

## It is Mutually Agreed That:

17. Should the property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire, or earthquake, or in any other manner, Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefor, and shall be entitled at its option to commence, appear in and prosecute in its own name, any action or proceedings, or to make any compromise or settlement, in connection with such taking or damage. All such compensation, awards, damages, rights of action and proceeds, including the proceeds of any policies of fire and other insurance affecting said property, are hereby assigned to Beneficiary, who may after deducting therefrom all its expenses, including attorney's fees, release any moneys so received by it or apply the same on any indebtedness secured hereby. Trustor agrees to execute such further assignments of any compensation, award, damages, and rights of action and proceeds as Beneficiary may require.

18. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

19. Should proceedings be instituted to register title of said property under any Land Title Law, Trustor will pay upon demand all sums expended by Trustee or Beneficiary, including attorney's fees, and forthwith deliver to Beneficiary all evidence of title.

20. At any time and from time to time upon written request of Beneficiary, payment of its fees and presentation of this Deed and the note for endorsement (in case of full reconveyance, for cancellation and retention), without affecting the liability of any person for the payment of the indebtedness. Trustor may consent to the making of any map or plat of said property, or join in granting any easement or creating any restriction thereon; or join in any subordination or other agreement affecting this Deed or the lien or charge thereof; or convey, without warranty, all or any part of the property. The grantee in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustor's fees for any of the services mentioned in this paragraph shall be \$5.

21. As additional security, Trustor hereby gives to and confers upon Beneficiary the right, power, and authority, during the continuance of these trusts, to collect all rents, issues, royalties, and profits of said property, and of any personal property located thereon, with or without taking possession of the property affected hereby. Trustor hereby reserves the right prior to any default by Trustor in payment of any indebtedness secured hereby or in the performance of any agreement hereunder, to collect and retain such rents, issues, royalties, and profits earned prior to default as they become due and payable, save and excepting rents, issues, royalties, or profits arising or accruing by reason of any oil, gas, or mineral lease of said property. Beneficiary having the right, power, and authority to collect such last-mentioned rents, royalties, issues, and profits regardless of any default of Trustor. Failure or discontinuance of Beneficiary at any time, or from time to time, to collect any such moneys shall not in any manner impair the subsequent enforcement by Beneficiary of the right, power, and authority herein conferred upon it. Nothing contained herein, nor the exercise of any right, power, or authority herein granted to Beneficiary shall be, or be construed to be, an affirmation by it of any tenancy, lease, or option, nor an assumption of liability under, nor a subordination of the lien or charge of this Deed to any such tenancy, lease, or option.

22. Upon any default by Trustor hereunder, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue for or otherwise collect said rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine.

23. The entering upon and taking possession of said property, the collection of such rents, issues, and profits, or the proceeds of fire and other insurance policies, or the appointment of a receiver, or the damage of the property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

24. Upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, or should this Deed and said note not be eligible for insurance under the National Housing Act within 8 months from the date hereof (written statement of any officer or employee of the Federal Housing Administration dated subsequent to 8 months' time from the date of this Deed, declining to insure said note and this Deed, being deemed conclusive proof of such ineligibility), Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustor of written declaration of default and demand for sale, and of written notice of default and of election to cause the property to be sold, which notice Trustee shall cause to be duly filed for record. Beneficiary shall also deposit with Trustee this Deed, the note and all documents evidencing expenditures secured hereby.

25. After the lapse of such time as may then be required by law following the recording of said notice of default, and notice of sale having been given as then required by law, Trustor, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine that subject to any statutory right of Trustor to direct the order in which such property, if consisting of several tracts, lots or parcels shall be sold, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustor may postpone sale of all or any portion of said property by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchaser of said property the property so sold, but without any covenant or warranty, express or implied. The recitals in the Deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary, may purchase at the sale. Trustor shall apply the proceeds of sale to payment of (1) the expenses of such sale together with the reasonable expenses of this Trust, including therein Trustee's fees in the following amounts based upon the amount secured hereby and remaining unpaid: 5.2 1/2 percent on the first \$1,000 thereof, 2 percent on the next \$7,000 thereof, and 1 1/8 percent on the balance thereof, and sums to include counsel fees if any are incurred; (2) one of any evidence of title procured in connection with such sale and revenue stamps on Trustor's Deed; (3) all sums expended under the terms hereof, not then repaid, with accrued interest at 1 1/2 percent per annum; (4) all other sums then secured hereby; and (5) the remainder, if any, to the person or persons legally entitled thereto.

26. Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust. Upon such appointment and without conveyance to the successor trustee, the latter shall be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Such such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this Deed and its place of record, which, when recorded in the office of the County Recorder of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

27. The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed is hereby waived, to the full extent permissible by law.

28. Any Trustor who is a married woman hereby expressly agrees that recourse may be had against her separate property, but without hereby creating a present or any lien or charge thereon, for any deficiency after sale of the property hereunder.

29. This Deed shall inure to and bind the heirs, legatees, devisees, administrators, executors, successors, and assigns of the parties hereto. All obligations of Trustor hereunder are joint and several. The term "Beneficiary" shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein.

30. Trustor accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustor is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party, unless brought by Trustor.

