

**NOTICE OF A SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF THE
OVERSIGHT BOARD OF THE
SUCCESSOR AGENCY TO THE INDUSTRY
URBAN-DEVELOPMENT AGENCY**

TO THE MEMBERS OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT, AND ALL OTHER INTERESTED PARTIES:

NOTICE is hereby given that the Oversight Board of the Successor Agency to the Industry Urban-Development Agency will hold a Special Meeting on Thursday, September 29, 2016 at 9:00 a.m., in the City of Industry Council Chamber, 15651 East Stafford Street, City of Industry, California 91744, to consider the following and to take actions in connection therewith:

1. Call to Order

2. Flag Salute

3. Roll Call

4. Public Comments

5. **OVERSIGHT BOARD MATTERS**

5.1 Consideration of Resolution No. OB 2016-21- A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING THE OVERSIGHT BOARD'S MINUTES FOR THE AUGUST 2, 2016 REGULAR MEETING.

RECOMMENDED ACTION: Adopt Resolution No. OB 2016-21.

5.2 Discussion and review of the Oversight Board's Conflict of Interest Code.

RECOMMENDED ACTION: Discuss and provide direction to staff.

5.3 Presentation and discussion of the status report identifying the inventory of properties, projected cash flow for projects to be funded by other funds, and the project summary.

RECOMMENDED ACTION: Receive and file the report.

5.4 Consideration of Resolution No. OB 2016-22- A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE FORMER INDUSTRY URBAN-DEVELOPMENT AGENCY APPROVING AN AMENDMENT TO THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(O)(1)(E).

RECOMMENDED ACTION: Adopt Resolution No. OB 2016-22.

- 5.5 Consideration of Resolution No. OB 2016-23- A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING THE CONTRACT FOR EXTENSION OF ELECTRIC DISTRIBUTION LINE BY AND BETWEEN THE SUCCESSOR AGENCY AND THE INDUSTRY PUBLIC UTILITY COMMISSION.

RECOMMENDED ACTION: Adopt Resolution No. OB 2016-23.

- 5.6 Consideration of Resolution No. OB 2016-24 - A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING THE TRAFFIC MITIGATION AGREEMENT BY AND BETWEEN THE SUCCESSOR AGENCY AND THE CITY OF WALNUT.

RECOMMENDED ACTION: Adopt Resolution No. OB 2016-24.

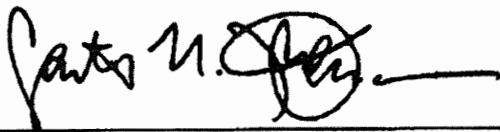
- 5.7 Consideration of Resolution No. OB 2016-25 - A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF CERTAIN REAL PROPERTY COMMONLY KNOWN AS TRES HERMANOS RANCH.

RECOMMENDED ACTION: Adopt Resolution No. OB 2016-25.

- 5.8 Consideration of the cancellation of the next regular meeting scheduled for Tuesday, October 5, 2016, at 3:30 p.m.

RECOMMENDED ACTION: Cancel the next regular meeting.

6. Adjournment. If Item 5.8 is approved, the next regular Oversight Board meeting will be on Tuesday, November 1, 2016 at 3:30 p.m.



Santos H. Kreimann, Chairman
Oversight Board of the Successor Agency
to the Industry Urban-Development Agency

Dated: September 26, 2016

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY

SPECIAL MEETING AGENDA SEPTEMBER 29, 2016 9:00 A.M.

Location: City of Industry City Council Chamber
15651 East Stafford Street, City of Industry, California

Addressing the Oversight Board:

- ▶ **Agenda Items:** *Members of the public may address the Oversight Board on any matter listed on the Agenda. In order to conduct a timely meeting, there will be a three-minute time limit per person for any matter listed on the Agenda. Anyone wishing to speak to the Oversight Board is asked to complete a Speaker's Card which can be found at the back of the room and at the podium. The completed card should be submitted to the Secretary prior to the Agenda item being called and prior to the individual being heard by the Oversight Board.*
- ▶ **Public Comments (Agenda Items):** *During oral communications, if you wish to address the Oversight Board during this Special Meeting, under Government Code Section 54954.3(a), you may only address the Oversight Board concerning any item that has been described in the notice for the Special Meeting.*

Americans with Disabilities Act:

- ▶ *In compliance with the ADA, if you need special assistance to participate in any meeting (including assisted listening devices), please contact the Office of the Secretary to the Oversight Board (626) 333-2211. Notification of at least 72 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting.*

Agendas and other writings:

- ▶ *In compliance with Government Code Section 54957.5(b), staff reports and other public records permissible for disclosure related to open session agenda items are available at City of Industry City Hall, 15625 East Stafford Street, Suite 100, City of Industry, California, at the office of the Secretary of the Oversight Board during regular business hours, Monday through Friday, 9:00 a.m. to 5:00 p.m. Agendas are available on the City of Industry website: www.cityofindustry.org.*

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1. Call to Order
 2. Flag Salute
 3. Roll Call

4. Public Comments

5. **OVERSIGHT BOARD MATTERS**

- 5.1 Consideration of Resolution No. OB 2016-21- A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING THE OVERSIGHT BOARD'S MINUTES FOR THE AUGUST 2, 2016 REGULAR MEETING.

RECOMMENDED ACTION: Adopt Resolution No. OB 2016-21.

- 5.2 Discussion and review of the Oversight Board's Conflict of Interest Code.

RECOMMENDED ACTION: Discuss and provide direction to staff.

- 5.3 Presentation and discussion of the status report identifying the inventory of properties, projected cash flow for projects to be funded by other funds, and the project summary.

RECOMMENDED ACTION: Receive and file the report.

- 5.4 Consideration of Resolution No. OB 2016-22- A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE FORMER INDUSTRY URBAN-DEVELOPMENT AGENCY APPROVING AN AMENDMENT TO THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2017, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(O)(1)(E).

RECOMMENDED ACTION: Adopt Resolution No. OB 2016-22.

- 5.5 Consideration of Resolution No. OB 2016-23- A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING THE CONTRACT FOR EXTENSION OF ELECTRIC DISTRIBUTION LINE BY AND BETWEEN THE SUCCESSOR AGENCY AND THE INDUSTRY PUBLIC UTILITY COMMISSION.

RECOMMENDED ACTION: Adopt Resolution No. OB 2016-23.

- 5.6 Consideration of Resolution No. OB 2016-24 - A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING THE TRAFFIC MITIGATION AGREEMENT BY AND BETWEEN THE SUCCESSOR

AGENCY AND THE CITY OF WALNUT.

RECOMMENDED ACTION: Adopt Resolution No. OB 2016-24.

- 5.7 Consideration of Resolution No. OB 2016-25 - A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF CERTAIN REAL PROPERTY COMMONLY KNOWN AS TRES HERMANOS RANCH.

RECOMMENDED ACTION: Adopt Resolution No. OB 2016-25.

- 5.8 Consideration of the cancellation of the next regular meeting scheduled for Tuesday, October 5, 2016, at 3:30 p.m.

RECOMMENDED ACTION: Cancel the next regular meeting.

6. Adjournment. If Item 5.8 is approved, the next regular Oversight Board meeting will be on Tuesday, November 1, 2016 at 3:30 p.m.

*OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT AGENCY*

ITEM NO. 5.1

RESOLUTION NO. OB 2016-21

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING THE OVERSIGHT BOARD'S MINUTES FOR THE AUGUST 2, 2016 REGULAR MEETING

WHEREAS, the Successor Agency to the Industry Urban-Development Agency was formed in accordance with California Health and Safety Code Section 34173 ("Successor Agency"); and

WHEREAS, the Oversight Board ("Oversight Board") of the Successor Agency was established pursuant to California Health and Safety Code Section 34179; and

WHEREAS, the Oversight Board Secretary or designee has prepared and submitted the minutes for the August 2, 2016 Regular Meeting to the Oversight Board for consideration and approval, in substantially the form attached hereto as Exhibit A; and

WHEREAS, the Oversight Board has determined that the approval of the minutes is both proper and necessary; and

WHEREAS, California Health and Safety Code Section 34179(e) requires the Oversight Board to adopt resolutions for any action taken by the Oversight Board.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

Section 1. Approval of Minutes. The Oversight Board hereby approves and adopts the minutes for the August 2, 2016 Regular Meeting of the Oversight Board, in substantially the form attached hereto as Exhibit A.

Section 2. Other Actions. The Oversight Board hereby authorizes and directs the Chairman, Vice-Chairman and/or Secretary or the Oversight Board, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.

PASSED, APPROVED AND ADOPTED by the Oversight Board at a duly noticed meeting of the Oversight Board held on September 29, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By:

Santos H. Kreimann, Chairman
Oversight Board of the Successor Agency to the
Industry Urban-Development Agency

ATTEST:

Diane M. Schlichting, Secretary
Oversight Board of the Successor Agency to the
Industry Urban-Development Agency

RESOLUTION NO. OB 2016-21

EXHIBIT A

AUGUST 2, 2015 OVERSIGHT BOARD MINUTES

[ATTACHED BEHIND THIS PAGE]

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
REGULAR MEETING MINUTES
CITY OF INDUSTRY, CALIFORNIA
AUGUST 2, 2016
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CALL TO ORDER

The Regular Meeting of the Oversight Board of the Successor Agency to the Industry Urban-Development Agency was called to order by Chairman Santos Kreimann at 3:34 p.m., in the City of Industry Council Chamber, 15651 East Stafford Street, California.

FLAG SALUTE

The flag salute was led by Chairman Santos Kreimann.

ROLL CALL

PRESENT: Santos Kreimann, Chairman
Michael Gregoryk, Vice Chairman
Cindy Chen, Board Member
Darin DeKnikker, Board Member
Paul Philips, Board Member
Congressman Esteban Torres, Board Member

ABSENT: Yolanda Duarte, Board Member

MOTION BY VICE CHAIRMAN GREGORYK, AND SECOND BY BOARD MEMBER PHILIPS TO GRANT BOARD MEMBER DUARTE AN EXCUSED ABSENCE. MOTION CARRIED 6-0, WITH BOARD MEMBER DUARTE ABSENT.

STAFF PRESENT: Nathan Heyde, Oversight Board Counsel; James M. Casso, Agency Legal Counsel; and Diane M. Schlichting, Secretary.

PUBLIC COMMENTS

There were no public comments.

CONSIDERATION OF RESOLUTION NO. OB 2016-17 - A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING THE OVERSIGHT BOARD'S MINUTES FOR THE JUNE 7, 2016 SPECIAL MEETING

MOTION BY BOARD MEMBER PHILIPS, AND SECOND BY VICE CHAIRMAN GREGORYK TO ADOPT RESOLUTION NO. OB 2016-17. MOTION CARRIED 6-0 BY

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
REGULAR MEETING MINUTES
CITY OF INDUSTRY, CALIFORNIA
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THE FOLLOWING VOTE:

AYES: BOARD MEMBER CHEN, BOARD MEMBER DEKNIKKER, BOARD MEMBER PHILIPS, CONGRESSMAN TORRES, VICE CHAIRMAN GREGORYK, AND CHAIRMAN KREIMANN

NOES: NONE

ABSENT: BOARD MEMBER DUARTE

ABSTAIN: NONE

CONSIDERATION AND DISCUSSION OF THE STATUS REPORT IDENTIFYING THE INVENTORY OF PROPERTIES, PROJECTED CASH FLOW FOR PROJECTS TO BE FUNDED BY OTHER FUNDS, AND THE PROJECT SUMMARY

Mr. Dean Yamagata, Partner with Frazer, LLP, contracted to manage the Finance Department for the City and Agency, presented a report and responded to questions from Members of the Oversight Board.

