

**Exhibit 6**

Purchase Agreement and its amendments

AGREEMENT OF PURCHASE AND SALE  
AND JOINT ESCROW INSTRUCTIONS

THIS AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS (the "Agreement") is made and entered into as of June 27, 2002 (the "Effective Date"), by and between BKK Corporation, a California corporation ("Seller"), and the Redevelopment Agency of the City of West Covina, a municipal corporation ("Buyer"), with reference to the following facts:

A. Seller is the fee owner of certain real property located in the City of West Covina, County of Los Angeles, State of California, comprised of approximately 583 acres and more particularly shown on Exhibit "A-1" attached hereto (the "BKK Landfill Site"), consisting of:

(i) Parcel 1, comprised of approximately 101.20 acres and more particularly described at Exhibit "A-2" attached hereto ("Parcel 1");

(ii) Parcel 2, comprised of approximately 56.84 acres and more particularly described at Exhibit "A-3" attached hereto ("Parcel 2"); and

(iii) Parcel 3, comprised of approximately 425.2 acres and more particularly shown on Exhibit "A-5" attached hereto ("Parcel 3").

B. Seller is also the fee owner of certain real property located adjacent to the BKK Landfill Site, commonly known and described as Lot 5, comprised of approximately 73.1 acres and more particularly described at Exhibit "A-4" attached hereto ("Lot 5"). (Parcel 1, Parcel 2 and Lot 5 are collectively referred to herein as the "Fee Property.")

C. A portion of Parcel 3, comprised of approximately 84.27 acres, is more particularly described at Exhibit "A-6" attached hereto (the "License Parcel"). (The Fee Property and the License Parcel are collectively referred to herein as the "Real Property.")

D. In addition to the Real Property, Seller is the fee owner of those furnishings, fixtures and equipment and other personal property, if any, located on or attached to

the Real Property as more particularly described at Exhibit "B" attached hereto (the "Personal Property"). (The Real Property and the Personal Property are collectively referred to herein as the "Property.")

E. The Fee Property is located on or immediately adjacent to the BKK Landfill Site, which includes a hazardous waste landfill consisting of approximately 190 acres (the "Class I Landfill"), and the adjacent municipal solid waste landfill (the "Class III Landfill"), both operated by Seller. The BKK Landfill Site is the subject of various statutory and regulatory requirements, including without limitation (i) closure and post-closure plans prepared in accordance with applicable California and federal law, as more particularly set forth in that certain Final Closure and Post-Closure Maintenance Plans, BKK Sanitary Landfill Disposal Area, revised November, 1997 (the "Closure Plans"), which describes clean-up and remediation activities as required by the California Department of Toxic Substances Control ("DTSC"), the California Regional Water Quality Control Board ("RWQB"), the California Integrated Waste Management Board ("CWMB") and the City of West Covina Waste Management Enforcement Agency ("WMEA"), and (ii) cleanup and remediation activities required by the United States Environmental Protection Agency (the "EPA") through its consent order pursuant to Section 3008(h) of the Resource Conservation and Recovery Act. The City of West Covina (the "City"), Buyer, EPA and DTSC have agreed to enter into certain Agreements and Covenants Not to Sue the City of West Covina, California (the "Prospective Purchaser Agreements" or "PPA's"), the substance of which are presently being negotiated by and among Seller, the City, EPA and DTSC. The PPA's shall, among other things, provide certain assurances to the City and Buyer in connection with the purchase and intended use of the Real Property, as more fully set forth therein.

F. The City is the holder of that certain Non-Negotiable Promissory Note Secured by Deed of Trust, dated April 15, 1996, executed by Seller and Falcon Refuse Center, Inc. (collectively, "Borrower"), as maker, to the order of Buyer, as holder, in the original principal amount of Three Million Five Hundred Thousand Dollars (\$3,500,000.00) (the "Existing Note").

G. The Existing Note is secured by that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of April 15, 1996, executed by Walnut Hills Development Company, a California general partnership, which is owned or controlled directly or indirectly by Seller ("Walnut Hills"), as trustor, for the benefit of the City, as beneficiary, filed of record in the Official Records of Los Angeles County, California on February 7, 1997 as Instrument No. 97-204981 (the "Existing Deed of Trust"). The Existing Deed of Trust encumbers certain real property located in the County of Los Angeles, State of California, as more particularly described therein (the "Walnut Property").

H. Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, the Property, on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller hereby agree as follows:

1. Purchase and Sale. Seller hereby agrees to sell, and Buyer hereby agrees to buy, the Property on the terms and conditions set forth herein. Subject to the provisions hereof and unless otherwise extended by Seller and Buyer in writing, the "Closing Date" shall occur upon Buyer's receipt of fully-executed PPA's but in no event (a) later than one hundred twenty (120) days following opening of Escrow (as defined below), nor (b) earlier than ten (10) days after the Contingency Date (as defined below).

2. Purchase Price. The purchase price for the Property (the "Purchase Price") shall equal Seven Million Four Hundred Twenty Thousand and 00/100 Dollars (\$7,420,000.00). Buyer shall deposit with Escrow Holder (as defined below) the Purchase Price, plus Buyer's share of prorations and closing costs as described below, by means of cashier's check, federal wire transfer or other method reasonably satisfactory to Escrow Holder in order that immediately available funds shall be available to Escrow Holder on the Closing Date in sufficient time to allow recording of the Deed (as defined below) on the Closing Date. A portion of the Purchase Price, in the amount of up to Four Hundred Twenty Thousand and 00/100 Dollars (\$420,000.00), shall be used by Seller exclusively for compliance with requirements of EPA and DTSC in connection with the monitoring of Parcel 1, to the extent and as may be

required by EPA and/or DTSC. The Purchase Price, less the foregoing monitoring costs, shall be allocated as follows: a portion of the Purchase Price, equal to Four Million Dollars (\$4,000,000.00), shall be attributable to Parcel 1, of which One Million Two Hundred Twenty-Five Thousand Two Hundred Ninety-Six and 40/100 Dollars (\$1,225,296.40) shall be attributable to a 31-acre commercial development site to be located on a portion of Parcel 1, and the remaining portion of the Purchase Price, equal to Three Million Dollars (\$3,000,000.00), shall be attributable to Parcel 2 and Lot 5.

3. **Escrow.** No later than two (2) business days following the parties' mutual execution of this Agreement, the parties shall proceed to open an escrow (the "Escrow") with First American Title Company (the "Escrow Holder"), by depositing therein a fully executed copy of this Agreement. Buyer and Seller shall execute any further standard escrow instructions reasonably required by Escrow Holder, provided that this Agreement shall control in the event of any inconsistencies between this Agreement and such additional escrow instructions.

4. **Delivery of Title; Title Policy.**

(a) Not less than one (1) business day prior to the Closing Date, Seller shall deposit with Escrow Holder (i) a duly executed and acknowledged grant deed conveying to Buyer fee simple title to the Fee Property (the "Deed"), in form reasonably acceptable to Buyer and Seller, and (ii) a duly executed bill of sale conveying to Buyer all right, title and interest in and to the Personal Property (if any) (the "Bill of Sale"), in form reasonably acceptable to Buyer and Seller. The Deed shall transfer title to the Fee Property, subject only to (x) a lien to secure payment of real property taxes and assessments, not yet delinquent, (y) those matters of record approved by Buyer pursuant to Section 7(b) below, and (z) those matters discoverable by means of a survey or a physical inspection of the Property and approved by Buyer pursuant to Section 8 below, but excluding any lease (other than the Site Lease, as defined below) affecting the Fee Property unless previously approved by Buyer pursuant to Section 8 below. The Bill of Sale shall transfer title to the Personal Property, all of which shall be free of any monetary liens or encumbrances and any other matters affecting title to said Personal Property.

(b) Notwithstanding anything to the contrary contained herein, any monetary liens encumbering the Real Property, other than non-delinquent real estate taxes and

assessments, shall be removed as a cloud on title by Seller on or before the Closing Date at Seller's sole cost and expense. Title to the Fee Property shall be evidenced by the issuance as of the Closing Date by First American Title Company (the "Title Company") of one or more standard coverage CLTA owner's policy(ies) of title insurance (collectively, the "Title Policy") in the amount of the Purchase Price, showing fee simple title to the Fee Property vested in Buyer, subject only to those matters affecting title described in clauses (x), (y) and (z) above and such standard exceptions as required by the Title Company. Buyer shall have the option of obtaining an ALTA extended coverage policy of title insurance, provided that Buyer shall pay for the additional cost of obtaining said ALTA policy and satisfies all Title Company requirements in connection therewith.