31. This Deed shall be construed according to the laws of the State of California.

32. The Undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to him if a mailing address is set out opposite his signature hereto.

## Mailing Address for Notices

Street and number	City and State	Signature of Trustor
2890 Daisy Ave.	Long Beach, Calif.	Benjamin B. Cohn
2890 Daisy Ave.	Long Beach, Calif.	Pauline Cohn

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES) SS. On this 10th day of September, 1941 before me, the undersigned, a Notary Public in and for said County, personally appeared Benjamin B. Cohn and Pauline Cohn, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged that they executed the same.

Witness my hand and official seal.

(Seal)

In and for said County and State.

Geo. W. Kendall, Notary Public

#265 Copy of original recorded at request of Title Insurance & Trust Co. Sep 15, 1941 at 8:30 A.M. Copyist #130 Compared. Mame B. Beatty, County Recorder

By *J. S. Williams* (12) Deputy

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## OIL AND GAS LEASE

THIS INDENTURE OF LEASE, Made this 6th day of June, 1941, by and between THE NEWHALL CORPORATION, a California corporation with its principal place of business in the City of Los Angeles, State of California, hereinafter referred to as "Lessor", and G. G. Willis, of the City of Los Angeles, State of California, hereinafter referred to as "Lessee", Witnesseth: That the Lessor for and in consideration of the sum of Five Hundred Dollars (\$500.00) to it in hand paid, the receipt whereof is hereby acknowledged, hereby leases to the Lessee that certain tract and/or parcel of land situated in the County of Los Angeles, State of California, particularly described as follows, to-wit: That portion of the Rancho San Francisco, in the County of Los Angeles, State of California, which is included within the following described boundaries: Beginning at a point in the southerly boundary of said Rancho, distant south 88° west thereon, 12246.01 feet from Survey Station No. 3 of the Patent Boundary of said Rancho; thence north 02°27' 13" west 5272.77 feet; thence south 88° west 3000.82 feet; thence south 02°27'13" east 1503.20 feet; thence south 98° west to the westerly line of the land described in deed to



John F. Miller, recorded in Book 1022, Page 217 of Official Records of said County; thence south  $02^{\circ}27'13''$  east, along said westerly line, 3769.57 feet, more or less, to the southerly boundary of said Rancho; thence north  $88^{\circ}$  east, along said southerly boundary 659.61 feet, more or less, to the southwesterly corner of the land described in deed to Standard Oil Company, recorded in Book 622, Page 263 of Official Records of said County; thence north  $25^{\circ}40'04''$  west, along the southwesterly line of said land, 1408.49 feet to the northwesterly corner of said land; thence north  $45^{\circ}14'$  east, along the northwesterly line thereof, 191 feet to an angle point therein; thence north  $39^{\circ}25'$  east, along the northerly line of said land, 737 feet to the northeasterly corner thereof; thence south  $38^{\circ}23'$  east, along the northeasterly line of said land, 1740.8 feet, more or less, to the southerly boundary of said Rancho; thence north  $88^{\circ}$  east along said southerly boundary, to the point of beginning. Excepting therefrom any surface portion thereof, included in any existing road; a plat of said tract and/or parcel being hereto attached, marked "Exhibit A", and described thereon as Parcel 1. It is understood, and the Lessor represents that it is the owner of the parcel of land hereby leased containing approximately five hundred (500) acres.

#### I TERM OF LEASE

1. This lease shall continue for a period of twenty (20) years from and after the date hereof, and so long thereafter as oil, gas or other hydrocarbon substances are produced from said land in paying quantities, unless sooner terminated as herein provided.

#### II POSSESSORY RIGHTS

1. Lessee shall have the sole and exclusive right of prospecting the demised premises and drilling for and removing oil, gas, and/or other hydrocarbon substances therefrom, and to establish and maintain on said premises such tanks, boilers, houses, structures, engines and other apparatus and equipment, power lines, telephone and telegraph lines, pipe lines, roads, and other appurtenances (except refinery) which may be necessary or convenient in the operation, production or treating of oil, gas and/or other hydrocarbon substances produced exclusively from said property; Lessee shall have the right during the term of the lease to drill for and develop such water on said premises as he may require in his operations thereon.

2. The possession by Lessee of the demised lands shall be sole and exclusive, excepting that Lessor reserves the right to occupy and use, either in its corporate capacity or by tenant, the surface of said lands, or any part thereof, for agricultural or grazing purposes or for the right of permitting the taking and/or making of motion pictures, insofar as the same shall not at any time interfere with the rights and operations of Lessee, bearing in mind Lessee's paramount right to obtain and remove all oil and other hydrocarbon substances at the place or places and at the time best adapted therefor.

3. Lessor may have, free of cost, the use of any water developed by Lessee on said property for its domestic purposes, so long as the same is not required by Lessee in his operations on said property. Also, Lessor may have, free of cost, the use of any gas developed by Lessee on said property for its domestic purposes so long as the same is not required by Lessee or sold. The transportation of such water or gas shall be taken at a point to be indicated by Lessee and carried to the point of use at the sole cost and risk of Lessor.

