

**CITY OF WHITTIER AND
MOUNTAINS RECREATION AND CONSERVATION AUTHORITY
FOR IMMEDIATE RELEASE**

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CONTACTS: Jeffrey W. Collier, City of Whittier, (562) 567-9301
Dash Stolarz, MRCA, (310) 985-5147

The City of Whittier and the Mountains Recreation and Conservation Authority (MRCA), have announced a settlement of the litigation concerning the City's lease of property located within the Whittier Hills to Matrix Oil for anticipated oil production.

In early 2012, the MRCA initiated a lawsuit challenging a 2008 lease between the City of Whittier and Matrix Oil for an oil and gas exploration project at a site used for oil drilling until the 1990s within the Whittier Hills. The lawsuit alleged the project violated, among other things, Los Angeles County Proposition A, a ballot measure approved by the voters in 1992 to increase the safety of neighborhood parks, plant trees and acquire, restore and preserve park, wildlife, and open space resources. The matter was heard before the Los Angeles Superior Court on June 6, 2013 pursuant to which Judge James Chalfant entered an order for a preliminary injunction prohibiting the oil project from proceeding pending the entry of final judgment. This settlement resolves the claims raised by the MRCA regarding this project.

Under the terms of the settlement, the MRCA will share project royalties with the City and will receive up to \$11.25 million annually for park, recreation, open space, conservation and educational interpretation purposes. The funding will effectively extend the benefits of Proposition A countywide-which would otherwise expire in the next few years-for another generation.

The settlement further provides environmental safeguards for the public and assures that high volume, high pressure hydraulic fracturing (commonly referred to as "hydraulic fracking") will not be used as part of the oil project.

Whittier Mayor Bob Henderson, who also Chairs the Puente Hills Habitat Preservation Authority, is pleased with the settlement and stated, "As the City Council has expressed from the beginning, we felt it was appropriate to share a significant portion of the proceeds from our oil royalties with the environmental community in Los Angeles County to allow for greater preservation of native habitat and the public's enjoyment of our nature environment. The settlement with the MRCA will allow benefits to flow to County residents through the stewardship of this well-respected public park agency that manages some 69,000 acres of environmentally sensitive lands."

Commenting on the settlement, George Lange, Chairman of the Mountains Recreation and Conservation Authority, stated "This is a significant win for the preservation and protection of urban open space and for maintaining safe and accessible parks for the public. The settlement avoids costly and unpredictable legal outcomes on appeal. It includes provisions to protect the Whittier Hills and it provides reliable funding to maintain and improve thousands of acres of public parkland well into the future which is most important."

Whittier's stated goal was and is to maintain the open space assets available to the public while generating a stable income stream which would support City services without tax increases into the future as well as provide funding for infrastructure replacement.

The project, as approved by the City, incorporates significant investment in habitat enhancement within the Whittier Hills. The project's surface footprint will be limited to only approximately 2% of the 1,280-acre former oil field. The remainder of the open space will be left untouched—preserving this habitat resource while maintaining access and enjoyment to recreational users. There will be no net loss of protected open space, as the City will provide 17.1 acres of biologically contiguous land to replace the land taken out of use by the project. The agreement will ultimately allow the extraction of the oil and natural gas, again, from Whittier Hills. However, with approximately 200 operating and monitoring conditions imposed by the Whittier City Council, both the residents and the environment will be fully protected. The parties believe their efforts and goals are now best served through the consummation of this settlement.

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