5. Conditions to Closing. Close of Escrow shall be subject to and conditioned upon satisfaction of all of the following:

(a) Seller shall have executed and delivered the Deed and the Bill of Sale (if applicable);

(b) The parties shall have executed and delivered the License Agreement (as defined in Section 12 below);

(c) Buyer shall have received fully executed original copies of the PPA's;

(d) Seller shall have performed all of the covenants described in Sections 8(a), 8(b) and 8(c) below;

(e) The parties shall have executed and delivered into escrow an assignment of all Operating Agreements (as defined in Section 7(c)(ii) below) not previously disapproved or terminated pursuant to Section 8(b) below (the "General Assignment");

(f) Seller shall have executed, acknowledged and deposited into Escrow a FIRPTA affidavit and California Form 590, stating that Seller is not a "foreign person" as defined in the federal Foreign Investment in Real Property Tax Act of 1980 and the 1984 Tax Reform Act and California Revenue and Taxation Code Sections 18805 and 26131;

(g) The Title Company shall have agreed to issue the Title Policy;

(h) Concurrently with the closing of the Walnut Hills Transaction (as defined in Section 18 below), (i) Seller shall have executed, delivered and fully complied with the terms of the Modified Existing Note, (ii) Seller shall have executed, acknowledged and delivered the New Deed of Trust, and (iii) the Title Company shall have issued the New Loan Policy (as those terms are defined in Section 18 below);

(i) Seller shall have paid in full all unpaid principal, accrued and unpaid interest and all other amounts due and owing under the Modified Existing Note, at which time Buyer shall fully reconvey the New Deed of Trust;

(j) Buyer shall have funded the Purchase Price in Escrow;

(k) Seller shall have irrevocably instructed Escrow Holder to cause the In-Lieu Fee to be paid at close of Escrow to the party entitled thereto under the In-Lieu Agreement (as defined in Section 16 below), and Seller shall have delivered to Escrow Holder written confirmation reasonably acceptable to Buyer that the In-Lieu Agreement shall be fulfilled and terminated upon payment of the In-Lieu Fee to the party entitled thereto;

(l) Seller shall have provided to Buyer the Grading Assurances (as defined in Section 17);

(m) Buyer shall have received evidence reasonably satisfactory to Buyer that all premiums have been paid current under any and all environmental liability policies of insurance with respect to the Real Property, including without limitation under (i) that certain Environmental Impairment Liability Policy, dated effective June 1, 2001, issued by Steadfast Insurance Company in favor of Seller, Policy No. PLC 7969053-04, with respect to the Class I Landfill, and (ii) that certain Environmental Impairment Liability Policy, dated effective January 1, 1999, issued by Steadfast Insurance Company in favor of Seller, Policy No. PLC 7902598-04, with respect to the Class III Landfill, together with any amendments, modifications, supplements, substitutions or successors thereto (collectively, the "Environmental Liability Policies"); and

(n) Seller and Buyer shall have performed all of their other respective obligations under this Agreement.

6. Costs and Prorations. All revenues and expenses relating to the Property shall be prorated as of the Closing Date in accordance with the custom of Los Angeles County, California. If, after close of Escrow, any additional real estate taxes or assessments applicable to the period prior to the Closing Date are levied for any reason, including back assessments or escape assessments, then Seller shall pay all such additional amounts. Buyer agrees to cooperate with Seller to instruct any relevant taxing authority to pay directly to Seller any refund for property taxes and reassessments applicable to the period prior to the Closing Date, at no cost to Buyer, provided that Seller shall have provided Buyer with evidence reasonably acceptable to Buyer relating to said refund no later than thirty (30) days prior to the Closing Date. In addition, if Buyer's funds are not transmitted to Seller on the Closing Date, then the prorations shall be made as of the next banking day following the date of recordation of the Deed. Seller shall be responsible for paying the premium for the CLTA standard coverage portion of the Title Policy. Buyer shall pay for any costs associated with additional ALTA title insurance coverage that may be requested by Buyer. Buyer and Seller shall each pay one-half (1/2) of any Escrow fees. Seller shall pay any documentary transfer taxes and conveyance taxes in connection with the subject transaction. Buyer shall pay the In-Lieu Fee through Escrow, as defined in and pursuant to the terms of Section 16 below. All other costs and expenses not specifically allocated herein shall be paid in accordance with the custom of Los Angeles County, California. Seller shall receive a credit for any revenue (including without limitation rent, if applicable) not received as of Closing Date which is allocable to the period prior to the Closing Date.

7. Contingency Date and Contingencies.

(a) Contingency Date. On or before 5:00 p.m., Pacific Daylight Time, on the ninetieth (90<sup>th</sup>) calendar day following Seller's delivery of all of the materials described below (or if said 90<sup>th</sup> day is not a business day, the first business day thereafter) (the "Contingency Date"), Buyer shall notify Seller and Escrow Holder in writing if Buyer approves or disapproves in Buyer's sole and absolute discretion any of the conditions precedent described in subsections (b), (c), (d), (e), (f), (g) or (h) below (collectively, the "Contingencies"). Upon



Buyer's written or deemed disapproval of any Contingency prior to the Contingency Date, this Agreement shall be terminated, in which event Buyer and Seller shall each pay one-half (1/2) of any Escrow cancellation fee or title charges and neither party hereto shall have any further rights or obligations hereunder. Buyer's failure to give written notice of approval of the Contingencies by the Contingency Date or shall be conclusively deemed to constitute notice of Buyer's disapproval of the Contingencies.

(b) Title. Buyer shall have until the Contingency Date to disapprove in writing any matters affecting title to the Real Property as disclosed by one or more recent preliminary title reports issued by the Title Company, together with legible copies of all recorded documents referred to in said preliminary title reports (collectively, the "Reports").

(c) Review and Approval of Documents. Buyer shall have until the Contingency Date to approve or disapprove in writing the results of its review of the following with respect to the Property:

- (i) A current ALTA survey of the Property, if any;
- (ii) Copies (if any) of (A) tenant leases, licenses or other occupancy agreements (if any), including without limitation the Site Lease (as defined in Section 8(b) below), (B) service contracts (including without limitation parking and landscaping maintenance contracts), (C) management contracts, (D) insurance policies which may be assigned, and (E) other contracts or agreements relating to the operation, maintenance or repair of the Property, including without limitation all contracts relating to methane gas rights and electrical power (collectively, the "Operating Agreements");
- (iii) Copies of all permits, variances, maps, certificates of occupancy and any other documentation and evidence that the present use, occupancy and operation of the Real Property is authorized by and is in compliance with all governmental regulations, if any;
- (iv) Copies of all soils, geological, environmental, hazardous materials and asbestos studies or reports relating to subsurface conditions, grading plans, topographical maps and similar data respecting the Real Property as Buyer in its sole discretion

may deem pertinent in its acquisition of the Real Property (including without limitation all Phase I and Phase II environmental site assessments or other environmental site reports for the Real Property and the EIR, as defined in Section 8(e) below); and

(v) Any feasibility studies, plans, environmental impact reports, consultants' reports or other studies or reports relating to the construction, maintenance and/or operation of a golf course on any portion of the Real Property.

(d) Delivery of Operating Agreements and Reports. Promptly following opening of Escrow, Seller shall make available to Buyer during normal business hours at Seller's place of business in Los Angeles County, California the Operating Agreements and all of the remaining documents described in subsection (c) above which are in Seller's possession or under Seller's control, and Buyer and Buyer's employees, representatives, agents and consultants shall have the right to inspect, review and copy same. Seller shall cause the Title Company to prepare and forward to Buyer the Reports within five (5) business days following the opening of Escrow.

(e) Inspections and Studies. Buyer shall have until the Contingency Date to conduct and approve or disapprove in writing the results of any and all inspections, economic feasibility analyses, investigations, tests and studies (including without limitation investigations with regard to zoning, building codes and other governmental regulations, architectural inspections, Hazardous Substances [as defined below], biological studies, engineering tests, surveys, and soils, seismic and geological reports) with respect to the Real Property as Buyer may elect to make or obtain its sole discretion (collectively, the "Studies"). The cost of the Studies shall be borne solely by Buyer. Seller hereby grants to Buyer and its employees, agents and consultants the right to enter upon the Real Property following the opening of Escrow and until the Contingency Date to conduct the Studies. Buyer hereby assumes all risk and expense relating to such entry and agrees to indemnify, defend, protect and hold Seller free and harmless from and against any and all claims, liabilities, damages, costs or expenses to the Real Property or incurred by Seller resulting from the Studies (except with respect to violations of Hazardous Substances Law by Seller which are discovered or reported as a result of the Studies), including without limitation reasonable attorneys' fees and costs. Buyer

shall restore the Real Property at Buyer's cost to the condition which existed prior to conducting the Studies.

(f) Standard Pacific Waiver: Newhall Property Documents. Buyer shall have until the Contingency Date to review and approve or disapprove in writing (i) the original written waiver by Seller, Walnut Hills and Standard Pacific of Orange County, Inc., a Nevada corporation ("Standard Pacific"), in form and substance reasonably satisfactory to Buyer, of their collective and individual rights to cause the Existing Loan to be assumed by, and the Walnut Property to be transferred subject to the Existing Deed of Trust to, a new entity to be formed, as described in and pursuant to the terms of the Existing Deed of Trust and that certain Consent Agreement, dated as of May 21, 1998, by and among Buyer, Walnut Hills and Standard Pacific (the "Consent Agreement") (collectively, the "Waiver"), the effectiveness of which may be conditioned at Standard Pacific's election upon close of Escrow, and (ii) the Newhall Appraisal, the Newhall PTR and the Newhall ESA (as those terms are defined in Section 18 below). Seller shall deliver the Waiver, the Newhall Appraisal, the Newhall PTR and the Newhall ESA to Buyer no later than thirty (30) days prior to the Contingency Date.

(g) Grading Assurances and Grading Plan. Buyer shall have until the Contingency Date to approve or disapprove in writing of the Grading Assurances and the Grading Plan (as defined in Section 17(b) below). Seller shall deliver the Grading Plan to Buyer no later than thirty (30) days prior to the Contingency Date and shall deliver the Grading Assurances to Buyer no later than fifteen (15) days prior to the Contingency Date.

(h) Gnatcatcher Survey. Buyer shall have until the Contingency Date to approve or disapprove in writing the results of any pre-construction surveys required by the EIR, including without limitation a pre-construction survey to determine the presence or absence of the California Gnatcatcher on all or any portion of the Real Property. Buyer's consultant(s) shall have the right to be present at any meetings with governmental authorities concerning the foregoing at which Seller or any employee, agent or consultant of Seller is present, including without limitation meetings with the U.S. Fish and Wildlife Service, and Seller shall provide Buyer and consultant(s) with not less than five (5) business days' written notice of any such meeting if practicable. Seller shall provide Buyer and Buyer's consultant(s) with regular reports

as to the progress of all governmental approvals or other matters relating to such pre-construction surveys, and if requested by Buyer, Seller shall provide such reports in written form but not more often than once per month.