#### III DRILLING OBLIGATIONS

1. Lessee agrees to commence the actual drilling of a well for oil or gas on said lands within one (1) month from date of this agreement and to continue the work of drilling such well with reasonable diligence and in good faith until a depth of seven thousand five hundred (7500) feet has been reached, unless oil is discovered in paying quantities at a lesser depth, or unless such formations are encountered at a lesser depth as will indicate to the geologist of Lessee that further drilling would be unsuccessful. In the event such formations are encountered, then Lessee may abandon said well, but this lease shall continue in full force and effect provided the drilling of a new well is commenced within ninety (90) days from the abandonment of the first well, and thereafter drilled diligently as hereinabove provided. If at any time prior to the discovery of oil or gas in paying quantities on this land, and during the term of this lease Lessee shall drill a well on this land which fails to produce oil or gas in paying quantities, this lease shall terminate unless the drilling of a new well shall be commenced within ninety (90) days from completion of drilling of said well, and thereafter be drilled diligently by Lessee



as hereinabove provided.

2. If oil is found in paying quantities in any well so drilled by Lessee upon the hereby leased premises, Lessee (subject to the provisions hereof) shall continue to drill additional wells upon said premises as rapidly as one string of tools, working with due diligence, can complete the same, until there shall have been completed on said premises one well for each ten (10) acres, including offset wells, and any additional wells necessary to comply with offset requirements, whereupon Lessee shall hold the entire premises hereby leased free of further drilling obligations, subject to this lease, and for the full term thereof; provided, that Lessee may, if he so elects, defer the commencement of the drilling of a second or any subsequent well for a period of not to exceed ninety (90) days from the date of the completion of the well last preceding it. Lessee shall be entitled to drill on said premises as many additional wells as he desires.

3. A well producing oil in "paying quantities" is hereby defined to be a well that produces sufficient gas, oil and/or other hydrocarbon substances for a period of thirty (30) days to make the continued operation of the same profitable to Lessee, his successors or assigns.

4. If any well drilled on adjacent property within two hundred fifty (250) feet of any boundary line of the land hereby leased, shall produce oil in paying quantities after a thirty (30) day test, Lessee shall, within ninety (90) days after such test, commence drilling an offset well upon said land, and drill the same diligently to the strata from which oil is being produced in the offset well on the adjacent property. Any such offset well shall be no farther distant from the boundary line of the leased land than the well to be offset, and may be drilled opposite any point located on said boundary line which is within one hundred fifty (150) feet from the point on said boundary line nearest the well to be offset, nor shall the Lessee be obliged to operate more than one (1) string of tools at any particular time, nor to withdraw any string from a well in the course of drilling, nor to drill more than one well to each ten (10) acres, and any additional wells necessary to comply with offset requirements. Any well which Lessee is required to commence as aforesaid shall be drilled and completed with reasonable diligence in the same manner as is required for other wells as set forth in this indenture, and shall count upon the number of wells specified to satisfy the drilling requirements set forth in Section III, Paragraph 2.

5. Either with reference to the first well or any subsequent well, if during the course of the development thereof and prior to the time when the well shall have been completed, as aforesaid, Lessee shall determine that because of mechanical or geological difficulties the completion of said well shall have become impracticable, then Lessee may abandon the well and commence to drill another within ninety (90) days after abandonment, and Lessee shall not in any event be deemed to be in default for failure to complete said well under such circumstances, provided the drilling of another well is commenced within ninety (90) days, as aforesaid, and thereafter drilled diligently as hereinabove provided. After having discovered oil at any depth, Lessee may, should he so desire, drill to an additional depth in any well or wells to explore for oil in greater or additional quantities. Lessee shall also have the right to do such acts and things as he may deem necessary to keep said wells in the highest productive state, including the right to ream, clean out, deepen, or redrill any producing well in order to maintain or increase production.

#### IV RENTAL

1. If actual drilling of a well for oil or gas be not commenced as provided in Section III, paragraph 1 of this agreement, that is, within one month from date hereof, Lessee may extend the time for the commencement of actual drilling operations for an additional period of one month by causing to be paid to the Lessor the sum of Five Hundred Dollars (\$500.00); If actual drilling of a well for oil or gas be not commenced within two (2) months from date hereof, Lessee may extend the time for the commencement of actual drilling operations for an additional period of one month by causing to be paid to the Lessor an additional sum of Five Hundred Dollars (\$500.00); If actual drilling of a well for oil or gas be not commenced within three (3) months from date hereof, Lessee may extend the time for the commencement of actual drilling operations for an additional period of three (3) months by causing to be paid to the Lessor the sum of Seven Hundred Fifty Dollars (\$750.00) per month; If actual drilling of a well for oil or gas be not commenced within six (6) months from date hereof, Lessee may extend the time for the commencement of actual



drilling operations for an additional period of six (6) months by causing to be paid to the Lessor the sum of One Thousand Dollars (\$1,000.00) per month; If actual drilling of a well for oil or gas be not commenced within twelve (12) months from date hereof, Lessee may defer the time for the commencement of actual drilling operations from month to month for a period of not to exceed twenty-four (24) months from the date of this agreement by causing to be paid to the Lessor the sum of One Thousand Five Hundred Dollars (\$1,500.00) per month. All rentals herein provided shall be paid monthly, in advance, and all obligations to pay rental shall cease immediately upon the commencement of drilling operations. If operations for the drilling of a well for gas or oil be not commenced as herein provided within two (2) years from date, then and in that event this lease shall be deemed null, void and of no effect.