Board Member Duarte arrived at the meeting at 3:46 p.m.

Mr. Josh Nelson, Deputy City Engineer with CNC Engineering, provided additional information and responded to questions from Members of the Oversight Board.

Vice Chairman Gregoryk requested a chart identifying where we are today and what is the plan to fully fund the \$180,000,000.00 for the 600-acre property. Vice Chairman Gregoryk stated that he is not only interested in the cash flow, but is also interested in the sale of the properties and how that affects the 600 acres.

Chairman Kreimann requested a chart identifying what the outflows are and when the cash flow will be going back to the taxing entities.

MOTION BY BOARD MEMBER PHILIPS, AND SECOND BY BOARD MEMBER DEKNIKKER TO RECEIVE AND FILE THE REPORT. MOTION CARRIED 7-0, BY THE FOLLOWING VOTE:

AYES: BOARD MEMBER CHEN, BOARD MEMBER DEKNIKKER, BOARD MEMBER DUARTE, BOARD MEMBER PHILIPS, CONGRESSMAN TORRES, VICE CHAIRMAN GREGORYK, AND CHAIRMAN

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
REGULAR MEETING MINUTES
CITY OF INDUSTRY, CALIFORNIA
AUGUST 2, 2016
PAGE 3

KREIMANN

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

PRESENTATION AND DISCUSSION REGARDING THE INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS FOR THE FISCAL YEAR ENDED JUNE 30, 2015; THE INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL RELATED MATTERS IDENTIFIED IN THE AUDIT FOR THE FISCAL YEAR ENDED JUNE 30, 2015; AND THE AUDITOR'S COMMUNICATIONS WITH THE SUCCESSOR AGENCY FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Mr. Dean Yamagata, Partner with Frazer, LLP, contracted to manage the Finance Department for the City and Agency, presented a report and responded to questions from Members of the Oversight Board.

Agency Legal Counsel Casso provided additional information.

MOTION BY VICE CHAIRMAN GREGORY, AND SECOND BY BOARD MEMBER DUARTE TO RECEIVE AND FILE THE REPORTS. MOTION CARRIED 7-0, BY THE FOLLOWING VOTE:

AYES: BOARD MEMBER CHEN, BOARD MEMBER DEKNIKKER, BOARD MEMBER DUARTE, BOARD MEMBER PHILIPS, CONGRESSMAN TORRES, VICE CHAIRMAN GREGORYK, AND CHAIRMAN KREIMANN

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

CONSIDERATION OF RESOLUTION NO. OB 2016-18 - A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
REGULAR MEETING MINUTES
CITY OF INDUSTRY, CALIFORNIA
AUGUST 2, 2016
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DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF CERTAIN REAL PROPERTY LOCATED AT 17723 GALE AVENUE, CITY OF INDUSTRY, CALIFORNIA
Agency Legal Counsel Casso presented a report and responded to questions from the Members of the Oversight Board.

MOTION BY BOARD MEMBER PHILIPS, AND SECOND BY CONGRESSMAN TORRES TO ADOPT RESOLUTION NO. OB 2016-18. MOTION CARRIED 7-0, BY THE FOLLOWING VOTE:

AYES: BOARD MEMBER CHEN, BOARD MEMBER DEKNIKKER, BOARD MEMBER DUARTE, BOARD MEMBER PHILIPS, CONGRESSMAN TORRES, VICE CHAIRMAN GREGORYK, AND CHAIRMAN KREIMANN

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

CONSIDERATION OF RESOLUTION NO. OB 2016-19 - A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF CERTAIN PROPERTY LOCATED AT 125 NORTH ORANGE AVENUE, CITY OF INDUSTRY, CALIFORNIA

Agency Legal Counsel Casso presented a report and responded to questions from the Members of the Oversight Board.

MOTION BY BOARD MEMBER PHILIPS, AND SECOND BY VICE CHAIRMAN GREGORYK TO ADOPT RESOLUTION NO. OB 2016-19. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

AYES: BOARD MEMBER CHEN, BOARD MEMBER DEKNIKKER, BOARD MEMBER DUARTE, BOARD MEMBER PHILIPS, CONGRESSMAN

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
REGULAR MEETING MINUTES
CITY OF INDUSTRY, CALIFORNIA
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TORRES, VICE CHAIRMAN GREGORYK, AND CHAIRMAN
KREIMANN

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

**CONSIDERATION OF RESOLUTION NO. OB 2016-20 - A RESOLUTION OF THE
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-
DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY
OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE
AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF CERTAIN REAL
PROPERTY LOCATED AT 19835 WALNUT DRIVE, CITY OF INDUSTRY, CALIFORNIA**

Agency Legal Counsel Casso presented a report and responded to questions from the
Members of the Oversight Board.

MOTION BY BOARD MEMBER PHILIPS, AND SECOND BY VICE CHAIRMAN
GREGORYK TO ADOPT RESOLUTION NO. OB 2016-20. MOTION CARRIED 7-0, BY
THE FOLLOWING VOTE:

AYES: BOARD MEMBER CHEN, BOARD MEMBER DEKNIKKER, BOARD
MEMBER DUARTE, BOARD MEMBER PHILIPS, CONGRESSMAN
TORRES, VICE CHAIRMAN GREGORYK, AND CHAIRMAN
KREIMANN

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

UPDATE AND DISCUSSION ON THE TRES HERMANOS PROPERTY

Agency Legal Counsel Casso presented a report and responded to questions from
Members of the Oversight Board. Discussion was held.

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
REGULAR MEETING MINUTES
CITY OF INDUSTRY, CALIFORNIA
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ADJOURNMENT

There being no further business, the Oversight Board of the Successor Agency to the Industry Urban-Development Agency adjourned.

Santos H. Kreimann, Chairman

Diane M. Schlichting, Secretary

*OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT AGENCY*

ITEM NO. 5.2

RESOLUTION NO. OB 2012-04

**A RESOLUTION OF THE OVERSIGHT BOARD OF
THE SUCCESSOR AGENCY TO THE INDUSTRY
URBAN-DEVELOPMENT AGENCY APPROVING A
CONFLICT OF INTEREST CODE**

WHEREAS, the successor agency to the Industry Urban-Development Agency was formed in accordance with California Health and Safety Code Section 34173 (“Successor Agency”); and

WHEREAS, the Oversight Board (“Oversight Board”) of the Successor Agency has been established pursuant to California Health and Safety Code Section 34179; and

WHEREAS, pursuant to California Health and Safety Code Section 34179(e), the Oversight Board is deemed to be a local entity for purposes of California Government Code Section 81000 et seq. (“Political Reform Act”); and

WHEREAS, pursuant to Section 87300 of the Political Reform Act, local government agencies must adopt a conflict of interest code (“Conflict of Interest Code”), and pursuant to Section 87302 of the Political Reform Act, the Conflict of Interest Code must set forth, among other things: (i) a list of the positions within the local government agency that involve the making of decisions which may foreseeably have a material effect on any financial interest; (ii) for each listed position, a description of reportable financial interests; (iii) financial interest disclosure requirements; and (iv) financial interest disqualification procedures; and

WHEREAS, pursuant to Section 87303 of the Political Reform Act, the Conflict of Interest Code must be approved by a code reviewing body, and pursuant to Government Code Section 82011(b), and consistent with an opinion letter from the California Fair Political Practices Commission (“FPPC”) to the League of California Cities, dated April 25, 2012, the code reviewing body for a local government agency like the Oversight Board is the City Council of the City of Industry; and

WHEREAS, the FPPC regulations implementing the Political Reform Act are contained in the California Code of Regulations, Title 2, Division 6 (Sections 18110-18997) (“Regulations”) and include the terms of a standard Conflict of Interest Code; and

WHEREAS, a proposed Conflict of Interest Code has been prepared to meet the requirements of the Political Reform Act and the FPPC Regulations, taking into account the specific duties of the Oversight Board and is attached hereto as Exhibit A, and by this reference made a part hereof; and

WHEREAS, the Oversight Board has determined it appropriate to approve and adopt the proposed Conflict of Interest Code and hereby declares its intention to incorporate by reference the terms of the FPPC standard Conflict of Interest Code and any amendments to the Regulations duly adopted by the FPPC as part of its standard Conflict of Interest Code; and

WHEREAS, California Health and Safety Code Section 34179(e) requires the Oversight Board to adopt resolutions for any action taken by the Oversight Board.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

Section 1. **Approval of Conflict of Interest Code.** The Oversight Board hereby approves the Conflict of Interest Code in the form attached hereto as Exhibit A.

Section 2. **Delivery to Code Reviewing Body.** The Oversight Board directs Successor Agency staff to promptly submit the Conflict of Interest Code to the City Council of the City of Industry, in its capacity as the code reviewing body, for review and final approval.

Section 3. **Filing of Statement of Economic Interests.** Upon approval of the Conflict of Interest Code by the City Council, the persons whose positions are designated in the Conflict of Interest Code shall file their Form 700 – Statement of Economic Interests with the Filing Officer for the City of Industry in compliance with the Political Reform Act, Regulations, and/or any amendments thereto, which set forth the deadlines for the filing of initial statements, assuming office statements, annual statements, and leaving office statements.

Section 4. **Delivery to the California Department of Finance.** The Oversight Board hereby authorizes and directs the Secretary of the Oversight Board to electronically deliver a copy of this resolution (“Resolution”), including Exhibit A, to the California Department of Finance in accordance with California Health and Safety Code Section 34179(h).

Section 5. **Other Actions.** The Oversight Board hereby authorizes and directs the Chairman, Vice-Chairman and/or Secretary of the Oversight Board, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the approval of the Conflict of Interest Code and otherwise effectuate the purposes of this Resolution, and such actions previously taken by such offices are hereby ratified and confirmed.

Section 6. **Effect.** This Resolution shall take effect upon approval of the California Department of Finance in accordance with California Health and Safety Code Section 34179(h).

PASSED, APPROVED AND ADOPTED by the Oversight Board at a duly noticed meeting of the Oversight Board held on August 7, 2012, by the following vote:

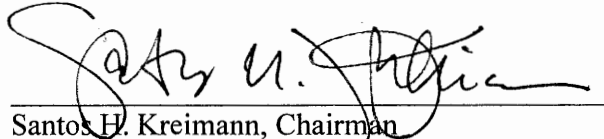
Ayes: **Chairman Kreimann, Vice Chairman Cipriani, Board Member Frutos, Board Member Gregoryk, Board Member Nunez, & Board Member Radecki**

Noes: **None**

Absent: **Board Member Molina**

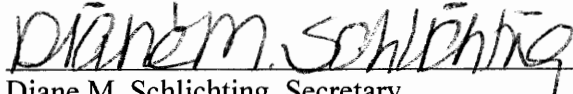
Abstain: **None**

By:



Santos H. Kreimann, Chairman
Oversight Board of the Successor Agency to the
Industry Urban-Development Agency

ATTEST:



Diane M. Schlichting, Secretary
Oversight Board of the Successor Agency to the
Industry Urban-Development Agency

RESOLUTION NO. OB 2012-04

EXHIBIT A

CONFLICT OF INTEREST CODE

[ATTACHED BEHIND THIS PAGE]

Conflict of Interest Code
of the

**OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-
DEVELOPMENT AGENCY**

Incorporation of FPPC Regulation 18730 (2 California Code of Regulations, Section 18730) by
Reference

The Political Reform Act (Government Code Section 81000, *et seq.*) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. 18730), which contains the terms of a standard conflict of interest code. After public notice and hearing, it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. The terms of California Code of Regulations Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated into the conflict of interest code of this agency by reference. This regulation and the attached Appendices (or Exhibits) designating officials and employees and establishing economic disclosure categories shall constitute the conflict of interest code of this agency.