8. Covenants.

(a) Following the opening of Escrow, Seller shall operate and maintain the Real Property in the ordinary course of business, reasonable wear and tear excepted, and shall be responsible for paying any and all expenses so incurred through and until the Closing Date.

(b) Unless otherwise instructed by Buyer in writing, prior to the Closing Date, Seller will terminate those Operating Agreements affecting the Fee Property identified and disapproved by Buyer prior to the Contingency Date, if any, which terminations shall be effective as of the Closing Date. Seller shall assign all of its rights under that certain Head End Site Lease, dated July 31, 1984, by and between Seller, as lessor, and Charter Communications, successor-in-interest to Falcon Communications, as lessee (the "Site Lease"), effective as of the Closing Date. Seller shall use its best efforts to deliver to Buyer, no later than thirty (30) days prior to the Contingency Date an original estoppel certificate, in commercially reasonable form, executed and dated by Charter Communications, as lessee under the Site Lease; provided, however, that if Seller is unable to so obtain an estoppel from Charter Communications despite Seller's best efforts, then Seller shall execute and deliver a landlord's certificate in lieu thereof, in commercially reasonable form. Any Operating Agreement affecting the Fee Property not so terminated, and the Site Lease, shall be assigned to and assumed by Buyer as of the Closing Date. Buyer shall indemnify and hold Seller harmless from and against any and all obligations accruing under any assigned Operating Agreement and the Site Lease on or after the Closing Date, and Seller shall indemnify and hold Buyer harmless from and against any and all obligations accruing under any assigned Operating Agreement and the Site Lease prior to the Closing Date.

(c) Seller shall deliver possession of the Property to Buyer upon close of Escrow, together with all keys and other indicia of ownership in Seller's possession.

(d) Unless otherwise agreed in writing by the parties, and except as required by Buyer's use of the Real Property, Seller is and shall remain solely responsible for the cost of installation, maintenance and repair of any and all utility lines, sewer lines and other infrastructure existing outside the boundaries of the Real Property, including without limitation the installation of a 48-inch pipeline as required by the EIR (as defined below) (the "Pipeline"), and Buyer shall not be liable for same. Seller shall complete the installation of the Pipeline in compliance with the requirements of the EIR no later than six (6) months prior to the anticipated completion of the Recreational Facilities (as defined in the License Agreement) to be located on the Real Property, pursuant to written notification by Buyer. Seller and Buyer shall grant to one another such licenses and easements for ingress and egress as may be reasonably required to accommodate the responsibilities of each in connection with the installation, maintenance and repair of utility lines, sewer lines and other infrastructure existing within or outside the boundaries of the Real Property, including without limitation the Pipeline.

(e) Seller shall comply in a timely manner with all applicable federal, state and local statutory and regulatory requirements, including without limitation that certain BKK Class III Landfill Closure, Postclosure Development – Environmental Impact Report, dated July, 1999, prepared by Environmental Science Associates for Buyer (the "EIR"), in connection with the consolidation of three (3) detention basins, two (2) of which are located on Parcel 1 (the "Detention Basin Work"). Seller and Buyer shall provide one another with evidence of all necessary permits and approvals required for the Detention Basin Work and Buyer's storm drains to be located on Parcel 1 prior to commencing the same, and Seller and Buyer shall commence construction substantially simultaneously and Seller shall complete the Detention Basin Work no later than Buyer's completion of its storm drain work.

(f) The covenants contained in subsections (d) and (e) above shall survive close of Escrow.

9. **Damage or Destruction.** Following the opening of Escrow, if the Property is damaged or destroyed prior to the Closing Date and the cost of repair or reconstruction is reasonably estimated by Seller to be in excess of Five Hundred Thousand Dollars (\$500,000.00), Buyer shall have the right to terminate this Agreement by giving written

notice thereof to Seller, whereupon neither Buyer nor Seller shall have any further rights or obligations hereunder. If Buyer does not have the right to terminate this Agreement or elects not to terminate this Agreement as aforesaid, this Agreement shall continue in full force and effect without modification and Buyer shall receive a credit against the Purchase Price in the amount of any deductible applicable under Seller's applicable policy(ies) of insurance, and Seller shall assign to Buyer as of the Closing Date all insurance proceeds due Seller as a result of such damage or destruction. If the insurance proceeds and the deductible amount are insufficient to repair or reconstruct the Property as reasonably estimated by Seller, then (a) Seller shall have the right to credit any such shortfall to the Purchase Price and Buyer shall remain obligated to purchase the Property under the terms of this Agreement, or (b) if Seller does not elect to credit the Purchase Price, Buyer shall have the right to terminate the Agreement within five (5) business days following Seller's notification of its election in which case Buyer and Seller shall each pay one-half (1/2) of any Escrow cancellation fees or title changes, and neither party hereto shall have any further rights or obligations hereunder.

10. Environmental Conditions.

(a) Hazardous Substances. As used in this Agreement, the term "Hazardous Substances" means all materials deemed hazardous under any Hazardous Substance Law (as defined below), excluding naturally-occurring substances but including without limitation asbestos or any substance containing asbestos, the group of organic compounds known as polychlorinated biphenyls, chlorinated hydrocarbons, heavy metals, flammable explosives, radioactive materials, chemicals known to the State of California or the EPA to cause cancer or reproductive toxicity (excluding beer, wine and other distilled beverages, tobacco smoke and food additives), pollutants, effluents, contaminants, emissions or related materials in any items included in the definition of hazardous or toxic waste, materials or substances, any oil or petrochemical products, ureaformaldehyde, flammable explosives, radioactive materials, or any substance, product, waste or other material of any kind or nature whatsoever which may give rise to liability under any federal, state or local law, ordinance, rule or regulation or under any statutory or common law theory based on negligence, trespass, intentional tort, nuisance or strict liability, or under any reported decision of a state or federal court.

(b) Hazardous Substance Laws. As used in this Agreement, the term "Hazardous Substance Laws" means the collective federal, state and local regulations ordinances and laws relating to environmental conditions, industrial hygiene or hazardous waste, including but not limited to, the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. § 6901 et seq., the Comprehensive Environment Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. §§ 9601-9657, as amended by the Superfund Amendments and Reauthorization Act of 1987 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. § 690 et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Clean Air Act, 42 U.S.C. § 741 et seq., the Clean Water Act, 33 U.S.C. § 7401, the Toxic Substances control Act, 15 U.S.C. §§ 2601-2629, the Safe Drinking Water Act, 42 U.S.C. §§ 300f-300j, the California Hazardous Waste Control Act, California Health and Safety Code § 25100 et seq., the California Hazardous Substance Account Act, California Health and Safety Code § 25330 et seq., the California Safe Drinking Water and Toxic Enforcement Act, California Health and Safety Code § 25249.5 et seq., California Health and Safety Code § 25280 et seq. (Underground Storage of Hazardous Substances), the California Hazardous Waste Management Act, California Health and Safety Code § 25170.1 et seq., California Health and Safety Code § 25501 et seq. (Hazardous Materials Release Response Plans and Inventory), the California Porter-Cologne Water Quality Control Act, California Water Code § 13000 et seq., all as amended, and all similar federal, state and local environmental statutes, ordinances and the regulations, orders, decrees now or hereafter promulgated thereunder.

(c) Indemnities.

(i) Seller shall and hereby does indemnify, defend, protect and hold harmless Buyer, its public officials, employees, representatives, attorneys, agents, contractors, subordinates, invitees, affiliates and lessees (collectively, the "Buyer Indemnitees"), from and against any and all claims, suits, actions, debts, damages, costs, losses, liabilities, obligations, judgments, fines, penalties, charges, and expenses, of any nature whatsoever actually suffered or incurred by the foregoing, arising from Buyer's ownership of the Fee Property or licensing of the License Parcel, including without limitation, attorneys' fees and costs, any costs of removal or remedial action ordered or assessed by any federal, state or local governmental entity having appropriate authority and jurisdiction, any damages from injury to, destruction of,

of natural resources, including reasonable costs of assessing such injury, destruction or loss incurred pursuant to any Hazardous Substance Law, and liability for personal injury or property damage arising under any statutory or common law tort theory (collectively, "Buyer Claims"), arising from any discharge, release or migration of Hazardous Substances from the BKK Landfill Site in violation of any Hazardous Substances Law and occurring on or after the Closing Date or the presence of any Hazardous Substances in violation of any Hazardous Substance Law in, on, or under the Real Property prior to the Closing Date, unless and to the extent such discharge, release or migration or presence of Hazardous Substance is attributable to the acts or omissions of Buyer or any Buyer Indemnitee. For purposes of this indemnity by Seller, Buyer's Claims shall not include any costs or expenses arising from Buyer's exercise of its original jurisdiction as a local governmental entity.

(ii) Buyer shall and hereby does indemnify, defend, protect and hold harmless Seller, its officers, directors, employees, representatives, attorneys, agents, contractors, subordinates, invitees and affiliates (collectively, the "Seller Indemnitees"), free and harmless from and against any and all claims, suits, actions, debts, damages, costs, losses, liabilities, obligations, judgments, fines, penalties, charges, and expenses, of any nature whatsoever actually suffered or incurred by the foregoing, including without limitation, attorneys' fees and costs, any costs of removal or remedial action ordered or assessed by any federal, state or local governmental entity having appropriate authority and jurisdiction, any damages from injury to, destruction of, or loss of natural resources, including reasonable costs of assessing such injury, destruction or loss incurred pursuant to any Hazardous Substance Law, and liability for personal injury or property damage arising under any statutory or common law tort theory (collectively, Seller Claims") arising out of any discharge, release or migration of Hazardous Substances from the Real Property in violation of any Hazardous Substance Law and occurring on or after the Closing Date which is caused by any Buyer Indemnitee, unless and to the extent such discharge, release, migration or presence of Hazardous Substance is attributable to the acts or omissions of Seller or any Seller Indemnitee.