#### V. ROYALTIES

1. Lessee shall pay Lessor as royalty 16% of 100% of the value of all oil which may be produced, saved, and removed from said lands after deducting therefrom all oil used in the operation and development of said property and in pumping products produced from said property elsewhere and after making the customary deduction for temperature, water, and b.s., at the published purchase price paid to producers generally at the well in the oil-field in which the premises are located, for oil of like gravity on the day the oil is run into the pipe line or storage tank; settlement to be made by Lessee on or before the 20th day of each calendar month for accrued royalty for the preceding month; or, at Lessor's option, exercised not oftener than once in any calendar year, upon sixty (60) days' previous written notice, Lessee shall deliver into tanks maintained by Lessee on the leased premises or at the mouth of the well to a pipe line designated by Lessor, free of cost, Lessor's 16% of 100% part of said oil. If said oil is delivered into Lessee's tanks it shall be stored therein for not exceeding thirty (30) days free of charge to Lessor but at Lessor's risk. Nothing herein contained shall require Lessee to segregate or keep separate the various grades of oil produced upon the demised premises, nor shall Lessee be required to keep separate the production of any well or group of wells. The oil produced and saved from the different wells may be commingled, and after such commingling shall represent the character of oil produced upon the demised premises. If oil produced from the demised premises shall require treatment or dehydration to render it marketable, Lessee may deduct from any payments or settlements due Lessor the Lessor's proper proportion of the cost of such treatment or dehydration, including transportation to and from the treatment plant if located off the demised premises.

2. Lessee shall pay Lessor as royalty 16% of 100% of the net proceeds derived from the sale of gas from said property while same is being sold or used off the premises; settlement to be made by Lessee on or before the 20th day of each calendar month for gas sold during the preceding month, but nothing herein contained shall require Lessee to save or market gas from said lands. Lessee shall have the right, free of cost to him, to use gas required in the operation and development of said property, and in the production and lifting of oil from said wells, and in pumping products produced from said property elsewhere. If gasoline or other products are manufactured or extracted by Lessee, or by others under contract or lease on a royalty basis, from gas produced from the premises, the Lessee shall pay to Lessor as royalty 16% of 100% of the proceeds received by Lessee from the sale thereof, or the fair market value of same if used by Lessee on the premises or elsewhere, after deducting the cost of manufacturing and marketing the same. Any royalties accruing to Lessor under this paragraph in any calendar month shall be paid by Lessee to Lessor on or before the 20th day of the following month. All rentals provided for in Section IV hereof and all royalties provided for in Section V hereof shall be paid to the Lessor at its offices, 711 Citizens National Bank Building, 453 South Spring Street, Los Angeles, California. This payee may be changed from time to time by Lessor, the Lessee to be notified in writing of such change by a written notice served on him at least fifteen (15) days before such payment is due.

#### VI UNAVOIDABLE DELAYS

1. Drilling and pumping operations shall be suspended on said property only in the event that they are prevented by the elements, accidents, strikes, lockouts, riots, delays in transportation or interference by state or federal action, or by the action of other governmental officers or bodies, or other causes beyond the reasonable control of Lessee.



or so long as the price of oil of the quality produced on said property shall be less than seventy-five cents (75¢) a barrel at the well (except that Lessee shall, regardless of price of oil, pump offset wells when wells offset are being operated), but Lessee shall in each such case with due diligence resume drilling and/or pumping as soon as such preventing cause or causes shall cease to operate.

2. Time consumed in cleaning out, repairing, deepening or improving any producing well or its necessary appurtenances shall not be construed or deemed as an interruption of the covenant requiring continuous operation of producing wells.

#### VII TAXES

1. Lessee agrees to pay before delinquency all taxes levied upon or assessed against the machinery, equipment or other personal property or improvements placed upon said lands by Lessee and upon oil or other products stored on the premises and owned by Lessee, and to pay five-sixths (5/6) of the increase in taxes over and above the assessment on the demised property for the fiscal year 1940-1941, due to or caused by the discovery of oil and/or gas thereon, whether such increase is assessed upon the land or upon the mineral rights. Lessee shall also pay any tax, assessment or charge upon Lessor of said lands imposed by the State of California, or any department thereof, or by any district under any law or regulation for protection of oil against the infiltration of water, or otherwise, in connection with state or district control or regulation of oil or gas lands or operations thereon. All other taxes upon said lands, and all special assessments, and all taxes upon oil or improvements, trees or growing crops or personal property owned by Lessor shall be paid by Lessor.

#### VIII LIENS AND LITIGATION

1. Lessor shall at all times have the right to maintain upon the demised land any and all notices of non-liability which it may consider proper. Lessee shall not suffer nor permit any laborer's or materialmen's lien or liens of like nature to arise or exist upon or against the demised lands or any part thereof by reason of his operations under this instrument, or anything that may be placed thereon by him, and shall hold Lessor harmless against any and all such liens, and against any and all claims arising out of the operations of Lessee hereunder. In like manner Lessor shall be solely chargeable with and liable for material and labor for its horticultural, agricultural and other enterprises permitted by this indenture, and shall likewise not suffer nor permit any lien to arise or exist upon or against its said demised lands, or any part thereof, other than to encumber the same by mortgage or trust deed, and shall hold Lessee harmless against any and all such liens. The party responsible for such shall have the right to contest the same, and shall promptly pay any judgment rendered in connection with said lien, and in case of appeal shall furnish the appeal bond or stay of execution required by law, and after final decision promptly clear the demised premises of any adverse judgment.

