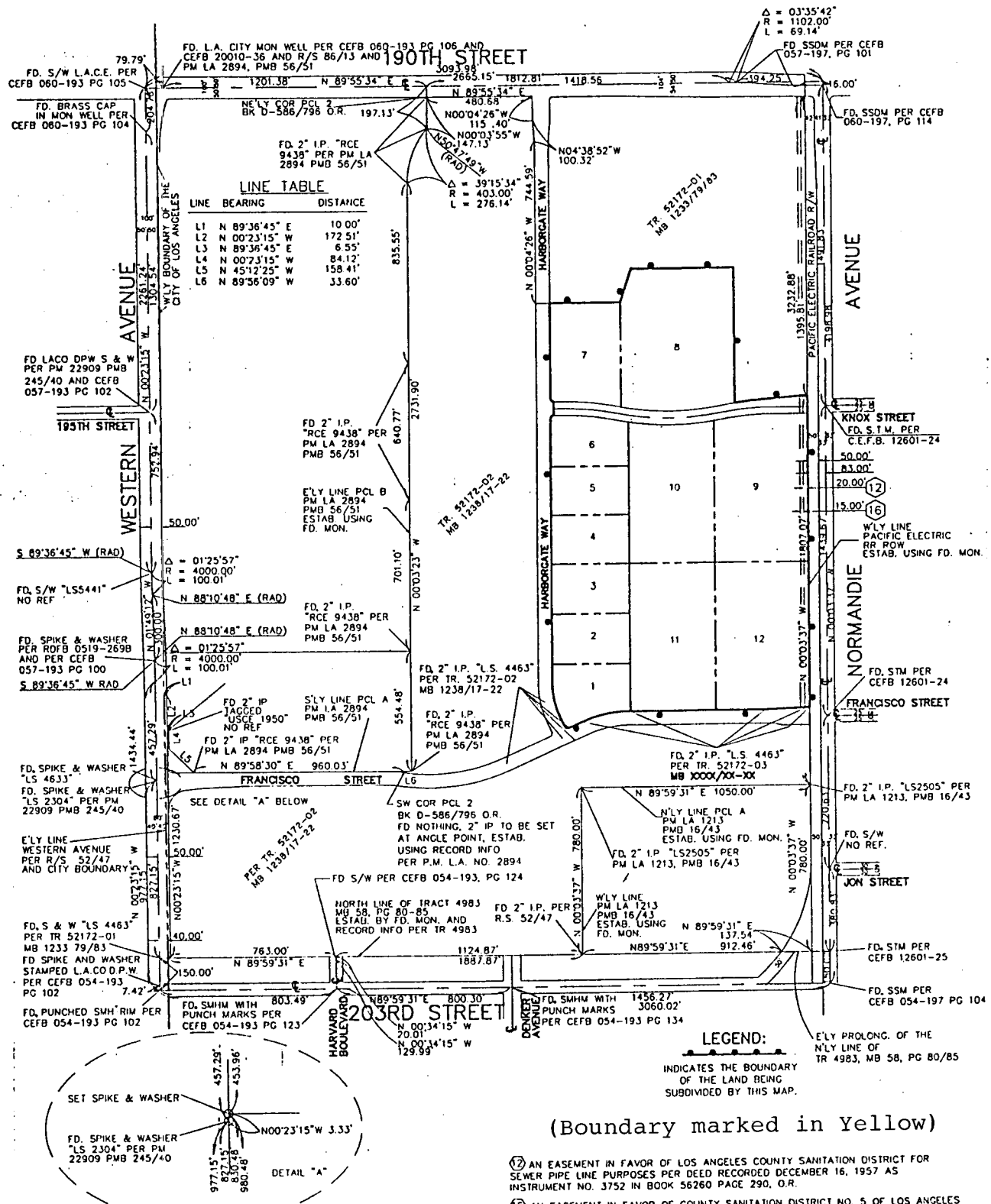
NO SCALE

TRACT NO. 52172

IN THE CITY OF LOS ANGELES
STATE OF CALIFORNIA

INDEX MAP AND SURVEY BOUNDARY

EXHIBIT "A"



LINE TABLE

LINE	BEARING	DISTANCE
L1	N 89°36'45" E	10.00'
L2	N 00°23'15" W	172.51'
L3	N 89°36'45" E	6.55'
L4	N 00°23'15" W	84.12'
L5	N 45°12'25" W	158.41'
L6	N 89°56'09" W	33.60'

(Boundary marked in Yellow)

(12) AN EASEMENT IN FAVOR OF LOS ANGELES COUNTY SANITATION DISTRICT FOR SEWER PIPE LINE PURPOSES PER DEED RECORDED DECEMBER 16, 1957 AS INSTRUMENT NO. 3752 IN BOOK 56260 PAGE 290, O.R.

(16) AN EASEMENT IN FAVOR OF COUNTY SANITATION DISTRICT NO. 5 OF LOS ANGELES COUNTY FOR SEWER PIPE LINE PURPOSES PER DEED RECORDED OCTOBER 5, 1962 AS INSTRUMENT NO. 4494 IN BOOK D-1780 PAGE 570, O.R.

FTM-4.DWG 3-15-00 12:01 PM PST

EXHIBIT "B"
Tract 52172
AGREEMENT NO. W0-10806

WATER FACILITY CHARGES

*Water Main Charge, 561.34 feet @ $40.00/foot	$22,453.60
Six, 2-inch meter installations @ $85.00/each	510.00
*Two, 8-inch detector checks @ $730.00/each	1,460.00
*Two 10-inch detector checks @ $1,490.00/each	2,980.00
*Six, 2-inch meters @ $365.00/each	2,190.00
TOTAL CHARGES	$29,593.60

SERVICE FEES

2,803 feet of water mains @ $12.20/foot	$34,196.60
Four fire hydrants @ $163.00/each	652.00
Six small services @ $89.00/each	534.00
Four large services @ $163.00/each	652.00
TOTAL FEES	$36,034.60
TOTAL CHARGES AND FEES	$65,628.20
LESS PAYMENT RECEIVED 9-13-00	($5,000.00)
TOTAL CHARGES AND FEES DUE	$60,628.20

LETTER OF CREDIT/BOND DETERMINATION

2001/2002 Tract Estimate	$740,966.88
* Less applicable Water Facility Charges	(29,083.60)
Amount of Letter of Credit/Bond	$711,883.28