(iii) To the fullest extent permitted by law, the foregoing indemnification shall apply regardless of the fault, active or passive negligence, for breach of



warranty or contract of any Buyer Indemnitee if under subsection (c)(i) above or of any Seller Indemnitee if under subsection (c)(ii) above.

(d) Environmental Covenants.

(i) Seller shall be wholly responsible and liable for any and all clean-up or remediation activities or any other actions in connection with Hazardous Substances in, on, under or about the BKK Landfill Site, as required by any federal, state or local regulatory body with jurisdiction over the BKK Landfill Site, including without limitation any emergency situation caused by the discharge, release or migration of Hazardous Substances from the BKK Landfill Site which presents any immediate threat to public health or welfare or the environment, in which case Seller shall reimburse Buyer for any and all reasonable costs it incurs associated with such clean-up or remediation activities. Buyer shall not be required or obligated as a result of its acquisition of the Property to engage in any of the foregoing clean-up or remediation activities except as same may be due to the negligence or willful misconduct of Buyer or any Buyer Indemnitee, due to a material violation of Hazardous Substance Law by Buyer or any Buyer Indemnitee following the Closing Date, due to the discharge, release or migration of Hazardous Substances caused by Buyer or any Buyer Indemnitee. Nothing in this provision is (A) intended to limit Seller's ability to challenge the authority or jurisdiction of a regulatory body seeking to impose requirements on the BKK Landfill Site; (B) intended to limit Seller's right to recover clean-up costs against any Potentially Responsible Party; or (C) to be construed as expanding the scope of the indemnity provided by Seller under Section 10(c)(i) of this Agreement.

(ii) Seller shall dedicate any monies received from Buyer's acquisition of the Property, including without limitation the Cash Balance, to the following: (A) the payment of monitoring requirements of EPA and DTSC; (B) the payment of premiums "due and owing" under the Environmental Liability Policies, in order to meet and satisfy applicable Federal and State "financial assurance" requirements as well as requirements set forth in the City of West Covina Resolution No. 2000-71, dated October 17, 2000; and (C) other environmental remediation activities related to the BKK Landfill Site.

(e) Survival. The covenants contained in this Section 10 shall survive close of Escrow.

11. Representations and Warranties.

(a) Buyer and Seller each hereby represent and warrant to the other that each person executing this Agreement on behalf of such party is duly and validly authorized to do so, and that if such party is a limited liability company, partnership, corporation or trustee, that said limited liability company, partnership, corporation or trustee has full power and authority to enter into this Agreement and consummate the transactions contemplated hereunder, and that this Agreement is valid, binding and enforceable on such party. The Executive Director of Buyer and the City Manager of the City each have all requisite power and authority to execute and deliver all documents and instruments on behalf of Buyer or the City, as the case may be, in connection with the subject purchase and sale transaction.

(b) Seller hereby represents and warrants to Buyer as follows:

(i) No written notices have been received by Seller regarding any violation of any governmental regulations with respect to the Real Property which will affect all or any portion of the Real Property following the Closing Date;

(ii) There is no litigation currently affecting or concerning the Property;

(iii) Seller has not been informed of, and Seller is not aware of, any material defects in or to the Real Property (for the purposes hereof, the term "material defects" shall mean any matter adversely affecting Buyer's intended use of the Real Property, the cost of which is not the subject of insurance and which would exceed Ten Thousand and 00/100 Dollars (\$10,000.00)), but excluding any environmental conditions;

(iv) All financial information provided to Buyer is and shall be true and correct as of the Closing Date;

(v) Copies of Operating Agreements, the Site Lease and other agreements, if any, provided to Buyer pursuant to this Agreement are true, complete and correct copies of the originals thereof;

(vi) There are no consents or waivers of or by any third party necessary to permit the consummation by Seller of the transactions contemplated pursuant to this Agreement; and

(vii) The execution and delivery of this Agreement by Seller will not violate, conflict with or cause a default under any deed of trust, mortgage, indenture, covenant, restriction, lease, agreement, contract, instrument, order, writ, judgment or decree applicable to Seller or the Real Property, nor conflict with or result in the breach of any statute or regulation of the State of California or the United States, including without limitation any Hazardous Substance Law or any order, writ, injunction or decree of any court or governmental instrumentality binding on Seller or the Real Property.

12. **License Agreement.** In consideration of the Purchase Price and the premises contained herein, Seller shall grant to Buyer the exclusive use of the License Parcel pursuant to the terms of that certain License Agreement, by and between Seller, as licensor, and Buyer, as licensee, in the form attached hereto as Exhibit "C" (the "License Agreement"). Among other things, the License Agreement shall permit Buyer to construct, operate and maintain the Recreational Facilities (as defined therein), pursuant to the terms and conditions set forth therein. The license granted under the License Agreement shall be coupled with an interest and shall be irrevocable, and Buyer shall have the right to assign the License Agreement in connection with the lease, license or transfer of title to all or any portion of the Fee Property.

13. **Right of First Offer.** Following close of Escrow, in the event that Buyer elects to sell all of any golf course operations located on Parcel 2, Lot 5 and the License Parcel, including without limitation the sale of Parcel 2 and Lot 5 and the assignment of the License Agreement, then Buyer shall provide to Seller written notice of said intent to sell, including a description of the purchase price, the closing date, the terms of payment, if any, and any other terms and conditions of such proposed sale transaction deemed material by Buyer (the "Offering Notice"). Buyer shall offer to Seller an opportunity to purchase the Property on the terms and

conditions set forth in the Offering Notice, and Seller shall have twenty (20) days following receipt of the Offering Notice in which to notify Buyer in writing of its election to accept or decline the terms described in the Offering Notice. Seller's failure to notify Buyer within said twenty-day period shall be conclusively deemed to constitute Seller's binding election to decline to accept the terms of the Offering Notice. If Seller does not elect to accept the terms described in the Offering Notice, then Buyer shall be free to offer for sale the golf course operations located on Parcel 2, Lot 5 and the License Parcel as described in the Offering Notice to any third party on substantially identical terms and conditions as set forth in the Offering Notice. If Buyer elects to offer for sale said golf course operations for a discount of ten percent (10%) or more under the sales price set forth in the original Offering Notice, then Buyer shall re-offer same to Seller pursuant to the terms hereof. For the purposes hereof, the term "sales price" shall be Buyer's good faith best estimate of the value of cash and cash equivalents (such as in-kind contributions and mitigations) comprising any offer for sale.

14. Reclaimed Water. The parties acknowledge that Seller and the City of Industry are in negotiations concerning the ownership, maintenance and operation of one or more reclaimed water storage tanks and water lines located or to be located on or under portions of the Real Property and of certain additional water lines are located or to be located under final cover soil on the BKK Landfill Site. In the event that Buyer agrees to purchase reclaimed water from the City of Industry, Seller shall not take or fail to take any actions reasonably requested by Buyer which would serve to prevent Buyer from so contracting or obtaining such water. If requested by Buyer, Seller shall grant to Buyer such licenses and easements as Buyer shall reasonably require for access to and installation, operation, maintenance and repair of water lines and connections thereto which may be located on or under the BKK Landfill Site, provided that any such access, installation, operation, maintenance and repair shall not unreasonably interfere with Seller's business operations thereon. There is currently located on the License Parcel a 1,000,000-gallon water tank, which is owned by Seller and will not be transferred to Buyer at close of Escrow. Seller shall be solely responsible for the maintenance and repair of said water tank, and Buyer and Seller shall grant to one another such licenses and easements as either may reasonably require for access to and use of water tanks, water lines, and related equipment in connection with Seller's obligations under the Closure Plans, provided that any such access and

use by Seller shall not unreasonably interfere with Buyer's business operations on the Real Property thereon.

15. **Electrical Power.** The parties acknowledge that MM West Covina, LLC, a Delaware limited liability company, operates a methane-fueled power plant in the vicinity of the Real Property. In the event that Buyer shall have agreed to purchase power from MM West Covina, LLC, whether from said power plant or elsewhere, Seller shall not take or fail to take any actions reasonably requested by Buyer which would serve to prevent Buyer from so contracting or obtaining such power. If requested by Buyer, Seller shall grant to Buyer such licenses and easements as Buyer shall reasonably require for access to and installation, operation, maintenance and repair of power lines and connections thereto which may be located on, under or above the BKK Landfill Site, provided that any such access, installation, operation, maintenance and repair shall not unreasonably interfere with Seller's business operations thereon.

16. **In-Lieu Fee.** Parcel 1 is the subject of a fee, in the amount of Fifteen Thousand Dollars (\$15,000) (the "In-Lieu Fee") payable to the Santa Monica Mountains Conservancy in connection with the replacement of approximately 0.15 acres of riparian habitat pursuant to the terms of that certain In-Lieu Agreement to Facilitate Compensatory Migratory Efforts, last dated February 22, 2002, by and between Santa Monica Mountains Conservancy and United States Army Corps of Engineers, and San Jose Hills Development, LLC, predecessor-in-interest to Seller (the "In-Lieu Agreement"). The In-Lieu Agreement shall not be assigned to Buyer upon close of Escrow; provided, however, that Buyer shall fund the In-Lieu Fee through Escrow, subject to the following: (a) at close of Escrow Buyer and Seller shall irrevocably instruct Escrow Holder to pay the In-Lieu Fee to the party entitled thereto under the In-Lieu Agreement, and (b) prior to or at close of Escrow, Seller shall deliver to Escrow Holder written confirmation from Seller reasonably acceptable to Buyer that the In-Lieu Fee has been paid to the party entitled thereto and the In-Lieu Agreement has been complied with and fulfilled in its entirety. Seller shall remain liable for any and all payment obligations accruing under the In-Lieu Agreement before, on or after the Closing Date, and this covenant shall survive close of Escrow.