Place of Filing of Statements of Economic Interests

All officials and employees required to submit a statement of economic interests shall file their statements with the agency head (currently the Filing Officer for the City of Industry) or his or her designee. The agency shall make and retain a copy of all statements filed by its Oversight Board Members and forward the originals of such statements to the Executive Office of the City Council of the City of Industry.

The agency shall retain the originals of statements for all other Designated Positions named in the agency's conflict of interest code. All retained statements, original or copied, shall be available for public inspection and reproduction (Gov. Code Section 81008).

**OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-
DEVELOPMENT AGENCY**

EXHIBIT "A"

CATEGORY 1

Persons in this category shall disclose all interest in real property within the redevelopment project areas of the designated local authority. Real property shall be deemed to be within the jurisdiction if the property or any part of it is located within or not more than two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the agency.

CATEGORY 2

Persons in this category shall disclose all investments and business positions.

CATEGORY 3

Persons in this category shall disclose all income and business positions.

CATEGORY 4

Persons in this category shall disclose all business positions, investments in, or income (including gifts and loans) received from business entities that manufacture, provide or sell service and/or supplies of a type utilized by the agency and associated with the job assignment of designated positions assigned to this disclosure category.

CATEGORY 5

Individuals who perform under contract the duties of any designated position shall be required to file Statements of Economic Interests disclosing reportable interest in the categories assigned to that designated position.

In addition, individuals who, under contract, participate in decisions which affect financial interests by providing information advice, recommendation or counsel to the agency which could affect financial interest shall be required to file Statements of Economic Interest, unless they fall within the Political Reform Act's exceptions to the definition of consultant. The level of disclosure shall be as determined by the executive officer (or head) of the agency.

**OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-
DEVELOPMENT AGENCY**

EXHIBIT "B"

**DESIGNATED POSITIONS
CATEGORY**

DISCLOSURE

Oversight Board Member

1,2,3,4

Consultant

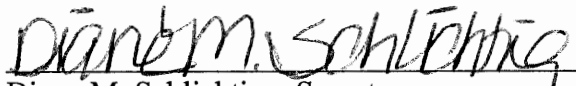
5

EFFECTIVE: 7/1/2012

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF INDUSTRY) SECRETARY'S CERTIFICATION RE: ADOPTION
OF OVERSIGHT BOARD OF THE SUCCESSOR
AGENCY TO THE INDUSTRY URBAN-
DEVELOPMENT AGENCY RESOLUTION

I, Diane M. Schlichting, Secretary of the Oversight Board of the Successor Agency to the Industry Urban-Development Agency, do hereby certify that the foregoing Resolution No. OB 2012-04 was duly passed and adopted at a regular meeting of the Oversight Board of the Successor Agency to the Industry Urban-Development Agency on August 7, 2012, by the following vote, to wit:

AYES:	BOARD MEMBERS:	Frutos, Gregoryk, Nunez, Radecki, VC/Cipriani, C/Kreimann
NOES:	BOARD MEMBERS:	None
ABSENT:	BOARD MEMBERS:	Molina
ABSTAIN:	BOARD MEMBERS:	None


Diane M. Schlichting, Secretary
Oversight Board of the Successor Agency to
the Industry Urban-Development Agency

*OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT AGENCY*

ITEM NO. 5.3



SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY

STAFF REPORT

Date: September 6, 2016

To: Chairman and Members of the Oversight Board to the Successor Agency to the Industry Urban-Development Agency

Prepared by: Dean Yamagata - Frazer, LLP

Via: Susan Paragas, Controller

Subject: Financial Reports

RECOMMENDATION

Receive and file

Below is summary of the status reports and changes from the prior Oversight Board meeting held in August 2016.

Pages 4-6 Exhibit 1 Inventory of Properties

Exhibit 1 shows the inventory of properties in the Long Range Property Management Plan and the ultimate disposition of the properties.

Properties being sold to 3rd parties

Property nos. 1, 5, 17, 30, 31, 32, 35 and 58 are currently in escrow and the estimated closing dates will be the late 2016. Agreement for property no. 34 is being drafted. Property nos. 29, 40, 41 and 43 are listed for sale.

Properties being sold to the City of Industry

Property nos. 33, 51 and 65 closed escrow in September 2016 and generated net proceeds to the Successor Agency of \$11,025,180.29. Property nos. 20 and 59 are currently in escrow and are expected to close in the last quarter of 2016. The City of Industry will be making an offer to purchase the remaining properties as indicated on Exhibit 1.

Pages 7-9 Exhibit 2 Project Summary Report Through July 14, 2016

Exhibit 2 has been updated to reflect total expenditures of \$1,023,977 spent on projects and other costs for the period July 14, 2016 through August 25, 2016.

**Pages 10-13 Exhibit 3 Budget vs Actual Expenditures ROPS 15-16B Period
January 1, 2016 to June 30, 2016**

Exhibit 3 shows the final comparison of actual expenditures versus the approved amount in ROPS 15-16B for the six months ended June 30, 2016. Below is a summary of the expenditures.

Successor Agency To the Industry Urban-Development Agency
Budget vs. Actual Disbursements Comparison ROPS 15-16B
Summary Report
January 1 Through June 30, 2016

Exhibit 3

Payee	ROPS Line Item	Project #	Estimated Project Expenditures Approved On ROPS 15-16B	Actual Disbursements Paid During the Period	Remaining Amount Of Estimated Project Expenditures Budgeted For The Period
			Period January 1 to June 30, 2016	Period January 1 to June 30, 2016	Period January 1 to June 30, 2016
Projects To Be Funded From Other Available Funds					
Landscaping Baker Parkway Slopes		MP 99 31 #61	\$ 150,000.00	\$ 96,753.85	\$ 53,246.15
Diamond Bar Creek		MP 99-31 #26	711,000.00	86,062.03	624,937.97
Industry Business Center		MP 99-31 #16	45,808,421.00	7,780,784.73	38,027,636.27
Industry East Traffic Mitigation		MP 99-31 #65	1,600,000.00	28,698.38	1,571,301.62
City / Agency Reimbursement Agreement			50,000,000.00	34,139,469.00	15,860,531.00
Total Projects To Be Funded From Other Available Funds			\$ 98,269,421.00	\$ 42,131,767.99	\$ 56,137,653.01
Projects To Be Funded From Bond Proceeds					
Lemon Ave Interchange at Route 60		MP 03-10	4,025,000.00	350,008.18	3,674,991.82
Route 57/60 Confluence Project		MP 99-31 #22	4,012,000.00	626,307.68	3,385,692.32
Westbound Slip On- Ramp 57/60		MP 99-31 #22a	5,586,000.00	1,877.50	5,584,122.50
Total Projects To Be Funded From Bond Proceeds			\$ 13,623,000.00	\$ 978,193.36	\$ 12,644,806.64
Administration			1,211,500.00	634,214.42	577,285.58
General Insurance	263		-	-	-
Property Maintenance 01-01-2016 through 06-30-2016	269		736,000.00	226,825.32	509,174.68
Appraisal Fees	282		22,000.00	-	22,000.00
Total All Expenditures			\$ 113,861,921.00	\$ 43,971,001.09	\$ 69,890,919.91

**Pages 14-17 Exhibit 4 Budget vs Actual Expenditures ROPS 16-17A Period
July 1, 2016 to December 31, 2016**

Exhibit 4 shows the comparison period to date actual expenditures versus the approved amount in ROPS 16-17A period for the six months ended December 31, 2016. Below is a summary of the expenditures.

Chairman and Members of the Oversight Board
September 6, 2016

Successor Agency To the Industry Urban-Development Agency
Budget vs. Actual Disbursements Comparison ROPS 16-17A
Summary Report
July 1 Through December 31, 2016

Exhibit 4

Payee	ROPS Line Item	Project #	Estimated Project Expenditures Approved On ROPS 16-17A	Actual Disbursements Paid During the Period	Remaining Amount Of Estimated Project Expenditures Budgeted For The Period
			Period July 1 to December 31, 2016	Period July 1 to August 25, 2016	Period July 1 to December 31, 2016
Projects To Be Funded From Other Available Funds					
Landscaping Baker Parkway Slopes		MP 99 31 #61	\$ 107,100.00	\$ 28,700.00	\$ 78,400.00
Diamond Bar Creek		MP 99-31 #26	1,098,200.00	-	1,098,200.00
Industry Business Center		MP 99-31 #16	38,383,921.00	192,183.24	38,191,737.76
Industry East Traffic Mitigation		MP 99-31 #65	1,063,400.00	964.60	1,062,435.40
City / Agency Reimbursement Agreement			-	-	-
Total Projects To Be Funded From Other Available Funds			\$ 40,652,621.00	\$ 221,847.84	\$ 40,430,773.16
Projects To Be Funded From Bond Proceeds					
Lemon Ave Interchange at Route 60		MP 03-10	6,313,000.00	22,687.83	6,290,312.17
Route 57/60 Confluence Project		MP 99-31 #22	6,446,000.00	14,003.39	6,431,996.61
Westbound Slip On- Ramp 57/60		MP 99-31 #22a	7,081,000.00	-	7,081,000.00
Total Projects To Be Funded From Bond Proceeds			\$ 19,840,000.00	\$ 36,691.22	\$ 19,803,308.78
Administration			779,000.00	167,376.20	611,623.80
General Insurance	263		-	48,282.00	(48,282.00)
Property Maintenance 01-01-2016 through 06-30-2016	269		527,250.00	-	527,250.00
Appraisal Fees	282		-	-	-
Total All Expenditures			\$ 61,798,871.00	\$ 474,197.26	\$ 61,324,673.74

Cash flow statement has not been submitted at this time and will be submitted at the next Oversight Board meeting.

Fiscal Impact

There is no fiscal impact as result of this action.