2. In the event either party is in default as to any lien, mortgage, judgment, or other encumbrances on the demised premises, the party not in default may, at its election, after five (5) days' written notice to the defaulting party, pay off the same, and in such event the defaulting party shall immediately reimburse the other party for all sums so expended, together with interest thereon at the rate of seven (7) per cent. per annum from the date of such payment. In the event any such advances made by Lessee for the owner hereunder are not otherwise repaid, Lessee may reimburse himself for such advances, together with interest, as above provided, by retaining any royalty or rentals accruing to such owner.

3. Each of the parties shall give the other written notices of any litigation affecting the demised premises as soon as such party shall have knowledge thereof. If either Lessor or Lessee shall commence an action against the other in order to enforce its rights under this instrument, then in any judgment which may be rendered in said action in favor of the plaintiff, the party in default shall have included against it such reasonable attorney's fees in said action as shall be fixed by the court.

#### IX OPERATIVE OBLIGATIONS

1. Lessee shall keep a log, history and core record of each well drilled, and permit Lessor to make copies thereof at its own expense. Lessee shall maintain on the demised lands such gauges and devices as may be necessary for measuring all oil and gasoline produced hereunder and all gas saved and sold, and shall forthwith make and keep a record of the measurements of oil secured in tanks, and all oil and gas removed from the property and sold or otherwise disposed of. Lessor shall have the right at all reasonable times, but only in the presence of a representative of Lessee and in a manner approved by Lessee,



to test the correctness of such gauges and devices, and may examine such accounts during business hours. Lessee shall, furthermore, furnish to Lessor written monthly statements of the production sold from said premises for the preceding month, prior to the 15th day of each calendar month. Lessee shall carry on all operations in a careful, workmanlike manner, and in accordance with the laws of the State of California, and will continuously pump and operate each well drilled by him on said lands while, and so long as, such well produces oil in paying quantities.

#### X. FORFEITURE

1. After the drilling and completion of the first well, should Lessee fail to comply with either or any of the drilling requirements set forth in Section III and should such failure continue for forty-five (45) days after written demand of Lessor served upon Lessee for performance of his drilling obligations, then, at the election of Lessor, Lessor may (by an instrument in writing delivered to Lessee) declare the termination of drilling rights of Lessee, and thereupon all rights of Lessee to drill further or additional new wells upon said premises shall absolutely cease and terminate, but Lessee may retain, clean out, drill or redrill, deepen, pump, and operate the well or wells then drilling or theretofore drilled and completed. Lessee shall retain and shall have reasonable and convenient easements over the various portions of said demised premises, whether or not forfeited or surrendered, for operations of and in his retained wells.

2. The covenants herein contained on the part of Lessee to be performed, to operate producing wells and pay and deliver rents and royalties from the respective wells or the products thereof, are of the essence of this contract, and upon failure of Lessee to perform such essential covenants or either thereof, and the continuance of such failure for thirty (30) days from and after written demand of Lessor served upon Lessee specifying the obligations to be performed, then this lease shall, at the option of Lessor, by an instrument in writing delivered to Lessee, forthwith cease and determine; subject, however, to the rights of Lessee to remove property from said demised premises. Provided that if such violation or failure to perform affects one well only, Lessee shall have the right to retain all other wells producing or being drilled on said premises and as to which he shall not be in default, together with all reasonable and convenient easements from the various portions of the said demised premises whether forfeited or surrendered to his retained wells.

#### XI. SURRENDER

1. Lessee, upon payment to Lessor of the sum of Ten Dollars (\$10.00), may at any time either prior to or after discovery of oil on the demised premises quitclaim said property or any part thereof to Lessor, its successors or assigns, and thereupon all rights and obligations of the parties hereto, one to the other, shall cease and determine as to the premises quitclaimed, except unpaid royalties and taxes, if any. Upon quitclaiming any part of the land to Lessor, its successors or assigns, all rentals and drilling obligations shall be reduced pro rata according to the area surrendered by Lessee. All lands quitclaimed shall remain subject to the rights of way necessary or convenient for Lessee's operation on the land retained by him.

#### XII. REMOVAL OF EQUIPMENT

1. Lessee shall have at any time the right to remove any houses, tanks, pipe lines, structures, casing or other equipment, appurtenances or appliances placed by him upon said land whether affixed to the soil or not; provided, however, that in the case of an abandonment of any well in which Lessee has landed casing, if the owner of the land on which such well to be abandoned is located shall desire to retain the same as a water well, the owner may notify Lessee to that effect within ten (10) days after mailing of notice of abandonment from Lessee, and thereupon Lessee shall leave in the well such of said casing as said owner shall require, and said owner shall pay to Lessee an amount equal to fifty (50) per cent. of the cost to Lessee of such casing delivered on the ground.