17. Landfill Grading.

(a) Seller is required to perform certain grading of the BKK Landfill Site pursuant to the Closure Plans. For the purposes of this Agreement, the minimum amount of excavation and grading so required shall equal one million (1,000,000) cubic yards of soil. Seller shall enter into one or more contracts, each with a licensed California contractor ("Grading Contract"), for the grading required to be performed by Seller under the Closure Plans.

(b) (i) No later than fifteen (15) days prior to the Contingency Date, Seller shall provide Buyer with evidence reasonably acceptable to Buyer demonstrating Seller's financial ability to pay for the cost of the Grading Contract (the "Grading Assurances"), and (ii) no later than thirty (30) days prior to the Contingency Date, Seller shall provide Buyer with a grading plan complying with Seller's grading obligations under the Closure Plans, showing the location of grading, the anticipated schedule of grading and reasonably detailed estimates of the amount of soil to be removed and/or displaced (the "Grading Plan").

18. Walnut Hills Transaction.

(a) Seller, Walnut Hills and/or Borrower is currently negotiating with Standard Pacific in connection with the sale and/or development of certain real property, including without limitation the Walnut Property (the "Walnut Hills Transaction"). Pursuant to the Existing Deed of Trust and the Consent Agreement, Walnut Hills may transfer the Walnut Property to a new limited liability company to be formed by Walnut Hills and Standard Pacific and such transfer shall not constitute an event of default under the Existing Deed of Trust. Buyer's agreement to purchase the Real Property is subject to and conditioned upon Buyer's receipt of the Waiver described in Section 7(f) above.

(b) Seller and Standard Pacific currently estimate that the Walnut Hills Transaction will close on or before August 15, 2002. Provided that (a) the Walnut Hills Transaction closes on or before the Closing Date, and (b) Seller has provided Buyer at Seller's sole cost (i) a recent MAI appraisal of the Newhall Property (as defined below), prepared by Buss-Schelger Associates and evidencing a fair market value of the Newhall Property equal to one hundred fifty percent (150%) of the unpaid principal amount of the Modified Existing Note

(the "Newhall Appraisal"), as determined by Buyer in its sole discretion, (ii) a recent preliminary title report for the Newhall Property, prepared by the Title Company (the "Newhall PTR") and (iii) a Phase I environmental site assessment report for the Newhall Property, prepared by an environmental engineering firm reasonably acceptable to Buyer (the "Newhall ESA"), then concurrent with the closing of the Walnut Hills Transaction, the City and Borrower shall execute an amendment to the Existing Note, reflecting partial payment of amounts due and owing under the Existing Note in an amount equal to not less than Two Million Dollars (\$2,000,000) (the "Partial Payment") and evidencing the remaining unpaid principal balance under the Existing Note (the "Modified Existing Note"). Seller shall bear all costs incurred by the City in connection with the negotiation, documentation and analysis of the Modified Existing Note and the New Deed of Trust, including without limitation Attorneys' Fees (as defined in Section 31 below), but not to exceed Ten Thousand Dollars (\$10,000.00).

(c) Upon Buyer's receipt of the Partial Payment, Buyer shall cause the City to fully reconvey the Existing Deed of Trust and concurrently therewith Walnut Hills shall execute, acknowledge and cause to be filed of record in the Official Records of Los Angeles County a new deed of trust, in form and substance reasonably acceptable to Buyer and the City, encumbering real property located in the County of Los Angeles, State of California, more particularly described at Exhibit "D" attached hereto (the "Newhall Property") (the "New Deed of Trust"). Concurrently with the recordation of the New Deed of Trust, Seller shall provide to the City at Seller's sole cost and expense an ALTA loan policy of title insurance, issued by the Title Company in favor of the City, in the amount of the unpaid principal balance of the Modified Existing Note, insuring the first priority lien status of the New Deed of Trust (the "New Loan Policy"). The Modified Existing Note shall be due and payable as of the Closing Date, and the Modified Existing Note and the New Deed of Trust shall each be in form and substance reasonably satisfactory to Buyer and the City.

19. Liquidated Damages. IN THE EVENT THAT CLOSE OF ESCROW DOES NOT OCCUR AS HEREIN PROVIDED BY REASON OF ANY DEFAULT BY BUYER, BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO ESTIMATE THE DAMAGES WHICH SELLER MAY SUFFER. THEREFORE, BUYER AND SELLER HEREBY AGREE THAT A

REASONABLE ESTIMATE OF THE TOTAL NET DETRIMENT THAT SELLER WOULD SUFFER IN THE EVENT THAT BUYER DEFAULTS AND FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY IS AND SHALL BE, AS SELLER'S SOLE AND EXCLUSIVE REMEDY (WHETHER AT LAW OR IN EQUITY), AN AMOUNT EQUAL TO FIFTY THOUSAND AND 00/100 DOLLARS (\$50,000.00). SAID AMOUNT SHALL BE THE FULL, AGREED AND LIQUIDATED DAMAGES FOR THE BREACH OF THIS AGREEMENT BY BUYER, ALL OTHER CLAIMS TO DAMAGES OR OTHER REMEDIES BEING HEREIN EXPRESSLY WAIVED BY SELLER. UPON DEFAULT BY BUYER, THIS AGREEMENT SHALL BE TERMINATED AND NEITHER PARTY SHALL HAVE ANY FURTHER RIGHTS OR OBLIGATIONS HEREUNDER, EACH TO THE OTHER, EXCEPT FOR THE RIGHT OF SELLER TO COLLECT SUCH LIQUIDATED DAMAGES FROM BUYER AND/OR ESCROW HOLDER. IN ADDITION TO SUCH LIQUIDATED DAMAGES SELLER SHALL BE ENTITLED TO ENFORCE ITS REMEDIES UNDER ANY INDEMNIFICATIONS CONTAINED IN THIS AGREEMENT, INCLUDING WITHOUT LIMITATION UNDER SECTIONS 7(e), 8(b), 10(c)(ii) AND 32 HEREOF, ABOVE, AND COLLECT ANY ATTORNEYS FEES OR OTHER COSTS INCURRED IN ENFORCING THE PROVISIONS OF THIS PARAGRAPH. IN ADDITION, BUYER DESIRES TO HAVE A LIMITATION PUT UPON ITS POTENTIAL LIABILITY TO SELLER IN THE EVENT THAT THIS TRANSACTION SHALL FAIL TO CLOSE. BY PLACING THEIR RESPECTIVE INITIALS IN THE SPACES HEREINAFTER PROVIDED; THE PARTIES ACKNOWLEDGE THAT UPON A DEFAULT BY BUYER UNDER THE TERMS OF THIS AGREEMENT, SELLER'S SOLE AND EXCLUSIVE REMEDY SHALL BE TO LIQUIDATED DAMAGES IN THE AMOUNT OF FIFTY THOUSAND AND 00/100 DOLLARS (\$50,000.00).

MT  
Buyer's Initials

KBK  
Seller's Initials

20. Notices. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered or sent by registered or certified mail, return receipt request, receipted overnight mail, or by telecopier, and shall be deemed received upon the earlier of (a) the date of delivery, if personally delivered, (b) three (3) business days after the date of posting by the U.S. postal service, if mailed, or (c) the date when sent, if



ecopied. Any notice or other communication sent by telecopier shall be confirmed within two (2) business days by letter mailed or delivered to the receiving party according to the foregoing. Any party may change its address or telecopier number by means of notice given pursuant to the terms of this Section 20. All such notices or communications shall be addressed as follows:

If to Buyer:                      Redevelopment Agency of the City of West Covina  
1444 West Garvey Avenue South  
West Covina, CA 91793  
Attention: Executive Director  
Telecopier No. (626) 813-8665

With a copy to:                      Fulbright & Jaworski L.L.P.  
865 South Figueroa Street, 29<sup>th</sup> Floor  
Los Angeles, CA 90017  
Attention: Robert C. Barnes, Esq.  
Telecopier No. (213) 680-4518

If to Seller:                              BKK Corporation  
2210 South Azusa Avenue  
West Covina, CA 91792  
Attention: Kris L. Kazarian  
Telecopier No. (626) 965-2665

With a copy to:                              Paul, Hastings, Janofsky & Walker  
55 Second Street, 24<sup>th</sup> Floor  
San Francisco, CA 94105  
Attention: M. Elizabeth Deane, Esq.  
Telecopier No. (425) 856-7100

With a copy to:                              Sam V. Weir, Esq.  
1935 Fieldstone Circle  
Paso Robles, CA 93446  
Telecopier No. (805) 238-3253

If to Escrow Holder:                              First American Title Company  
520 North Central Avenue  
Glendale, CA 91203  
Attention: Anna Monez  
Telecopier No. (818) 547-4505

21. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the permitted successors and assigns of the parties hereto. This Agreement may be assigned by Buyer, provided that any such assignment shall be in writing and executed

by Buyer and its assignee, shall be delivered to Seller and Escrow Holder not later than five (5) business days prior to the Closing Date, and shall not relieve Buyer of liability hereunder.

22. Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof, and no addition or modification of any term or provision shall be effective unless set forth in writing, executed by both Buyer and Seller.

23. Time of Essence. Time is of the essence of each and every term, condition, obligation and provision hereof.

24. California Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of California.

25. Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which when taken together shall constitute one and the same instrument.

26. Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions and provisions of this Agreement, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

27. Amendment. This Agreement may be amended at any time only by the written agreement of Buyer and Seller.

28. No Third Party Benefit. This Agreement is intended to benefit only the parties hereto, their successors, heirs and permitted assigns, and no other person or entity has or shall acquire any rights hereunder.

29. Further Acts. Each party agrees to perform any further acts and to execute, acknowledge and deliver any documents which may be reasonably necessary to carry out the provisions of this Agreement.