SUCCESSOR AGENCY TO THE IUDA
LONG RANGE PROPERTY MANAGEMENT PLAN
INVENTORY OF PROPERTY
DISPOSITION STATUS

Legend:
 Completed Sale to third party
 Currently In Escrow
 To Be Sold
 Transferred to City of Industry at no cost
 Sold to the City of Industry
 Conveyance of property to Caltrans for West Bound Off Ramp taken from IBC property

Exhibit 1

No.	Property Type	Address	Permissible Use	Permissible Use Detail	Acquisition Date	Value at Time of Purchase	Estimate of Current Parcel Value	Date of Estimated Current Value	APN #	Lot Size	Oversight Board Resolution # Approval	Completed Sales Transaction (Net Sales Proceeds)	Currently In Escrow	Agreements	City Offered To Purchase (Estimated Values)	Estimated Date For Escrow To Close	Sales Date	Buyer	
2	vacant/industrial bldg.	333 Turnbull	for sale	industrial per zoning code	40513	6.944 mill.	4.96 mill.	Apr-13	8208-014-900	6.63 ac.				Agreement					
3	industrial bldg.	300 Baldwin Park Blvd	for sale	industrial per zoning code	Dec-07	17.0 mill.	Sold		8563-003-905	10.68 ac.	2012-15	\$ 7,801,748.30					3/21/2013	Baldwin Park Industrial Developers, LLC	
4	industrial bldg.	17370 Gale	for sale	Auto zone-new car dealership	Jul-09	7.45 mill.	1.72 mill.	Apr-13	8264-001-945	1.32 ac.	2014-26	\$ 1,519,303.40					5/20/2015	Peninsula Property Holdings, LLC	
5	industrial bldg.	19835 E Walnut	for sale or lease	industrial per zoning code	39448	5.9 mill.	1.878 mill.	Apr-13	8760-009-900	1.96 ac.	2016-20		\$ 4,500,000.00			Late 2016		Bluesky Investment, LLC	
6		17651 Railroad St	for sale	industrial per zoning code	May-08	4.1 mill.	Sold		8264-011-901	3.05 ac.	2013-13	\$ 2,230,982.10					2/5/2014	Railroad Industrial Investors, LLC	
7	vacant/industrial	14624 Nelson	for sale	industrial per zoning code	Dec-10	3.33 mill.	2.52 mill.	Apr-13	8208-006-902	4.13 ac.	2014-26						12/23/2015	General Equity Company, LLC - Property 7 & 8 Sales price	
8	vacant/industrial	14700 Nelson	for sale	industrial per zoning code	Jul-10	6.1 mill.	4.49 mill.	Apr-13	8208-006-900 8208-006-901	7.36 ac.	2014-26	\$ 13,109,436.38					12/23/2015	General Equity Company, LLC - Property 7 & 8 Sales price	
9	vacant/industrial	15000 Nelson	for sale	industrial per zoning code	m-2007	6.7 mill.	4.877 mill.	Apr-13	8208-011-902	6.22 ac.	2014-26	\$ 6,691,488.80					6/3/2015	Klema Enterprises, Inc.	
10	vacant/industrial bldg.	13530 Nelson	for sale	convey to City at FMV	Dec-07	5.7 mill.	1.99 mill.	Apr-13	8562-016-901	2.08 ac.				\$ 2,720,000.00					
11	vacant/industrial	15130 Nelson	for sale	industrial per zoning code	Aug-08	3.95 mill.	1.955 mill.	Apr-13	8208-011-903	2.04 ac.	2014-26	\$ 2,368,479.50					6/25/2015	15130 Nelson, LLC	
12	landscape area	15432 Nelson	for sale	convey to City at FMV	Dec-11	11.3 mill	0.834 mill	Apr-13	8208-024-906 8208-024-907	0.87 ac.				\$ 1,140,000.00					
13	vacant	2525 Workman Mill	retain for gov. use	convey to City at no cost	1983	.125 mill	.125 mill	Apr-13	8125-059-916	0.13 ac.	2014-12	NONE					6/3/2014	City of Industry	
14	vacant/landscape area	SW corner Workman Mill & Crossroads	for sale	industrial per zoning code	1981	.183 mill	.805 mill	Apr-13	8120-027-270	0.84 ac.				Appraisal					
15	vacant/industrial	Crossroads PKY South	for sale	industrial per zoning code	1976	.77 mill	2.78 mill	Apr-13	8125-021-940 8125-021-941	3.55 ac.				Appraisal					
16	vacant/industrial	151 Long Lane	for sale	industrial per zoning code	Dec-10	1.465 mill.	1.292 mill.	Apr-13	8202-033-908	1.87 ac.	2014-26	\$ 2,043,354.90					6/11/2015	Brighton Collectibles	
17	vacant/industrial	151 Long Lane	for sale	industrial per zoning code	Dec-10	1.465 mill.	1.292 mill.	Apr-13	8202-033-908	1.87 ac.	2014-26	\$ 2,043,354.90							
18	commercial office bldg.	111 Hudson	for sale	industrial per zoning code	Feb-05	4.0 mill.	1.75 mill.	Apr-13	8208-024-905	1.83 ac.	2015-08	\$ 2,791,057.00					10/14/2015	Northrop Grumman Systems Corporation	
19	commercial office bldg.	150 Hacienda	for sale	existing bank building	39845	6.2 mill.	5.1 mill.	Apr-13	8208-025-951	.59 ac.	2016-07	\$ 5,086,310.00					4/28/2016	City of Industry	
20	vacant/industrial	220 Hacienda	for sale	existing bank building	39845	1.475 mill.	0.937 mill.	Apr-13	8208-025-952	0.15 ac.	2016-08		\$ 1,850,000.00			Late 2016		City of Industry	
21	vacant	244 Hacienda	for sale	gov. use per zoning code	29221	0.127 mill.	0.5096 mill.	Apr-13	8208-025-923	0.39 ac.	2016-09	\$ 3,596,420.00					6/7/2016	City of Industry	
22	vacant	South of Stafford North of UPRR	for sale	gov. use per zoning code	Jan-79	2.869 mill.	2.689 mill.	Apr-13	8208-025-940	3.43 ac.				Appraisal					
23	office bldg.	15600 Stafford	for sale	gov. use per zoning code	Mar-05	1.195 mill.	1.882 mill.	Apr-13	8208-025-948	1.44 ac.				Appraisal					
24	small office bldg	15710 & 15718 Stafford	for sale	gov. use per zoning code	Jan-82	.025 mill.	0.144 mill. Or 1.0 mill.	Apr-13	8245-001-901 8245-001-914	0.41 ac.	2014-26	\$ 696,569.00					2/13/2015	Industry Security Services, Inc.	
25	vacant/landscape area	South of Stafford west of Glendora	retain for gov. use	convey to City at no cost	Jan-99	.022 mill.	.022 mill.	Apr-13	8245-001-913	0.10 ac.	2014-12	NONE					6/3/2014	City of Industry	
26	vacant/landscape area	South of UPRR West of Hacienda	retain for gov. use	convey to City at no cost	1982	.133 mill.	.133 mill.	Apr-13	8208-022-902 8208-022-903	0.61 ac.	2014-12	NONE					6/3/2014	City of Industry	
27	vacant	South of UPRR East of Russell	retain for gov. use	convey to City at no cost	1982	.083 mill.	.083 mill.	Apr-13	8245-001-911	0.38 ac.	2014-12	NONE					6/3/2014	City of Industry	
28	vacant/parking	East of Parriott Pl	for sale	gov. use per zoning code	1976	1.35 mill.	4.846 mill.	Apr-13	8208-027-911 8208-027-912	6.18 ac.	2014-26	\$ 8,523,372.16					11/19/2015	CT Parriott, LLC (CT Realty Corp.)	
29	power plant	911 Bixby	for sale	existing power plant	Mar-01	12.5 mill.	8.0 mill.	Apr-13	8242-013-901	11.48 ac.									
30	vacant/commercial	East of Joyce North of Railroad	for sale	industrial per zoning code	Mar-09 & Jan-09	5.328 mill.	3.987 mill.	Apr-13	8264-012-919 8264-013-913 8264-013-914 8264-013-915 8264-013-916 8264-013-917	16.13 ac.	2014-26	\$ 41,043,766.00				November 16		CT Crestout, LLC (CT Realty Corp.) sales price for properties 30 & 31	
31	vacant/industrial	17263 17300 Gale	for sale	commercial with zone change	Apr-06	19.3 mill.	11.8 mill.	Apr-13	8264-011-946 8264-011-947 8264-011-948 8264-011-949 8264-011-950 8264-011-951 8264-011-952	19.09 ac.	2015-03	\$ 25,000,000.00				Late 2016		BY Properties	
32	vacant	17875 Gale	for sale	new car dealership per automobile zone	Jul-13	7.7 mill.	3.20 mill.	Apr-13	8264-012-919	5.25 ac.	2015-04	\$ 8,500,000.00				Late 2016		BY Properties	
33	vacant/commercial	17545 Gale	for sale	new car dealership per automobile zone	38443	16.7 mill.	6.5 mill.	Apr-13	8264-012-919	5.99 ac.	2016-14	\$ 10,436,149.44					9/9/2016	City of Industry	
34	vacant	17547 Gale	for sale	new car dealership per automobile zone	Jan-04	40.5 mill.	6.8 mill.	Apr-13	8264-013-913 8264-013-914 8264-012-923	6.25 ac.				Agreement					
35	remnant	17723 Gale	for sale	new car dealership per automobile zone	2007	6.05 mill.	6.05 mill.	Apr-13	8264-013-913	4.05 ac.	2014-26	\$ 2,224,350.00						BY Properties	
36	remnant	17439 Railroad	retain for gov. use	convey to City at no cost	2003	.422 mill.	.422 mill.	Apr-13	8264-004-907 8264-004-909	0.44 ac.	2014-12	NONE					6/3/2014	City of Industry	
37	remnant	adjacent to Fairway West side of Fairway south of UPRR	retain for gov. use	convey to City at no cost	2001	.144 mill.	.144 mill.	Apr-13	8760-028-170 8760-010-938 8760-010-935	0.15 ac.	2014-12	NONE					6/3/2014	City of Industry	
38	remnant	800 feet east of Garcia Ln	retain for gov. use	convey to City at no cost	Dec-88	.12 mill.	.12 mill.	Apr-13	8760-028-903	0.55 ac.	2014-12	NONE					6/3/2014	City of Industry	
39	vacant/industrial	800 feet east of Garcia Ln	retain for gov. use	convey to City at no cost	1982	.65 mill.	.65 mill.	Apr-13	8709-027-036	0.3 ac.	2014-12	NONE					6/3/2014	City of Industry	
40	industrial/commercial	Ind. Bus. Center	for sale/leased to Majestic Realty	industrial/commercial per approved plans	1982 & 1983	27.632 mill.	26 mill.	Apr-13	8719-009-902,904,905,906 9 & 908 8719-007-920,921,922,906,907, 924,917 & 923	597.54 ac									

SUCCESSOR AGENCY TO THE IUDA
LONG RANGE PROPERTY MANAGEMENT PLAN
INVENTORY OF PROPERTY
DISPOSITION STATUS

Legend:
 Completed Sale to third party
 Currently in Escrow
 To Be Sold
 Transferred to City of Industry at no cost
 Sold to the City of Industry
 Conveyance of property to Caltrans for West Bound Off Ramp taken from IBC property