#### XIII. TITLE

1. Lessor hereby warrants that it has title and agrees to defend the title to the land and rig as herein described.

2. In case any action is brought at law or inequity by third parties claiming title to the land, in hostility to Lessor, then, during the pendency of said action, until final decision thereof, Lessee may discontinue operations on said land, or if he operates wells



may deposit the royalties accruing under this lease in Citizens National Trust & Savings Bank of Los Angeles, Head Office, in the City of Los Angeles, State of California, to the joint account of Lessor and Lessee.

#### XIV. NOTICES

1. Any notice relative to this lease from the Lessee to Lessor shall be deemed sufficiently delivered if a written copy thereof be delivered to Lessor, care of Wolfson & Swetow, 711 Citizens National Bank Building, 453 South Spring Street, Los Angeles, California, or to some other person or institution from time to time designated in writing by Lessor, or by mailing written copy by registered mail, postage prepaid, addressed to Lessor at the last address furnished in writing to Lessee by Lessor. Any notice relative to this lease from Lessor to Lessee shall be deemed sufficiently delivered if a written copy thereof be delivered to Lessee at 417 South Hill Street, Los Angeles, California, or by mailing written copy by registered mail, postage prepaid, addressed to Lessee at the last address furnished in writing to Lessor by Lessee.

#### XV. FIFTEEN-DAY GRACE PERIOD

1. Anything herein contained to the contrary notwithstanding, it is understood and agreed between the parties hereto that should the Lessee fail to commence the actual drilling of a well for oil or gas as in Section III, Paragraph 1 herein provided, and shall fail to pay the rentals as provided in Section IV, Paragraph 1, the Lessor will not declare the default without first giving the Lessee fifteen (15) days' written notice of its intention so to do, within which time the Lessee may cure the said default by the payment of rent as in this lease provided, or by the actual commencement of drilling of a well for oil or gas on the leased premises.

#### XVI. GENERAL COVENANTS

1. Upon the termination of this lease, whether by lapse of time or otherwise, as to all or any portion of the premises hereby leased, Lessee shall peaceably and quietly leave, surrender and yield up unto Lessor said premises or such portion thereof as to which this lease shall have terminated, and shall so far as possible fill all sump holes and other excavations made by him, and restore the land as nearly as possible to the condition in which it was received; and Lessee shall promptly execute and deliver to Lessor a good and sufficient quitclaim deed to be recorded in order that the record title of said premises or the portion thereof as to which this lease has terminated may be cleared of the cloud created by this lease.

2. It is agreed by Lessor that after re-entering upon any of the demised land surrendered or forfeited by Lessee that it shall not drill nor excavate for oil, gas or other hydrocarbon substances within three hundred (300) feet of any drilling or producing well on said lands retained by Lessee.

3. If the estate of either party hereto is assigned, the covenants hereof shall extend to their heirs, executors, administrators, successors and assigns, but no change of ownership in the land or in the rentals or royalties shall be binding on the Lessee until after Lessee has been furnished with written notice of such transfer or assignment, together with a certified copy of the instruments of transfer or assignment. IN TESTIMONY WHEREOF, the Lessor has caused its corporate name and seal to be hereunto affixed by its officers first thereunto duly authorized, and the Lessee has affixed his name and seal the day and year in this instrument first above written.

(Seal)

THE NEWHALL CORPORATION,  
By Joseph K. Ferguson, Its President  
By Burnett Wolfson, Its Secretary

LESSOR

C.C. Willis,

LESSEE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES) SS. On this 6th day of June, 1941, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Joseph K. Ferguson and Burnett Wolfson, known to me to be the President and Secretary, respectively, of THE NEWHALL CORPORATION, the corporation that executed the within instrument, known to me to be the persons who executed the within instrument, on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same.