30. Closing Agent. Pursuant to Section 6045 of the California Internal Revenue and Taxation Code, the Title Company shall be designated the "closing agent" hereunder and shall be solely responsible for complying with the Tax Reform Act of 1986 with regard to reporting all settlement information to the Internal Revenue Service.

31. Attorneys' Fees. If Buyer or Seller brings an action or proceeding to enforce the terms hereof or declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees and costs, including without limitation expert witness fees and court costs (collectively, "Attorneys' Fees"). Attorneys' Fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. For the purpose of this Agreement, the term "Prevailing Party" shall include without limitation a party who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other party of its claim or defense. The Attorneys' Fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all Attorneys' Fees reasonably incurred.

32. Broker. Seller represents to Buyer that it has engaged Grubb and Ellis and Gary Kreft, Peter Lee, James Wynne, Amy Wynne and Ken Arimitsu, each a licensed California real estate broker (collectively, the "Seller's Brokers") with respect to the purchase and sale of Parcel 1 only, and agrees that Seller shall pay a commission to Seller's Brokers upon close of Escrow pursuant to separate agreement. Buyer represents to Seller that it has not engaged any broker or finder in the subject purchase and sale transaction. Seller shall and hereby does indemnify, defend, protect and hold Buyer free and harmless from and against any and all Claims incurred by the Buyer as a result of any broker or finder claiming by or through Seller, including without limitation the Seller's Brokers. Buyer shall and hereby does hereby indemnify, defend, protect and hold Seller free and harmless from and against any and all Claims incurred by Seller as a result of any broker or finder claiming by or through Buyer.

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

"Buyer":

THE REDEVELOPMENT AGENCY OF THE CITY OF WEST COVINA, a municipal corporation

ATTEST:

Janet Berry  
Janet Berry, City Clerk

By: Michael Touhey  
Name: Michael Touhey  
Title: Chairman

"Seller":

BKK CORPORATION, a California corporation

By: Kenneth B. Kazarian  
Name: Kenneth B. Kazarian  
Title: Vice Chairman

By: Keis L. Kazarian  
Name: Keis L. Kazarian  
Title: Treasurer

EXHIBIT "A-1"

BKK LANDFILL SITE MAP

EXHIBIT "C"

LEGAL DESCRIPTION OF FEE PROPERTY

LEGAL DESCRIPTION OF PARCEL 1

PARCEL 1 OF PARCEL MAP NO. 24585, IN THE CITY OF WEST COVINA, AS PER MAP FILED IN BOOK 301 PAGES 61 THROUGH 68 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL, GAS, AND OTHER HYDROCARBONS AND ALL MINERALS, TOGETHER WITH THE RIGHT TO DEVELOP, PRODUCE AND EXTRACT THE SAME, AS GRANTED TO NARCISSE S. GARNIER, ET AL., BY DEED RECORDED SEPTEMBER 29, 1944 IN BOOK 21288 PAGE 260, OFFICIAL RECORDS.

BY INSTRUMENTS OF RECORD, THE OWNERS OF SAID OIL, GAS, AND OTHER HYDROCARBONS AND MINERALS, RELINQUISHED ALL OF THEIR RIGHTS TO ENTER UPON THE SURFACE OF SAID LAND OR THE SUBSURFACE THEREOF TO A DEPTH OF 500 FEET BELOW THE SURFACE THEREOF, (MEASURED VERTICALLY FROM THE SURFACE, FOR THE PURPOSE OF DEVELOPING, PRODUCING AND EXTRACTING THE SAME.

LEGAL DESCRIPTION OF PARCEL 2

PARCEL 2 OF PARCEL MAP NO. 24585, IN THE CITY OF WEST COVINA, AS PER MAP FILED IN BOOK 301 PAGES 61 THROUGH 68 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL, GAS, AND OTHER HYDROCARBONS AND ALL MINERALS, TOGETHER WITH THE RIGHT TO DEVELOP, PRODUCE AND EXTRACT THE SAME, AS GRANTED TO NARCISSE S. GARNIER, ET AL., BY DEED RECORDED SEPTEMBER 29, 1944 IN BOOK 21288 PAGE 260, OFFICIAL RECORDS.

BY INSTRUMENTS OF RECORD, THE OWNERS OF SAID OIL, GAS, AND OTHER HYDROCARBONS AND MINERALS, RELINQUISHED ALL OF THEIR RIGHTS TO ENTER UPON THE SURFACE OF SAID LAND OR THE SUBSURFACE THEREOF TO A DEPTH OF 500 FEET BELOW THE SURFACE THEREOF, (MEASURED VERTICALLY FROM THE SURFACE, FOR THE PURPOSE OF DEVELOPING, PRODUCING AND EXTRACTING THE SAME.

LEGAL DESCRIPTION OF LOT 5

PARCEL 5 OF RECORD OF SURVEY BOOK 85, PAGES 10 THROUGH 12 INCLUSIVE, AS PER RECORD OF SURVEY FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT FROM THAT PORTION OF SAID LAND INCLUDED WITHIN THE LINES OF THE RANCHO LA PUENTE DESIGNATED AS "LOT 1-1769-1" ON THE MAP SHOWING THE PARTITION OF SAID RANCHO, A CERTIFIED COPY OF WHICH MAP IS RECORDED IN BOOK 1260, PAGE 163 OF DEEDS, ALL OIL, GAS AND OTHER HYDROCARBONS AND ALL MINERALS, TOGETHER WITH THE RIGHT TO DEVELOP, PRODUCE AND EXTRACT THE SAME, AS GRANTED TO NARCISSE S. GARNIER, ET AL., BY DEED RECORDED SEPTEMBER 29, 1944 AS INSTRUMENT NO. 325 IN BOOK 21288, PAGE 260 OFFICIAL RECORDS.

BY INSTRUMENT OF RECORD, THE OWNERS OF AN UNDIVIDED 833.34/1000THS INTEREST IN SAID OIL, GAS AND OTHER HYDROCARBONS AND MINERALS, RELINQUISHED ALL OF THEIR RIGHTS TO ENTER UPON THE SURFACE OF SAID LAND OR THE SUBSURFACE THEREOF TO A DEPTH OF 500 FEET BELOW THE SURFACE THEREOF (MEASURED VERTICALLY FROM THE SURFACE) FOR THE PURPOSE OF DEVELOPING, PRODUCING AND EXTRACTING THE SAME.

EXCEPT THEREFROM THE "PRECIOUS METALS AND ORES THEREOF" AS EXCEPTED FROM THE PARTITION BETWEEN JOHN ROWLAND SR. AND WILLIAM WORKMAN RECORDED IN BOOK 10 PAGE 39 OF DEEDS.



EXHIBIT "D"

LEGAL DESCRIPTION OF NEWHALL PROPERTY

- (a) The east half of Section 36, Township 5 North, Range 16 West, San Bernardino Meridian, in the county of Los Angeles, state of California, according to the office Plat thereof.

Excepting from said east half of Section 36, those parcels of land described as Parcel No. 4 and Parcel No. P-4, in a final order of condemnation, entered in Los Angeles County Superior Court Case No. 852630, a certified copy of which was recorded on July 23, 1968 as Instrument No. 3482 of Official Records of said county.

Also excepting therefrom all minerals of every kind and description, including oil, petroleum, gas and all other minerals in, upon or under the southwest quarter of the southeast quarter of said land, with full power and right to mine, excavate, drill, explore and develop said land in such locations where such minerals may be located, as reserved by John G. Haskell, Sr., in deed recorded August 19, 1949 in Book 30813 Page 190 of official records.

Also excepting therefrom an undivided one-half interest, in and to all oil, gas, minerals and other hydrocarbon substances in and under the southwest quarter of the northeast quarter and the south half of the northwest quarter of the northeast quarter and the northwest quarter of the southeast quarter of said land, as reserved by Tannehill Oil Company in deed recorded September 20, 1949 in Book 31039 Page 85 of official records.

Also excepting therefrom all minerals of every kind and description, including oil, petroleum, gas and all other minerals, in, upon, or under the north half of the northwest quarter of the northeast quarter of said land with full power and right to the parties of the first part, their heirs and assigns, to mine, excavate, drill, explore and develop said land in such locations where any such mineral may be located; except for the right to use such portions of the surface of said lands as, may be necessary to carry on or conduct their mining, oil and gas operations on said lands and to extract and remove from said lands all minerals of every character and description including oil, petroleum, gas and all other minerals which they produce, develop or extract from said lands and to take all usual, necessary and proper means for working and operating any mines or wells upon said lands, as reserved in the deed from Bertha H. Taylor recorded October 21, 1949 in Book 31285 Page 177 of Official Records as Instrument No. 676.

Also excepting therefrom an undivided one-half interest in and to all oil, gas, minerals and ether hydrocarbon substances in and under the east half of the east half of said land, but without right of entry therefrom, as reserved by Evelyn McCulloch, Chester Smith and Isabel Smith; his wife, in Deed recorded October 21, 1949 in Book 31285 Page 182 of Official Records.

- (b) Lot 2 (Being fractional Southwest Quarter of the Northwest Quarter) of Fractional Section 31, Township 5 North, Range 15 West, San Bernardino Meridian, in the County of Los Angeles, State of California, according to the official plat thereof.

Excepting and reserving to the United States and unto those claiming under and through said United States, all the oil and gas in said land, and to it, or persons authorized by it, the right to prospect for, mine and remove such deposits from the same upon compliance with the conditions and subject to the provisions and limitations of the set of July 17, 1941 (38 ST STAT 509) as disclosed by the Records of the Bureau of Land Management in Washington, D. C., and Riverside, California.