Exhibit 1

No.	Property Type	Address	Permissible Use	Permissible Use Detail	Acquisition Date	Value at Time of Purchase	Estimate of Current Parcel Value	Date of Estimated Current Value	APN #	Lot Size	Oversight Board Resolution # Approval	Completed Sales Transaction (Net Sales Proceeds)	Currently In Escrow	Agreements	City Offered To Purchase (Estimated Values)	Estimated Date For Escrow To Close	Sales Date	Buyer	
41	Industrial/commercial	Grand Crossing	for sale/leased to Majestic Realty	built out industrial/commercial	1980,1981 & 1982	11.2 mill.	50 mill.	Apr-13	8709-008-021,022,023,024,025,026,027,028,029, & 030 8709-006-004,005,006,003,007,008,001,002,010, & 012 8709-027-037,034 & 032 8709-028-014 8719-006-016,017,014,015,013,012,019 & 020 8719-007-033,040,047,038,0480	425 ac.									
43	YAL Building	841 7th Ave	for sale	gov. use per zoning code	Mar-99	1.6 mill.	0.632 mill.	Apr-13	42,043 & 039 8217-001-901	0.65 ac.	2014-26								
44	YAL Office	205 Hudson	retain for gov. use	convey to City at no cost	Jun-01	0.444 mill.	0.471 mill.	Apr-13	8208-024-900	0.5 ac.	2014-12	NONE				6/3/2014	City of Industry		
45	Heliport	15252 Stafford	for sale	gov. use per zoning code	1982	0.24 mill.	0.878 mill.	Apr-13	8208-025-939	1.12 ac.					\$ 111,000.00				
46	parking & common areas for parcels 19 & 20	NW & SW corners of Hacienda & Stafford	for sale	gov. use per zoning code	1982	0.12 mill.	combined w/ other parcels	Apr-13	82028-025-938 8208-025-941	0.57 ac.					Appraisal				
47	parking	15625 Stafford	for sale	gov. use per zoning code	Apr-75	0.076 mill.	combined w/ other parcels	Apr-13	8208-025-907, 908, 909 & 926	5.5 ac.					Appraisal				
48	vacant	W side of Hacienda N of Stafford	for sale	gov. use per zoning code	2002	1.85 mill.	1.85 mill.	Apr-13	8208-025-937	1.415 ac. With #46 added					Appraisal				
49	Post Office & Fire Prevention	15660 Stafford	for sale	gov. use per zoning code	Nov-79	0.0519 mill.	3.6 mill.	Apr-13	8208-025-942	2.79 ac.					Appraisal				
50	vacant/parking	242 & 244 Hacienda	for sale	gov. use per zoning code	40026	4.65 mill.	3.2 mill.	Apr-13	8208-025-954	2.46 ac.	2016-09	See #21				6/7/2016	City of Industry		
51	vacant/parking	N side of Stafford w of Glendora	for sale	gov. use per zoning code	1985	5.12 mill.	6.25 mill.	Apr-13	8208-025-943	5.74 ac.	2016-15	\$ 387,309.50				9/9/2016	City of Industry		
52	vacant landscape area	N side of Sotro w of Glendora	retain for gov. use	convey to City at no cost	1985	.52 mill.	.52 mill.	Apr-13	8208-025-944	0.92 ac.	2014-12	NONE				6/3/2014	City of Industry		
53	Convalescent Hospital	555 El Encanto	for sale	offer to City first	Dec-76	3.36 mill.	5.06 mill.	Apr-13	8208-027-901	5.02 ac.				\$ 875,000.00	Late 2016				
54	vacant	w side of Parriott	for sale	gov. use per zoning code	1978	1.9 mill.	6.12 mill.	Apr-13	8208-027-911 & 912	8.79 ac.				Appraisal					
55	Homestead Museum	15415 Don Julian	retain for gov. use	convey to City at no cost	1980	2.1 mill.	6.87 mill.	Apr-13	8208-027-906 & 907	9.86 ac.	2014-12	NONE				6/3/2014	City of Industry		
56	vacant	NW & SW corners Don Julian & Hacienda	retain for gov. use	convey to City at no cost	1980	0.086 mill.	0.086 mill.	Apr-13	8208-027-909 & 941	0.37 ac.	2014-12	NONE				6/3/2014	City of Industry		
57	Pump Station	747 Anaheim Puente	retain for gov. use	convey to City at no cost	1995	.28 mill.	1.25 mill.	Apr-13	8242-012-902	1.3 ac.	2014-12	NONE				6/3/2014	City of Industry		
58	vacant	12125 Cheviot	for sale	industrial per zoning code	Nov-77	1.25 mill.	1.25 mill.	Apr-13	8264-004-909, 910 & 911	37.14 ac.	2016-13							City of Industry	
59	Industrial bldg.	1123 Hatcher	for sale	industrial per zoning code	37500	2.717 mill.	2.414 mill.	Apr-13	8264-004-908	3.08 ac.	2016-13	13-2016	\$ 6,100,000.00		Late 2016		City of Industry		
60	vacant/row	1129 & 1135 Hatcher	for sale	industrial per zoning code	39783	3.55 mill.	1.79 mill.	Apr-13	8264-004-910 & 911	1.87 ac.	2016-14	13-2016			Late 2016		Part of #59		
61	vacant/row	Auto Mall East	retain for gov. use	convey to City at no cost	2003	2.44 mill.	2.44 mill.	Apr-13	8264-013-912	0.89 ac.	2014-12	NONE				6/3/2014	City of Industry		
62	vacant	North side of Gale	retain for gov. use	convey to City at no cost	2003	.209 mill.	.209 mill.	Apr-13	8264-013-915	0.16 ac.	2014-12	NONE				6/3/2014	City of Industry		
63	vacant/row	south side of San Jose Creek	retain for gov. use	convey to City at no cost	1991	.182 mill.	.182 mill.	Apr-13	8760-023-913	0.19 ac.	2014-12	NONE				6/3/2014	City of Industry		
64		Metrolink Station - Parking Station									2012-03	NONE				6/5/2012	City of Industry		
65	Electrical Substation	208 Waddingham	for sale	convey to City at FMV of land	37653	0.931 mill.	3.0 mill.	Apr-13	8719-005-905	3.86 ac.	2016-16	\$ 201,721.35				9/9/2016	City of Industry		
66	vacant/industrial	Garcia Lane	for sale	gov. use per zoning code	1981	0.53 mill.	2.239 mill.	Apr-13	8709-027-039	2.43 ac.				\$ 125,000.00					
67	water well	south side of San Jose Creek	retain for gov. use	convey to City at no cost	1990	0.085 mill.	0.171 mill.	Apr-13	8719-004-906	0.28 ac.	2014-12	NONE				6/3/2014	City of Industry		
68	ranch	Grand Ave, Diamond Bar	for sale	entitlements through San Bernardino and Orange Counties	Nov-78	12.1 mill.	85-122 mill.	Apr-13	8701-021-271,8701-022-270 & 273, 1000-011-19-0000, 20-0000, 21-0000, 22-0000, 1000-021-13-0000 & 14-0000, 1000-031-14-0000 & 15-0000	2,450 ac.					Appraisal				
70	vacant industrial	804 Azusa/Anaheim Puente	industrial per zoning code	convey to City at no cost	Mar-01	3.2 mill.	3.22 mill.	Apr-13	8264-025-901, 906 & 911	4.11 ac.	2014-13	NONE				6/3/2014	City of Industry		
71	vacant/row	adjacent to 22122 Valley	retain for gov. use	convey to City at no cost	2004	.12 mill.	.575 mill.	Apr-13	none	0.6 ac.	2014-12	NONE				6/3/2014	City of Industry		
72	Puente Basin Water rights	Puente Basin Water Rights	for sale	convey to City at FMV	1981	.30 mill.	.30 mill.	Apr-13	8242-015-058 thru 8719-004-012	NA									
73	Industrial/ Commercial	Ind. Bus. Center	retain for gov. use	convey to Caltrans at no cost	1982 & 1983	0.001 mill.	0.012 mill.	Apr-13	part of 8719-007-922	0.01 ac.	2014-21	NONE				11/12/2014 DOF	conveyed to Caltrans at no cost		
74	Industrial/ Commercial	Ind. Bus. Center	retain for gov. use	convey to Caltrans at no cost	1982 & 1983	0.007 mill.	0.154 mill.	Apr-13	part of 8719-007-922	0.15 ac.	2014-21	NONE				11/12/2014 DOF	conveyed to Caltrans at no cost		

SUCCESSOR AGENCY TO THE IUDA
LONG RANGE PROPERTY MANAGEMENT PLAN
INVENTORY OF PROPERTY
DISPOSITION STATUS







Legend:
 Completed Sale to third party
 Currently In Escrow
 To Be Sold
 Transferred to City of Industry at no cost
 Sold to the City of Industry
 Conveyance of property to Caltrans for West Bound Off Ramp taken from IBC property

Exhibit 1

No.	Property Type	Address	Permissible Use	Permissible Use Detail	Acquisition Date	Value at Time of Purchase	Estimate of Current Parcel Value	Date of Estimated Current Value	APN #	Lot Size	Overnight Board Resolution # Approval	Completed Sales Transaction (Net Sales Proceeds)	Currently In Escrow	Agreements	City Offered To Purchase (Estimated Values)	Estimated Date For Escrow To Close	Sales Date	Buyer	
75	Industrial/ Commercial	Ind. Bus. Center	retain for gov. use	convey to Caltrans at no cost	1982 & 1983	0.003 mill.	0.080 mill.	Apr-13	part of 8719-007-922	0.08 ac.	2014-21	NONE					11/12/2014 DOF	conveyed to Caltrans at no cost	
76	Industrial/ Commercial	Ind. Bus. Center	retain for gov. use	convey to Caltrans at no cost	1982 & 1983	0.001 mill.	0.020 mill.	Apr-13	part of 8719-007-922	0.02 ac.	2014-21	NONE					11/12/2014 DOF	conveyed to Caltrans at no cost	
77	Industrial/ Commercial	Ind. Bus. Center	retain for gov. use	convey to Caltrans at no cost	1982 & 1983	0.096 mill.	2.207 mill.	Apr-13	part of 8719-007-917 & 8719-007-907	2.20 ac.	2014-21	NONE					11/12/2014 DOF	conveyed to Caltrans at no cost	
Totals												\$ 67,483,701.83	\$ 84,742,760.00	\$ 14,350,000.00	\$ 4,971,000.00				