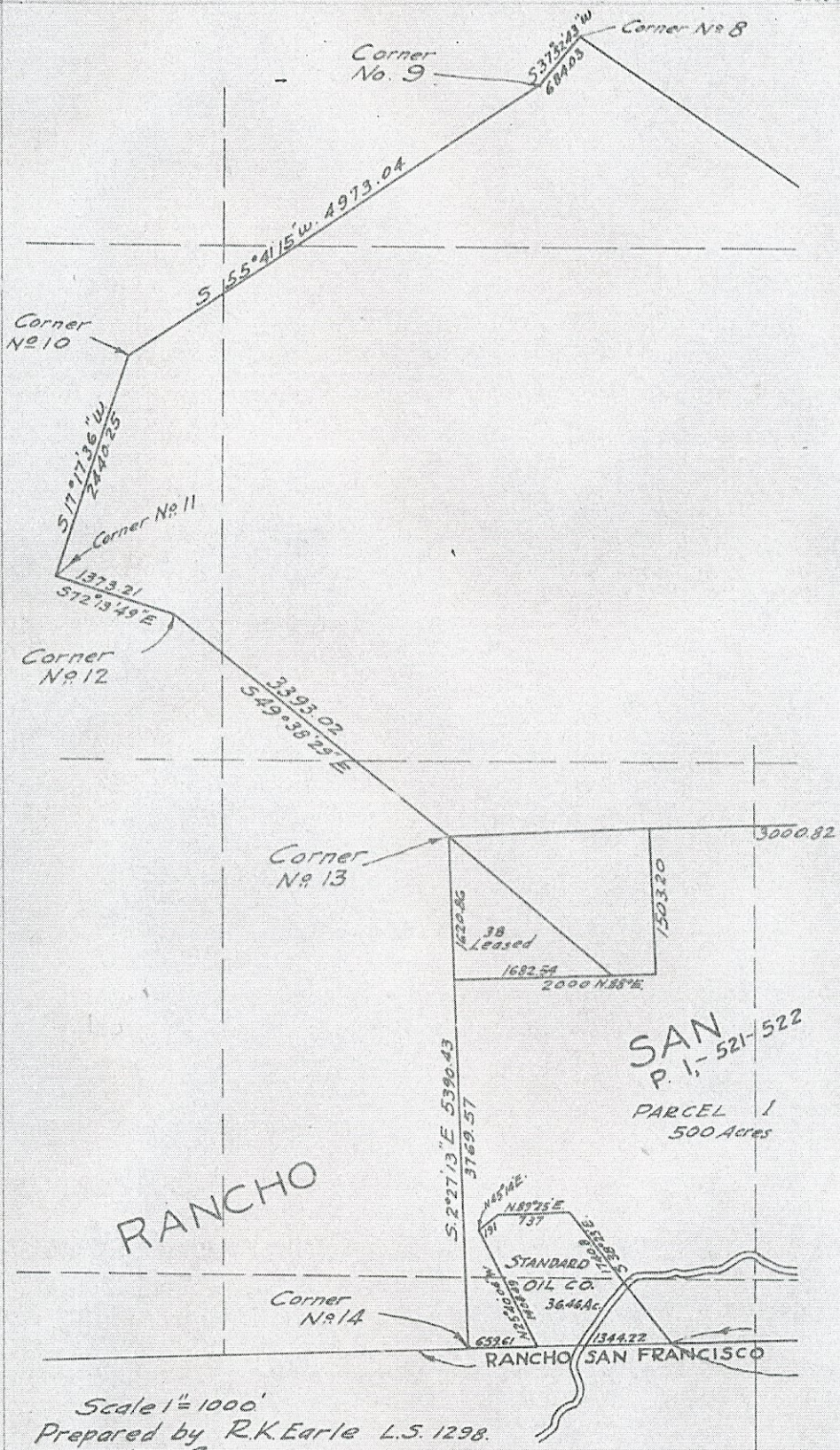
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(Seal)

Earl I. Swetow, Notary Public

in and for said County and State.