FIRST AMENDMENT TO AGREEMENT OF PURCHASE AND SALE AND JOINT  
ESCROW INSTRUCTIONS

THIS FIRST AMENDMENT TO AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS (the "Amendment") is made as of November 7, 2002, by and between BKK CORPORATION, a California corporation ("BKK"), and the REDEVELOPMENT AGENCY OF THE CITY OF WEST COVINA, a municipal corporation (the "Agency"), with reference to the following facts:

A. BKK and the Agency have previously entered into that certain Agreement of Purchase and Sale and Joint Escrow Instructions, dated as of June 27, 2002 (the "Purchase Agreement"), for the purchase and sale and license of certain real property located in the City of West Covina, County of Los Angeles, State of California, more particularly described therein. (Unless otherwise defined herein, all capitalized terms used in this Agreement shall bear the same meanings as ascribed to them in the Purchase Agreement.)

C. BKK and the Agency wish to amend the Purchase Agreement to extend the Contingency Date, as more fully set forth hereinafter.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, BKK and the Agency hereby agree as follows:

1. Contingency Date. Section 7(a) of the Purchase Agreement, entitled "Contingency Date," is hereby amended by the deletion of the phrase "on the ninetieth (90<sup>th</sup>) calendar day ... the first business day thereafter)," and the insertion of the following in lieu thereof: "December 11, 2002."

2. Reaffirmation of Purchase Agreement. Except as amended hereby, all of the terms and conditions of the Purchase Agreement shall remain in full force and effect and are hereby reaffirmed and ratified.

3. Counterparts. This Amendment may be executed in counterparts, each of which shall be an original and all of which when taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, BKK, the Agency and BKK have executed this Agreement as of the date first above written.

“BKK”:

BKK CORPORATION, a California corporation

By: *Kenneth B. Kazarian*  
Name: KENNETH B. KAZARIAN  
Title: VICE CHAIRMAN

By: *Lois L. Kazarian*  
Name: LOIS L. KAZARIAN  
Title: Sec. Treasurer

“Agency”:

THE REDEVELOPMENT AGENCY OF THE CITY OF WEST COVINA, a California municipal corporation

By: \_\_\_\_\_  
Andrew G. Pasmant, Executive Director

APPROVED AS TO FORM:

FULBRIGHT & JAWORSKI L.L.P., Special Counsel

By: \_\_\_\_\_  
Robert C. Barnes, Esq.

ATTEST:

\_\_\_\_\_  
Janet Berry, Agency Secretary

3. Counterparts. This Amendment may be executed in counterparts, each of which shall be an original and all of which when taken together shall constitute one and the same instrument.

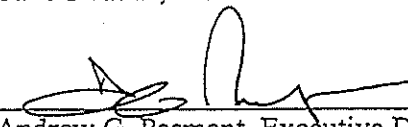
IN WITNESS WHEREOF, BKK, the Agency and BKK have executed this Agreement as of the date first above written.

“BKK”: BKK CORPORATION, a California corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

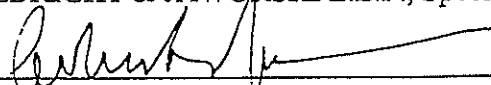
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

“Agency”: THE REDEVELOPMENT AGENCY OF THE CITY OF WEST COVINA, a California municipal corporation

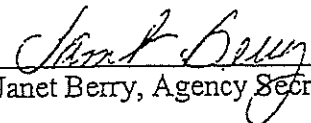
By:  \_\_\_\_\_  
Andrew G. Pasmant, Executive Director

APPROVED AS TO FORM:

FULBRIGHT & JAWORSKI L.L.P., Special Counsel

By:  \_\_\_\_\_  
Robert C. Barnes, Esq.

ATTEST:

 \_\_\_\_\_  
Janet Berry, Agency Secretary



SECOND AMENDMENT TO AGREEMENT OF PURCHASE AND SALE AND JOINT  
ESCROW INSTRUCTIONS

THIS SECOND AMENDMENT TO AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS (the "Amendment") is made as of December 6, 2002, by and between BKK CORPORATION, a California corporation ("BKK"), and the REDEVELOPMENT AGENCY OF THE CITY OF WEST COVINA, a municipal corporation (the "Agency"), with reference to the following facts:

A. BKK and the Agency have previously entered into that certain Agreement of Purchase and Sale and Joint Escrow Instructions, dated as of June 27, 2002, as amended by that certain First Amendment to Agreement of Purchase and Sale and Joint Escrow Instructions, dated as of November 7, 2002 (collectively, the "Purchase Agreement"), for the purchase and sale and license of certain real property located in the City of West Covina, County of Los Angeles, State of California, more particularly described therein. (Unless otherwise defined herein, all capitalized terms used in this Agreement shall bear the same meanings as ascribed to them in the Purchase Agreement.)

C. BKK and the Agency wish to amend the Purchase Agreement to further extend the Contingency Date, as more fully set forth hereinafter.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, BKK and the Agency hereby agree as follows:

1. Contingency Date. Section 7(a) of the Purchase Agreement, entitled "Contingency Date," is hereby further amended by the deletion of the phrase "December 11, 2002," and the insertion of the following in lieu thereof: "January 27, 2003."
2. Reaffirmation of Purchase Agreement. Except as amended hereby, all of the terms and conditions of the Purchase Agreement shall remain in full force and effect and are hereby reaffirmed and ratified.

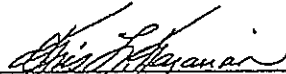


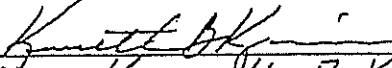
3. Counterparts. This Amendment may be executed in counterparts, each of which shall be an original and all of which when taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, BKK, the Agency and BKK have executed this Amendment as of the date first above written.

“BKK”:

BKK CORPORATION, a California corporation

By:   
Name: KRIS L. KAZARIAN  
Title: Treasurer

By:   
Name: KENNETH B. KAZARIAN  
Title: VICE CHAIRMAN

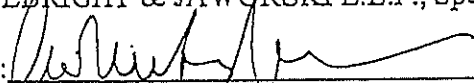
“Agency”:

THE REDEVELOPMENT AGENCY OF THE CITY OF WEST COVINA, a California municipal corporation

By: \_\_\_\_\_  
Andrew G. Pasmant, Executive Director

APPROVED AS TO FORM:

FULBRIGHT & JAWORSKI L.L.P., Special Counsel

By:   
Robert C. Barnes, Esq.

ATTEST:

\_\_\_\_\_  
Janet Berry, Agency Secretary



**THIRD AMENDMENT TO AGREEMENT OF PURCHASE  
AND SALE AND JOINT ESCROW INSTRUCTIONS**

THIS THIRD AMENDMENT TO AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS (the "Amendment") is made as of January 27, 2003, by and between BKK CORPORATION, a California corporation ("BKK"), and the REDEVELOPMENT AGENCY OF THE CITY OF WEST COVINA, a municipal corporation (the "Agency"), with reference to the following facts:

A. BKK and the Agency have previously entered into that certain Agreement of Purchase and Sale and Joint Escrow Instructions, dated as of June 27, 2002, as amended by that certain First Amendment to Agreement of Purchase and Sale and Joint Escrow Instructions, dated as of November 7, 2002, as further amended by that certain Second Amendment to Agreement of Purchase and Sale and Joint Escrow Instructions, dated as of December 6, 2002 (collectively, the "Purchase Agreement"), for the purchase and sale and license of certain real property located in the City of West Covina, County of Los Angeles, State of California, more particularly described therein. (Unless otherwise defined herein, all capitalized terms used in this Agreement shall bear the same meanings as ascribed to them in the Purchase Agreement.)

C. BKK and the Agency wish to further amend the Purchase Agreement, as more fully set forth hereinafter.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, BKK and the Agency hereby agree as follows:

1. **Purchase Price.** The first sentence of Section 2 of the Purchase Agreement, entitled "Purchase Price," is hereby amended by the deletion of the phrase "Seven Million Four Hundred Twenty Thousand and 00/100 Dollars (\$7,420,000.00)" and the insertion of the phrase "Six Million Two Hundred Forty-Two Thousand and 00/100 Dollars (\$6,242,000.00)" in lieu thereof.

2. **Escrow Instructions.** Section 3 of the Purchase Agreement, entitled "Escrow," is hereby amended by the addition of the following language:

3. Counterparts. This Amendment may be executed in counterparts, each of which shall be an original and all of which when taken together shall constitute one and the same instrument.

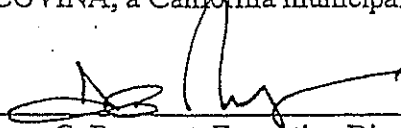
IN WITNESS WHEREOF, BKK, the Agency and BKK have executed this Amendment as of the date first above written.

"BKK": BKK CORPORATION, a California corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

"Agency": THE REDEVELOPMENT AGENCY OF THE CITY OF WEST COVINA, a California municipal corporation

By:  \_\_\_\_\_  
Andrew G. Pasmant, Executive Director

APPROVED AS TO FORM:

FULBRIGHT & JAWORSKI L.L.P., Special Counsel

By: \_\_\_\_\_  
Robert C. Barnes, Esq.

ATTEST:

  
\_\_\_\_\_  
Janet Berry, Agency Secretary

“Notwithstanding anything to the contrary contained herein, Seller hereby irrevocably instructs Escrow Holder to direct any net monies received by Seller at close of Escrow, including without limitation the Cash Balance, to those accounts established under and governed by the provisions of the Escrow Agreement (as defined in Section 10(d)(ii) below, as revised). This Agreement and the Escrow Agreement shall serve as escrow instructions to Escrow Holder.”

3. **Contingency Date.** Section 7(a) of the Purchase Agreement, entitled “Contingency Date,” is hereby amended by the deletion of the phrase “January 27, 2003” and the insertion of the following in lieu thereof: “ten (10) business days following receipt by Buyer of final determination by the U.S. Fish and Wildlife Service (“USFW”) under the informal consultation process of Section 7 of the Endangered Species Act concerning the avoidance and mitigation measures which must be taken in connection with California gnatcatchers discovered on or about the Real Property, but in no event later than April 28, 2003.”