	A	B	C	D	E	F	G	H	I	J	K	L	M	AH	AI	AJ	AK	AL	AM	AV	AV	AX	AY	AZ	BA
1																									
2	Successor Agency To Industry Urban-Development Agency																								
3	Project Summary																								
4	Exhibit 2																								
5	Vendor	ROPS Line #	Description	Expenditures prior to the Current Awarded Budget	Future Contract	Current Awarded Budget	Budget Amendments	Total Estimated Cost From January 2012 To Completion Of Projects	Amended Contract Amount (Z+AB=AD)	Total All Payments January 2012 to August 25, 2016	Project Complete	Remaining Amount Of Estimated Project Costs To Spend Per Amended Contract (AJ-AT+AV=AX)													
6																									
7																									
8	Projects To Be Funded From Other Available Funds																								
9	Landscaping Baker Parkway Slopes MP 99-31 # 61																								
10			Estimated Completion - Spring 2017																						
11	CNC Engineering	99	Professional Services	\$ 71,623.91		\$ 54,000.00	\$ 140,000.00	\$ 265,623.91	\$ 265,623.91	\$ 237,736.69		\$ 27,887.22													
12	Environs Landscape Architecture	100	Professional Services	16,729.08		62,000.00		78,729.08	78,729.08	63,112.52		15,616.56													
13	Sage Environmental	101	Professional Services																						
14	Kasa Construction, Inc.	102	Improvement/Infrastructure			1,279,788.00	99,499.05	1,379,287.05	1,379,287.05	1,379,286.63		0.42													
15	Native Grow Nursery	103	Professional Services			60,490.70		60,490.70	60,490.70	52,584.48	(7,906.22)														
16	Hunter Landscape	104	Professional Services			38,835.00		38,835.00	38,835.00	38,835.00															
17	Jim Borer	105	Professional Services			4,000.00		4,000.00	4,000.00	4,000.00															
18	San Gabriel Valley Newspaper	106	Miscellaneous			3,295.96		3,295.96	3,295.96	3,295.96															
19	MX Graphics	107	Miscellaneous			2,366.92		2,366.92	2,366.92	2,366.92															
20	City of Industry Disposal	108	Miscellaneous	43.07				43.07	43.07	43.07															
21	Butsko Engineering	109	Professional Services																						
22	International Line Builders	110	Professional Services																						
23	Walnut Valley Water District	111	Miscellaneous			14,140.00		14,140.00	14,140.00	14,140.00															
24	LA County Health Dept	112	Professional Services			1,557.00		1,557.00	1,557.00	1,557.00															
25	Leighton Consulting	112A	Professional Services																						
26	St Wtr Resources Cont Board		Miscellaneous			1,020.00		1,020.00	1,020.00	1,020.00															
27	Marina Landscape	276	Improvement/Infrastructure			445,290.00		445,290.00	445,290.00	247,566.15		197,723.85													
28	San Gabriel Valley Newspaper																								
29																									
30				88,396.06		1,966,783.58	239,499.05	2,294,678.69	2,294,678.69	2,045,544.42	(7,906.22)	241,228.05													
31																									
32	Diamond Bar Creek MP 99-31 # 26																								
33			Estimated Completion - Summer 2018																						
34	CNC Engineering	148	Professional Services	223,607.58		540,000.00	320,000.00	1,083,607.58	1,083,607.58	746,505.56		337,102.02													
35	Thomsen Engineering	149	Professional Services	98,224.34	74,919.66	195,000.00		368,144.00	293,224.34	184,072.00		184,072.00													
36	Leighton Consulting	150	Professional Services	62,018.13	68,388.92	320,000.00	100,000.00	550,407.05	482,018.13	367,329.95		183,077.10													
37	Regional Water Quality Control	151	Professional Services		20,000.00	2,250.00		22,250.00	2,250.00	2,250.00		20,000.00													
38	Army Corp Engineers	152	Professional Services		1,000.00			1,000.00				1,000.00													
39	Calif Dep of Fish & Game	153	Professional Services		16,000.00			16,000.00				16,000.00													
40	State Water Resources	154	Miscellaneous		12,000.00			12,000.00				12,000.00													
41	MX Graphics	155	Miscellaneous		5,000.00			5,000.00				5,000.00													
42	Brown & Brown Ins	156	Miscellaneous			28,350.00	25,000	53,350.00	53,350.00	28,350.00		25,000.00													
43	City of Industry Disposal	157	Miscellaneous	9,628.00				9,628.00	9,628.00	9,628.00															
44	San Gabriel Valley Newspaper	158	Miscellaneous		2,000.00	1,161.68		3,161.68	1,161.68	1,161.68		2,000.00													
45	LA County Health Dept	159	Miscellaneous			3,500.00		3,500.00				3,500.00													
46	So Calif Edison	160	Professional Services			50,000.00		50,000.00				50,000.00													
47	Walnut Water District	161	Professional Services			30,000.00		30,000.00				30,000.00													
48	LA County Sewer Maint District	162	Professional Services			20,000.00		20,000.00				20,000.00													
49	PBLA	163	Professional Services			75,000.00		75,000.00	75,000.00	67,895.00	(5,855.00)	1,250.00													
50	Native Grow Nursery	164	Improvement/Infrastructure		75,000.00			75,000.00		74,880.45		119.55													
51	Contractor TBD	165	Improvement/Infrastructure		1,085,921.00			1,085,921.00				1,085,921.00													
52	Sage Environmental	166	Professional Services	19,299.00		121,000.00	25,000.00	165,299.00	165,299.00	88,309.00		76,990.00													
53	WKE, Inc	167	Professional Services			56,000.00		56,000.00	56,000.00			56,000.00													
54	H & H Contractors Phase I	168	Improvement/Infrastructure			1,250,002.40		1,250,002.40	1,250,002.40	1,250,002.40		(0.00)													
55	Mariposa Landscape	168a	Professional Services			34,900.00		34,900.00	34,900.00	34,900.00															
56	H & H Contractors Phase II	266	Improvement/Infrastructure			4,014,079.05	256,832.85	4,270,911.90	4,270,911.90	4,270,911.90		(0.00)													
57				\$ 412,777.05	\$ 1,463,729.58	\$ 6,643,925.80	\$ 726,832.85	\$ 9,247,265.28	\$ 7,783,535.70	\$ 7,132,378.61	(5,855.00)	\$ 2,109,031.67													

	A	B	C	D	E	F	G	H	I	J	K	L	M	AH	AI	AJ	AK	AL	AM	AV	AW	AX	AY	AZ	BA
1																									
2	Successor Agency To Industry Urban-Development Agency																								
3	Project Summary																								
4	Exhibit 2																								
5	Vendor	ROPS Line #	Description	Expenditures prior to the Current Awarded Budget	Future Contract	Current Awarded Budget	Budget Amendments	Total Estimated Cost From January 2012 To Completion Of Projects	Amended Contract Amount (Z+AB=AD)	Total All Payments January 2012 to August 25, 2016	Project Complete	Remaining Amount Of Estimated Project Costs To Spend Per Amended Contract (AJ-AT+AV=AK)													
58	Industry Business Center MP 99-31 # 16		Estimated Completion - Summer 2019																						
59																									
60	Placeworks	192	Professional Services	\$ -		\$ 172,502.00		\$ 172,502.00	\$ 172,502.00	\$ 152,005.00		\$ 20,497.00													
61	PBLA	193	Professional Services		56,500.00	1,856,835.00	700,000.00	2,613,335.00	2,556,835.00	2,360,620.19		252,714.81													
62	Leighton Consulting	194	Professional Services		104,799.85	2,643,123.00	1,900,000.00	4,647,922.85	4,543,123.00	2,393,870.87		2,254,051.98													
63	Leighton Consulting	195	Professional Services		315,504.00			315,504.00				315,504.00													
64	CNC Engineering	196	Professional Services	687,247.07	(75,371.04)	5,305,283.00	3,500,000.00	9,417,159.03	9,492,530.07	6,311,122.60		3,106,036.43													
65	CNC Engineering	197	Professional Services		1,262,016.00			1,262,016.00				1,262,016.00													
66	Thomsen Engineering	198	Professional Services	56,414.00	2,914.50	60,000.00		119,328.50	116,414.00	80,191.00		39,137.50													
67	Sage Environmental	199	Professional Services	25,711.00	66,241.00	244,441.00		336,393.00	270,152.00	179,144.00		157,249.00													
68	MX Graphics	200	Miscellaneous		45,000.00	37,460.06		82,460.06	37,460.06	59,212.53		23,247.53													
69	So Cal Sandbags	201	Improvement/Infrastructure	64,570.07	200,000.00	30,021.93	29,894.00	324,486.00	124,486.00	124,486.00		200,000.00													
70	So Cal Edison	202	Improvement/Infrastructure		7,218,000.00	1,415,000.00	651,000.00	9,284,000.00	2,066,000.00	6,253,000.00		3,031,000.00													
71	Verizon	203	Improvement/Infrastructure																						
72	So Cal Gas Co	204	Improvement/Infrastructure			1,041,420.00		1,041,420.00	1,041,420.00			1,041,420.00													
73	Walnut Valley Water District	205	Improvement/Infrastructure		16,200,164.40			16,200,164.40		187,764.40		16,012,400.00													
74	Ind Public Utilities	206	Improvement/Infrastructure		11,829,600.00		(1,134,499.00)	10,695,101.00	(1,134,499.00)			10,695,101.00													
75	Time Warner Cable	207	Improvement/Infrastructure																						
76	San Gabriel Valley News Paper	208	Miscellaneous		10,330.08	6,273.40		16,603.48	6,273.40	11,908.60		4,694.88													
77	First American Title Company	209	Professional Services		14,000.00	3,392.15		17,392.15	3,392.15	3,392.15		14,000.00													
78	St Wtr Resources Cont Board	210	Fees		25,000.00	16,826.00		41,826.00	16,826.00	16,826.00		25,000.00													
79	L A County Health Department	211	Fees		4,000.00			4,000.00				4,000.00													
80	L A County Public Works	212	Fees		85,000.00			85,000.00		56.00		84,944.00													
81	L A County Sewer Maint District	213	Fees		217,921.00			217,921.00				217,921.00													
82	International Line Builders	214	Improvement/Infrastructure		30,000.00			30,000.00				30,000.00													
83	MC Cain	215	Improvement/Infrastructure		145,668.63			145,668.63		104,902.91		40,765.72													
84	Environs Landscape Arch	216	Professional Services		(28,507.72)	1,725,120.00		1,696,612.28	1,725,120.00	314,709.93		1,381,902.35													
85	Contractor By Public Bidding	217	Improvement/Infrastructure		23,300,000.00			23,300,000.00				23,300,000.00													
86	Contractor By Public Bidding	218	Improvement/Infrastructure		10,516,800.00			10,516,800.00				10,516,800.00													
87	Kimley Horn & Assoc	219	Professional Services		(8,853.45)	200,000.00		191,146.55	200,000.00	53,881.02		137,265.53													
88	Kimley Horn & Assoc	220	Professional Services		(8,597.45)	1,051,680.00		1,043,082.55	1,051,680.00			1,043,082.55													
89	SCS Engineering	221	Professional Services			243,018.00	597,882.00	840,900.00	840,900.00	504,396.54		336,503.46													
90	WKE, INC.	222	Professional Services		5,780.00	80,000.00		85,780.00	80,000.00	14,459.47		71,320.53													
91	Bustko Engineering	223	Professional Services		36,888.50	1,971,600.00		2,008,488.50	1,971,600.00	1,471,059.65		537,428.85													
92	Sukut Construction, LLC	267	Remedial Grading		6,689,774.00		436,733.06	7,126,507.06	7,126,507.06	(0.45)		7,126,507.51													
93	C. A. Rasmussen Inc.	270	Mass Grading			20,329,607.00	997,870.81	21,327,477.81	21,327,477.81	21,431,380.43		(103,902.62)													
94	Sukut Construction, LLC	271	Mass Grading			22,693,112.00	5,018,745.28	27,711,857.28	27,711,857.28	27,624,357.28		87,500.00													
95	Regional water Quality		Fees		3,738.00			3,738.00				3,738.00													
96	U S Bank (C A Rasmussen Acct)				5,000.00			5,000.00		5,000.00															
97	International Line Builders	281				2,200,000.00		2,200,000.00		573,961.18		1,626,038.82													
98	Contractor By Public Bidding	289			38,000,000.00			38,000,000.00				38,000,000.00													
99	All American Asphalt	290			6,784,000.00	12,000,000.00		18,784,000.00				18,784,000.00													
100	CASC Engineering & Consulting, LLC/ Retired	293																							
101				833,942.14	116,363,536.30	82,016,488.54	12,697,626.15	211,911,593.13	81,348,056.83	77,361,953.26		134,549,639.87													
102																									
103	Industry East Traffic Mitigation MP 99 - 31 # 65		Estimated Completion - 2020																						
104																									
105	CNC Engineering	251	Professional Services	33,170.54		578,964.00		612,134.54	612,134.54	113,032.17		499,102.37													
106	Geotechnical Consultant	252	Professional Services		174,888.00			174,888.00				174,888.00													
107	RKA Consulting Group	253	Professional Services		1,500,000.00			1,500,000.00		7,059.25		1,492,940.75													
108	Contractor by Public Bid	254	Professional Services		1,322,066.00			1,322,066.00				1,322,066.00													
109	City Of Diamond Bar	275	Professional Services		713,400.00			713,400.00				713,400.00													
110				33,170.54	3,710,354.00	578,964.00		4,322,488.54	612,134.54	120,091.42		4,202,397.12													
111	City / Agency Reimbursement Agreement																								
112	City of industry	277				34,139,469.00		34,139,469.00		\$ 34,139,469.00															
113																									
114	Total Projects To Be Funded From Other Available Funds			\$ 1,368,285.79	\$ 121,537,619.88	\$ 125,345,630.92	\$ 13,663,958.05	\$ 261,915,494.64	\$ 92,038,405.76	\$ 120,799,436.72	\$ (13,761.22)	\$ 141,102,296.70													
115																									