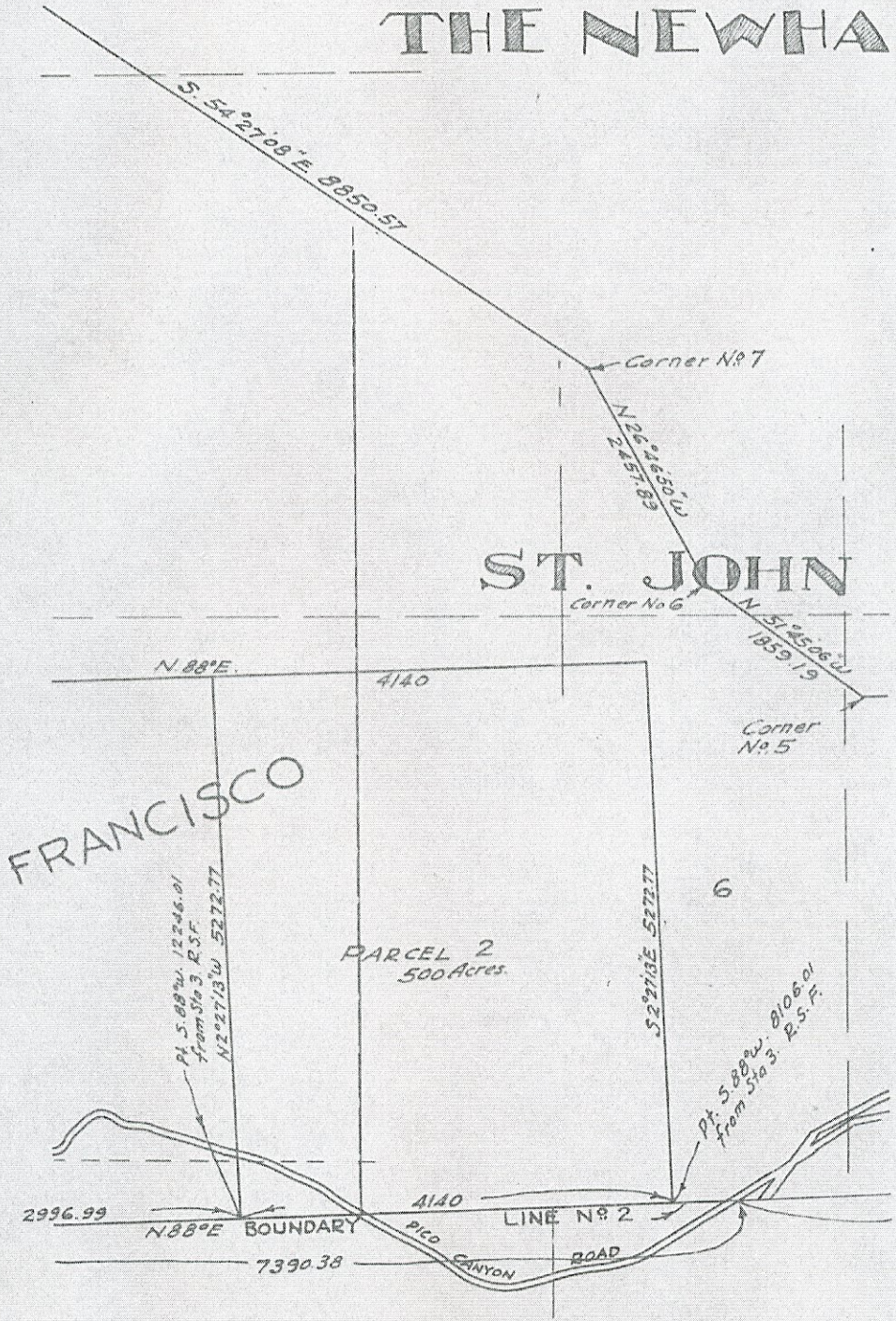


Scale 1" = 1000'  
 Prepared by R.K. Earle L.S. 1298.  
 R.K. Earle.



PR

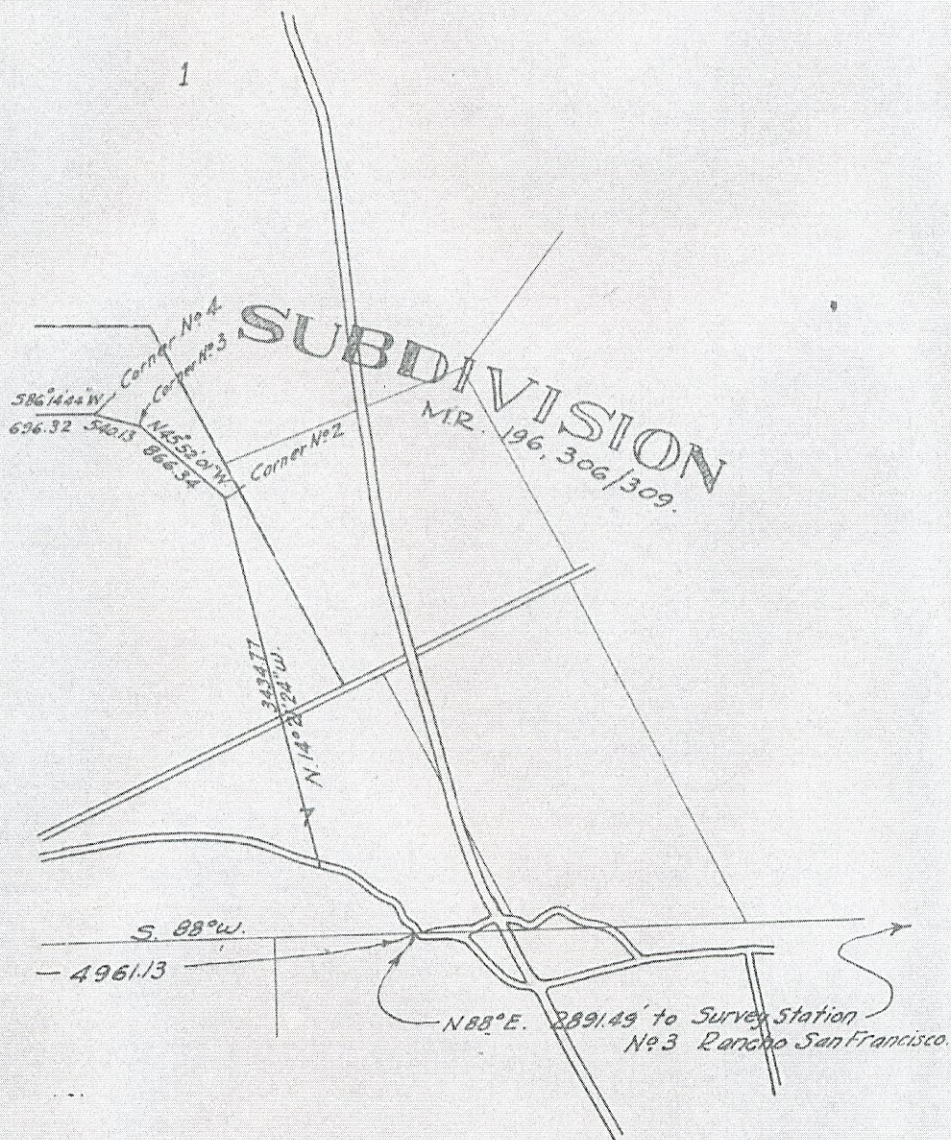
# THE NEWHA





PROPERTY

LL CORPORATION



#1178 Copy of original recorded at request of S.G. Willis Sep 15, 1941 at 3:19 P.M.  
 Copyst #130 Compared. Mare B. Beatty, County Recorder By F. W. Williams (121) Deputy  
 #21.70-65-M.