4. **Escrow Agreement.** Concurrent with close of Escrow, Seller and Buyer shall execute and deliver that certain Escrow Agreement, in a form substantially similar to that attached hereto as Exhibit “A.” Section 10(d)(ii) of the Purchase Agreement, entitled “Environmental Covenants,” is hereby amended by the addition of the following language:

“Seller’s dedication of monies as required by this subsection (ii) shall be pursuant to that certain Escrow Agreement, in the form attached as Exhibit ‘A’ to that certain Third Amendment to Agreement of Purchase and Sale, by and between Seller and Buyer (the ‘Third Amendment’) (the ‘Escrow Agreement’). Seller and Buyer shall execute and deliver the Escrow Agreement at close of Escrow, and said execution and delivery shall be a condition to close of Escrow.”

5. **Grading Plan.** Section 17(b) of the Purchase Agreement, entitled “Landfill Grading,” is hereby amended by the addition of the following language:

“Upon Buyer’s approval of the Grading Plan pursuant to Section 7(g) above, Seller hereby covenants to perform all of the grading described in the Grading Plan, pursuant to the timetable and other specifications set forth in the Grading Plan, following close of Escrow. This covenant shall survive close of

Escrow. Notwithstanding anything to the contrary contained herein, Seller's performance of this covenant shall be subject to any delays due to the performance of obligations which are under the control or discretion of Buyer or the City of West Covina."

6. **Access Easement.** Seller and Buyer agree to grant to one another reciprocal appurtenant easements (the "Access Easements") on and over access roads located on portions of the Fee Property, the License Parcel and BKK Landfill Site for the purpose of providing access to and egress from the Fee Property, the License Parcel and the BKK Landfill Site for, among other purposes, performance of various environmental remediation activities by Seller and maintenance, repair and operation of the golf course and related commercial activities by Buyer. Said easements shall be over those portions of the Fee Property, the License Parcel and the BKK Landfill Site as reasonably agreed to by the parties, and shall be granted pursuant to the terms of a reciprocal easement agreement (the "Easement Agreement"), in form and substance to be mutually reasonably agreed upon by Seller and Buyer prior to close of Escrow; provided, however, that the Easement Agreement shall provide for, among other things, Buyer's access to and egress from the southerly portion of the anticipated golf course by means of a gated entry at Nogales Street, to the extent that Seller is legally permitted to allow buyer such access; provided, however, that if Seller is not so legally permitted, then the Easement Agreement shall provide for Buyer's access to and egress from the southerly portion of the anticipated golf course by means of a gated entry at an alternative location, to be determined in Buyer's reasonable discretion in consultation with Seller. The costs of engineering studies required in connection with locating and mapping said alternative location, including without limitation preparation of a metes and bounds description, shall be borne by Buyer. Seller and Buyer shall execute, acknowledge and deliver the Easement Agreement at close of Escrow, and said execution and delivery of the Easement Agreement shall be an additional condition to close of Escrow.

7. **California Gnatcatcher.** Section 7(h) of the Purchase Agreement, entitled "Gnatcatcher Survey," is hereby amended by the addition of the following language:

"Seller and Buyer further agree that notwithstanding anything to the contrary contained in this Agreement or in any other agreement, oral or written, between Seller and Buyer, Buyer shall have the right to approve or disapprove all

matters relating to proposed requirements for California gnatcatcher mitigation measures as required by USFW or any other governmental agency with jurisdiction over said subject matter, and all of such matters shall be a Contingency and shall be subject to the terms of this Section 7.”

8. **Repayment and Further Modification of Modified Existing Note.** Concurrent with close of Escrow (a) Seller shall partially repay the outstanding principal under the Modified Existing Note, in an amount equal to Five Hundred Thousand and 00/100 Dollars (\$500,000.00), (b) the repayment schedule under the Modified Existing Note shall remain unchanged, such that Seller will continue to make annual payments thereunder equal to Three Hundred Thirty Thousand and 00/100 Dollars (\$330,000.00, beginning on June 30, 2004, and (c) Seller and Buyer shall execute and deliver that certain Second Amendment to Promissory Note, in the form attached hereto as Exhibit “B.” Section 5(i) of the Purchase Agreement is hereby deleted in its entirety and is amended by the addition of the following in lieu thereof:

“(i) Seller shall partially repay principal and interest due and owing under the Modified Existing Note, in an amount equal to Five Hundred Thousand and 00/100 Dollars (\$500,000.00), and Seller and Buyer shall execute and deliver that certain Second Amendment to Promissory Note, in the form attached to the Third Amendment as Exhibit ‘B.’”

9. **Reaffirmation of Purchase Agreement.** Except as amended hereby, all of the terms and conditions of the Purchase Agreement, including without limitation Buyer’s rights to approve or disapprove the Contingencies under Section 7(a) of the Purchase Agreement, shall remain in full force and effect and are hereby reaffirmed and ratified.

10. **Counterparts.** This Amendment may be executed in counterparts, each of which shall be an original and all of which when taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, BKK, the Agency and BKK have executed this Amendment as of the date first above written.

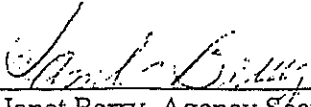
"BKK": BKK CORPORATION, a California corporation


By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

"Agency": THE REDEVELOPMENT AGENCY OF THE CITY OF WEST COVINA, a California municipal corporation

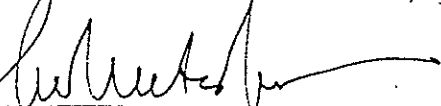
ATTEST:

  
\_\_\_\_\_  
Janet Berry, Agency Secretary

  
By: \_\_\_\_\_  
Andrew G. Pasmant, Executive Director

APPROVED AS TO FORM:

FULBRIGHT & JAWORSKI L.L.P., Special Counsel

By:   
\_\_\_\_\_  
Robert C. Barnes, Esq.



IN WITNESS WHEREOF, BKK, the Agency and BKK have executed this Amendment as of the date first above written.

"BKK":

BKK CORPORATION, a California corporation

By: [Signature]  
Name: ORRIS L. KAZARIAN  
Title: Treasurer

By: [Signature]  
Name: KENNETH B. KAZARIAN  
Title: Vice Chairman

"Agency":

THE REDEVELOPMENT AGENCY OF THE CITY OF WEST COVINA, a California municipal corporation

ATTEST:

[Signature]  
Janet Berry, Agency Secretary

By: [Signature]  
Andrew Pasmant, Executive Director

APPROVED AS TO FORM:

FULBRIGHT & JAWORSKI L.L.P., Special Counsel

By: [Signature]  
Robert C. Barnes, Esq.

EXHIBIT "A"  
ESCROW AGREEMENT

EXHIBIT "B"

DESCRIPTION OF PERSONAL PROPERTY

None.

EXHIBIT "C"  
LICENSE AGREEMENT



**FOURTH AMENDMENT TO AGREEMENT OF PURCHASE  
AND SALE AND JOINT ESCROW INSTRUCTIONS**

THIS FOURTH AMENDMENT TO AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS (the "Amendment") is made as of April 28, 2003, by and between BKK CORPORATION, a California corporation ("BKK"), and the REDEVELOPMENT AGENCY OF THE CITY OF WEST COVINA, a municipal corporation (the "Agency"), with reference to the following facts:

A. BKK and the Agency have previously entered into that certain Agreement of Purchase and Sale and Joint Escrow Instructions, dated as of June 27, 2002, as amended by that certain First Amendment to Agreement of Purchase and Sale and Joint Escrow Instructions, dated as of November 7, 2002 (the "Original Purchase Agreement"), as further amended by that certain Second Amendment to Agreement of Purchase and Sale and Joint Escrow Instructions, dated as of December 6, 2002, and as further amended by that certain Third Amendment to Agreement of Purchase and Sale and Joint Escrow Instructions, dated as of January 27, 2003 (collectively, the "Purchase Agreement"), for the purchase and sale and license of certain real property located in the City of West Covina, County of Los Angeles, State of California, more particularly described therein. (Unless otherwise defined herein, all capitalized terms used in this Agreement shall bear the same meanings as ascribed to them in the Purchase Agreement.)

B. BKK and the Agency wish to further amend the Purchase Agreement, as more fully set forth hereinafter.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, BKK and the Agency hereby agree as follows:

1. **Purchase Price.** The fourth sentence of Section 2 of the Original Purchase Agreement, entitled "Purchase Price," is amended by the deletion of the phrase "equal to Four Million Dollars (\$4,000,000.00)" and the insertion of the phrase "equal to Three Million Two Hundred Forty-Two Thousand Dollars (\$3,242,000.00)" in lieu thereof.

2. **Closing Date.** Section 1 of the Original Purchase Agreement, entitled "Purchase and Sale," is hereby further amended by the addition of the following:

EXHIBIT "A"

LIST OF OUTSTANDING MATTERS

1. Grading Plan.
2. Location and construction of 84-inch storm drain connection, including without limitation a concrete inlet and all future maintenance.
3. Location of and payment for an access road.
4. Receipt of information requested by the LEA in letter dated April 23, 2003, to Chris Hanson regarding the "trash island."
5. Issuance by U.S. Fish and Wildlife of a biological opinion and any other permits, approvals or documents in connection with California gnatcatcher mitigation issues, including without limitation all conditions in connection therewith.
6. Waiver of a performance bond to be posted by Buyer in connection with revegetation for California gnatcatcher mitigation measures.
7. Issues related to the transfer of the SSA by California Fish and Game, including without limitation all conditions in connection therewith.
8. Revised site plan and metes and bounds description of License Parcel.
9. Mutual agreement regarding responsibility for and payment of all EIR mitigation measures in connection with the closed Class I and Class III landfills.