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1		Successor Agency To the Industry Urban-Development Agency						
2		Budget vs. Actual Disbursements Comparison ROPS 15-16B						
3		Detail Report						
4		January 1 Through June 30, 2016						Exhibit 3
5								
6		Payee	ROPS Line Item	Project #	Estimated Project Expenditures Approved On ROPS 15-16B	Actual Disbursements Paid During the Period	Remaining Amount Of Estimated Project Expenditures Budgeted For The Period	
7					Period January 1 to June 30, 2016	Period January 1 to June 30, 2016	Period January 1 to June 30, 2016	
8								
9		Projects To Be Funded From Other Available Funds						
10		Landscaping Baker Parkway Slopes		MP 99 31 #61				
11		CNC Engineering	99		\$ 15,000.00	\$ 7,841.35	\$ 7,158.65	
12		Environs Landscape Architecture	100		10,000.00	2,812.50	7,187.50	
14		Kasa Construction, Inc.	102			-	-	
27		Marina Landscape, Inc.	276		125,000.00	86,100.00	38,900.00	
28		San Gabriel Valley Newspaper	158, 208			-	-	
30		Total Landscaping Baker Parkway Slopes			\$ 150,000.00	\$ 96,753.85	\$ 53,246.15	
31								
32		Diamond Bar Creek		MP 99-31 #26				
33		CNC Engineering	148		60,000.00	11,181.58	48,818.42	
34		Thomsen Engineering	149		80,000.00	-	80,000.00	
35		Leighton Consulting	150		10,000.00	-	10,000.00	
36		Regional Water Quality Control	151		5,000.00	-	5,000.00	
37		Army Corp Engineers	152		500.00	-	500.00	
38		Calif Dept of Fish & Game	153			-	-	
39		State Water Resources Cont Board	154		5,000.00	-	5,000.00	
40		MX Graphics	155		2,000.00	-	2,000.00	
41		Brown & Brown Ins	156			-	-	
42		City of Industry Disposal	157			-	-	
43		San Gabriel Valley Newspaper	158		1,000.00	-	1,000.00	
44		LA County Health Dept	159		1,500.00	-	1,500.00	
45		So Calif Edison	160		50,000.00	-	50,000.00	
46		Walnut Valley Water District	161		15,000.00	-	15,000.00	
47		LA City Sewer Maint District	162		20,000.00	-	20,000.00	
48		PBLA	163			-	-	
49		Native Grow Nursery	164		75,000.00	74,880.45	119.55	
50		Contractor - by public bidding	165		300,000.00	-	300,000.00	
51		Sage Environmental	166		30,000.00	-	30,000.00	
52		WKE, Inc	167		56,000.00	-	56,000.00	
53		H & H Contractors	266			-	-	
54		Total Diamond Bar Creek			\$ 711,000.00	\$ 86,062.03	\$ 624,937.97	
55								

	A	B	C	D	G	AC	AD	
1		Successor Agency To the Industry Urban-Development Agency						
2		Budget vs. Actual Disbursements Comparison ROPS 15-16B						
3		Detail Report						
4		January 1 Through June 30, 2016						Exhibit 3
5								
6		Payee	ROPS Line Item	Project #	Estimated Project Expenditures Approved On ROPS 15-16B	Actual Disbursements Paid During the Period	Remaining Amount Of Estimated Project Expenditures Budgeted For The Period	
7					Period January 1 to June 30, 2016	Period January 1 to June 30, 2016	Period January 1 to June 30, 2016	
56								
57		Industry Business Center		MP 99-31 #16				
58		The Planning Center	192		15,000.00	-	15,000.00	
59		PBLA Engineering	193		200,000.00	437,278.84	(237,278.84)	
60		Leighton Consulting	194		650,000.00	288,506.31	361,493.69	
61		Leighton Consulting	195		-	-	-	
62		CNC Engineering	196		1,500,000.00	739,669.01	760,330.99	
63		CNC Engineering	197		150,000.00	-	150,000.00	
64		Thomsen Engineering	198		35,000.00	4,297.50	30,702.50	
65		Sage Environmental	199		60,000.00	-	60,000.00	
66		MX Graphics	200		15,000.00	5,243.54	9,756.46	
67		So Cal Sandbags	201		100,000.00	-	100,000.00	
68		So Cal Edison	202		3,600,000.00	3,600,000.00	-	
69		Verizon	203		500,000.00	-	500,000.00	
70		So Cal Gas Co	204		500,000.00	-	500,000.00	
71		Walnut Valley Water District	205		10,000,000.00	116,626.00	9,883,374.00	
72		Ind Public Utilities	206		8,000,000.00	-	8,000,000.00	
73		Time Warner Cable - Not Approved by DOF	207			-	-	
74		San Gabriel Valley Newspaper	208		2,000.00	1,305.12	694.88	
75		First American Title Company	209		5,000.00	-	5,000.00	
76		St Wtr Resources Cont Board	210		12,000.00	-	12,000.00	
77		L A County Health Department	211		1,500.00	-	1,500.00	
78		L A County Dept Public Works	212		20,000.00	56.00	19,944.00	
79		L A City Sewer Maint District	213		217,921.00	-	217,921.00	
80		International Line Builders	214		40,000.00	-	40,000.00	
81		MC Cain	215		120,000.00	79,234.28	40,765.72	
82		Environs Landscape Arch	216		250,000.00	70,801.94	179,198.06	
83		Contractor By Public Bidding	217			-	-	
84		Contractor By Public Bidding	218			-	-	
85		Kimley Horn & Assoc	219		100,000.00	17,450.90	82,549.10	
86		Kimley Horn & Assoc	220		200,000.00	-	200,000.00	
87		SCS Engineers	221		75,000.00	76,584.40	(1,584.40)	
88		WKE, INC.	222		40,000.00	-	40,000.00	
89		Bustko Engineering	223		400,000.00	292,553.89	107,446.11	
90		Sukut Construction, LLC	267			-	-	
91		C. A. Rasmussen Inc.	270		800,000.00	738,895.08	61,104.92	
92		Sukut Construction, LLC	271		4,000,000.00	1,265,931.73	2,734,068.27	
93		International Line Builders, Inc./Contractor - by public bidding	281		2,200,000.00	46,350.19	2,153,649.81	
94		Contractor By Public Bidding	289			-	-	
95		All American Asphalt	290		12,000,000.00	-	12,000,000.00	
96		City Of Walnut	291			-	-	
97		CASC Engineering & Consulting, INC.	293			-	-	
100		Total Industry Business Center			\$ 45,808,421.00	\$ 7,780,784.73	\$ 38,027,636.27	

	A	B	C	D	G	AC	AD	
1		Successor Agency To the Industry Urban-Development Agency						
2		Budget vs. Actual Disbursements Comparison ROPS 15-16B						
3		Detail Report						
4		January 1 Through June 30, 2016						Exhibit 3
5								
6	Payee		ROPS Line Item	Project #	Estimated Project Expenditures Approved On ROPS 15-16B	Actual Disbursements Paid During the Period	Remaining Amount Of Estimated Project Expenditures Budgeted For The Period	
7					Period January 1 to June 30, 2016	Period January 1 to June 30, 2016	Period January 1 to June 30, 2016	
101								
102		Industry East Traffic Mitigation		MP 99-31 #65				
103		CNC Engineering	251		200,000.00	21,639.13	178,360.87	
104		Geotechnical Consultant	252		100,000.00	-	100,000.00	
105		RKA Consulting Group	253		800,000.00	7,059.25	792,940.75	
106		Contractor by Public Bid	254		-	-	-	
107		City Of Diamond Bar	275		500,000.00	-	500,000.00	
108		Total Industry East Traffic Mitigation			\$ 1,600,000.00	\$ 28,698.38	\$ 1,571,301.62	
109								
110		City / Agency reimbursement Agreement						
111		City of Industry	277		50,000,000.00	34,139,469.00	15,860,531.00	
112		Totals			\$ 50,000,000.00	\$ 34,139,469.00	\$ 15,860,531.00	
113								
114		Total Projects To Be Funded From Other Available Funds			\$ 98,269,421.00	\$ 42,131,767.99	\$ 56,137,653.01	
115								
116		Projects To Be Funded From Bond Proceeds						
117								
118		Lemon Ave Interchange at Route 60		MP 03-10				
119		CNC Engineering	116		\$ 30,000.00	32,008.89	(2,008.89)	
120		Jacobs Civil	117		150,000.00	263,266.04	(113,266.04)	
121		Avant-Garde	118		42,000.00	54,733.25	(12,733.25)	
122		Caltrans (Right of Way Acquisition)	119		-	-	-	
123		Caltrans - contractor by public bidding	120		3,000,000.00	-	3,000,000.00	
124		Caltrans (Construction Administration)	121		800,000.00	-	800,000.00	
125		LA County Dept Public Works	122		3,000.00	-	3,000.00	
127		Total Lemon Ave Interchange at Route 60			\$ 4,025,000.00	\$ 350,008.18	\$ 3,674,991.82	
128								
129		Route 57/60 Confluence Project		MP 99-31 #22				
130		CNC Engineering	123		40,000.00	37,988.72	2,011.28	
131		WKE Inc (Environmental Phase)	124		-	-	-	
132		Atkins	125		-	-	-	
133		Casey O'Callaghan Golf Design	126		40,000.00	-	40,000.00	
134		Caltrans	127		950,000.00	-	950,000.00	
135		Caltrans - by public bidding	128		1,400,000.00	-	1,400,000.00	
136		The PFM Group	129		-	-	-	
137		Avant-Garde	130		90,000.00	76,345.81	13,654.19	
138		ARC Imaging Recourses	131		-	-	-	
139		MX Graphics	132		2,000.00	-	2,000.00	
140		WKE Inc (Design Phase)	133		1,400,000.00	451,577.67	948,422.33	
141		Prince Global	134		90,000.00	60,395.48	29,604.52	
142		Total Route 57/60 Confluence Project			\$ 4,012,000.00	\$ 626,307.68	\$ 3,385,692.32	
143								

	A	B	C	D	G	AC	AD	
1		Successor Agency To the Industry Urban-Development Agency						
2		Budget vs. Actual Disbursements Comparison ROPS 15-16B						
3		Detail Report						
4		January 1 Through June 30, 2016						Exhibit 3
5								
6	Payee		ROPS Line Item	Project #	Estimated Project Expenditures Approved On ROPS 15-16B	Actual Disbursements Paid During the Period	Remaining Amount Of Estimated Project Expenditures Budgeted For The Period	
7					Period January 1 to June 30, 2016	Period January 1 to June 30, 2016	Period January 1 to June 30, 2016	
144	Westbound Slip On- Ramp 57/60			MP 99-31 #22a				
145	WKE Inc		224		50,000.00	-	50,000.00	
146	CNC Engineering		225		5,000.00	-	5,000.00	
147	Caltrans		226		5,500,000.00	-	5,500,000.00	
148	Avant-Garde		227		30,000.00	1,877.50	28,122.50	
149	Atkins		228			-	-	
150	MX Graphics		229		1,000.00	-	1,000.00	
151	ARC Imaging Recourses		230			-	-	
152	Total Westbound Slip On- Ramp 57/60				\$ 5,586,000.00	\$ 1,877.50	\$ 5,584,122.50	
156								
157	Total Projects To Be Funded From Bond Proceeds				\$ 13,623,000.00	\$ 978,193.36	\$ 12,644,806.64	
158								
159	Administration							
160								
161	US Bank		21		11,000.00	-	11,000.00	
162	Bank of NY		22		5,000.00	-	5,000.00	
163	US Bank		23		4,000.00	-	4,000.00	
164	US Bank		25		4,000.00	-	4,000.00	
165	Reimburse City of Industry - Salary		255		348,000.00	290,305.10	57,694.90	
166	Various Vendor -Office Expenses		256		6,000.00	1,056.10	4,943.90	
167	Various Vendor - Property Management		257		42,000.00	37,306.98	4,693.02	
168	Various Vendor - Legal		258		494,500.00	97,016.24	397,483.76	
169	Various Vendor - Accounting & Consulting		259		187,000.00	154,195.00	32,805.00	
170	Various Vendor - Auditing & Review Services		260		110,000.00	54,335.00	55,665.00	
171								
172	Total Administration				\$ 1,211,500.00	\$ 634,214.42	\$ 577,285.58	
173								
174	Appraisal Fees							
175	City Of Industry		282		\$ 22,000.00	-	22,000.00	
176	Total				\$ 22,000.00	\$ -	\$ 22,000.00	
180								
184	Property Maintenance							
185	City of Industry		269		736,000.00	226,825.32	509,174.68	
186	Total				\$ 736,000.00	\$ 226,825.32	\$ 509,174.68	
187								
188	Total All Expenditures				\$ 113,861,921.00	\$ 43,971,001.09	\$ 69,890,919.91	
189								
190								

	A	B	C	D	F	Z	AA	
1		Successor Agency To the Industry Urban-Development Agency						
2		Budget vs. Actual Disbursements Comparison ROPS 16-17A						
3		Detail Report						
4		July 1 Through December 31, 2016						Exhibit 4
5								
6		Payee	ROPS Line Item	Project #	Estimated Project Expenditures Approved On ROPS 16-17A	Actual Disbursements Paid During the Period	Remaining Amount Of Estimated Project Expenditures Budgeted For The Period	
7					Period July 1 to December 31, 2016	Period July 1 to August 25, 2016	Period July 1 to December 31, 2016	
8								
9		Projects To Be Funded From Other Available Funds						
10		Landscaping Baker Parkway Slopes		MP 99 31 #61				
11		CNC Engineering	99		\$ 15,000.00	\$ -	\$ 15,000.00	
12		Environs Landscape Architecture	100		6,000.00	-	6,000.00	
14		Kasa Construction, Inc.	102			-	-	
27		Marina Landscape, Inc.	276		86,100.00	28,700.00	57,400.00	
28		San Gabriel Valley Newspaper	158, 208			-	-	
30		Total Landscaping Baker Parkway Slopes			\$ 107,100.00	\$ 28,700.00	\$ 78,400.00	
31								
32		Diamond Bar Creek		MP 99-31 #26				
33		CNC Engineering	148		300,000.00	-	300,000.00	
34		Thomsen Engineering	149		125,000.00	-	125,000.00	
35		Leighton Consulting	150		125,000.00	-	125,000.00	
36		Regional Water Quality Control	151		10,000.00	-	10,000.00	
37		Army Corp Engineers	152		1,000.00	-	1,000.00	
38		Calif Dept of Fish & Game	153		10,000.00	-	10,000.00	
39		State Water Resources Cont Board	154		12,000.00	-	12,000.00	
40		MX Graphics	155		6,500.00	-	6,500.00	
41		Brown & Brown Ins	156			-	-	
42		City of Industry Disposal	157			-	-	
43		San Gabriel Valley Newspaper	158		1,200.00	-	1,200.00	
44		LA County Health Dept	159		1,500.00	-	1,500.00	
45		So Calif Edison	160		50,000.00	-	50,000.00	
46		Walnut Valley Water District	161		30,000.00	-	30,000.00	
47		LA City Sewer Maint District	162		20,000.00	-	20,000.00	
48		PBLA	163			-	-	
49		Native Grow Nursery	164			-	-	
50		Contractor - by public bidding	165		300,000.00	-	300,000.00	
51		Sage Environmental	166		50,000.00	-	50,000.00	
52		WKE, Inc	167		56,000.00	-	56,000.00	
53		H & H Contractors	266			-	-	
54		Total Diamond Bar Creek			\$ 1,098,200.00	\$ -	\$ 1,098,200.00	
55								

A	B	C	D	F	Z	AA
1	Successor Agency To the Industry Urban-Development Agency					
2	Budget vs. Actual Disbursements Comparison ROPS 16-17A					
3	Detail Report					
4	July 1 Through December 31, 2016					
5	Exhibit 4					
6	Payee	ROPS Line Item	Project #	Estimated Project Expenditures Approved On ROPS 16-17A	Actual Disbursements Paid During the Period	Remaining Amount Of Estimated Project Expenditures Budgeted For The Period
7				Period July 1 to December 31, 2016	Perlod July 1 to August 25, 2016	Period July 1 to December 31, 2016
56						
57	Industry Business Center		MP 99-31 #16			
58	The Planning Center	192		20,000.00	-	20,000.00
59	PBLA Engineering	193		500,000.00	36,421.38	463,578.62
60	Leighton Consulting	194		900,000.00	-	900,000.00
61	Leighton Consulting	195			-	-
62	CNC Engineering	196		1,400,000.00	134,201.03	1,265,798.97
63	CNC Engineering	197		150,000.00	-	150,000.00
64	Thomsen Engineering	198		35,000.00	-	35,000.00
65	Sage Environmental	199		60,000.00	-	60,000.00
66	MX Graphics	200		8,000.00	3,108.33	4,891.67
67	So Cal Sandbags	201		100,000.00	-	100,000.00
68	So Cal Edison	202		3,031,000.00	-	3,031,000.00
69	Verizon	203		694,080.00	-	694,080.00
70	So Cal Gas Co	204		1,041,420.00	-	1,041,420.00
71	Walnut Valley Water District	205		10,000,000.00	-	10,000,000.00
72	Ind Public Utilities	206			-	-
73	Time Warner Cable - Not Approved by DOF	207			-	-
74	San Gabriel Valley Newspaper	208		4,000.00	-	4,000.00
75	First American Title Company	209		5,000.00	-	5,000.00
76	St Wtr Resources Cont Board	210		12,000.00	-	12,000.00
77	L A County Health Department	211		1,500.00	-	1,500.00
78	L A County Dept Public Works	212		40,000.00	-	40,000.00
79	L A City Sewer Maint District	213		217,921.00	-	217,921.00
80	International Line Builders	214		50,000.00	-	50,000.00
81	MC Cain	215		40,000.00	-	40,000.00
82	Environs Landscape Arch	216		300,000.00	18,452.50	281,547.50
83	Contractor By Public Bidding	217			-	-
84	Contractor By Public Bidding	218			-	-
85	Kimley Horn & Assoc	219		100,000.00	-	100,000.00
86	Kimley Horn & Assoc	220		300,000.00	-	300,000.00
87	SCS Engineers	221		90,000.00	-	90,000.00
88	WKE, INC.	222		50,000.00	-	50,000.00
89	Bustko Engineering	223		450,000.00	-	450,000.00
90	Sukut Construction, LLC	267			-	-
91	C. A. Rasmussen Inc.	270			-	-
92	Sukut Construction, LLC	271			-	-
93	International Line Builders, Inc./Contractor - by public bidding	281			-	-
94	Contractor By Public Bidding	289			-	-
95	All American Asphalt	290		18,784,000.00	-	18,784,000.00
96	City Of Walnut	291			-	-
97	CASC Engineering & Consulting, INC.	293			-	-
100	Total Industry Business Center			\$ 38,383,921.00	\$ 192,183.24	\$ 38,191,737.76

A	B	C	D	F	Z	AA
1	Successor Agency To the Industry Urban-Development Agency					
2	Budget vs. Actual Disbursements Comparison ROPS 16-17A					
3	Detail Report					
4	July 1 Through December 31, 2016					
5	Exhibit 4					
6	Payee	ROPS Line Item	Project #	Estimated Project Expenditures Approved On ROPS 16-17A	Actual Disbursements Paid During the Period	Remaining Amount Of Estimated Project Expenditures Budgeted For The Period
7				Period July 1 to December 31, 2016	Period July 1 to August 25, 2016	Period July 1 to December 31, 2016
101						
102	Industry East Traffic Mitigation		MP 99-31 #65			
103	CNC Engineering	251		200,000.00	964.60	199,035.40
104	Geotechnical Consultant	252		150,000.00	-	150,000.00
105	RKA Consulting Group	253			-	-
106	Contractor by Public Bid	254			-	-
107	City Of Diamond Bar	275		713,400.00	-	713,400.00
108	Total Industry East Traffic Mitigation			\$ 1,063,400.00	\$ 964.60	\$ 1,062,435.40
109						
110	City / Agency reimbursement Agreement					
111	City of Industry	277		-	-	-
112	Totals			\$ -	\$ -	\$ -
113						
114	Total Projects To Be Funded From Other Available Funds			\$ 40,652,621.00	\$ 221,847.84	\$ 40,430,773.16
115						
116	Projects To Be Funded From Bond Proceeds					
117						
118	Lemon Ave Interchange at Route 60		MP 03-10			
119	CNC Engineering	116		\$ 30,000.00	14,412.83	15,587.17
120	Jacobs Civil	117		200,000.00	-	200,000.00
121	Avant-Garde	118		80,000.00	8,275.00	71,725.00
122	Caltrans (Right of Way Acquisition)	119			-	-
123	Caltrans - contractor by public bidding	120		3,000,000.00	-	3,000,000.00
124	Caltrans (Construction Administration)	121		3,000,000.00	-	3,000,000.00
125	LA County Dept Public Works	122		3,000.00	-	3,000.00
127	Total Lemon Ave Interchange at Route 60			\$ 6,313,000.00	\$ 22,687.83	\$ 6,290,312.17
128						
129	Route 57/60 Confluence Project		MP 99-31 #22			
130	CNC Engineering	123		50,000.00	4,803.39	45,196.61
131	WKE Inc (Environmental Phase)	124			-	-
132	Atkins	125			-	-
133	Casey O'Callaghan Golf Design	126		38,000.00	-	38,000.00
134	Caltrans	127		3,000,000.00	-	3,000,000.00
135	Caltrans - by public bidding	128		2,000,000.00	-	2,000,000.00
136	The PFM Group	129			-	-
137	Avant-Garde (Retired)	130			-	-
138	ARC Imaging Recourses	131			-	-
139	MX Graphics	132		8,000.00	-	8,000.00
140	WKE Inc (Design Phase)	133		1,200,000.00	-	1,200,000.00
141	Prince Global	134		70,000.00	-	70,000.00
142	TBD (Avant-Grade)	295		80,000.00	9,200.00	70,800.00
143	Total Route 57/60 Confluence Project			\$ 6,446,000.00	\$ 14,003.39	\$ 6,431,996.61
144						

A	B	C	D	F	Z	AA
1	Successor Agency To the Industry Urban-Development Agency					
2	Budget vs. Actual Disbursements Comparison ROPS 16-17A					
3	Detail Report					
4	July 1 Through December 31, 2016					
5	Exhibit 4					
6	Payee	ROPS Line Item	Project #	Estimated Project Expenditures Approved On ROPS 16-17A	Actual Disbursements Paid During the Period	Remaining Amount Of Estimated Project Expenditures Budgeted For The Period
7				Period July 1 to December 31, 2016	Period July 1 to August 25, 2016	Period July 1 to December 31, 2016
145	Westbound Slip On- Ramp 57/60		MP 99-31 #22a			
146	WKE Inc	224			-	-
147	CNC Engineering	225			-	-
148	Caltrans	226		7,000,000.00	-	7,000,000.00
149	Avant-Garde (Retired)	227			-	-
150	Atkins	228			-	-
151	MX Graphics	229		1,000.00	-	1,000.00
152	ARC Imaging Recourses	230			-	-
153	TBD (Avant-Grade)	294		80,000.00	-	80,000.00
154	Total Westbound Slip On- Ramp 57/60			\$ 7,081,000.00	\$ -	\$ 7,081,000.00
155						
156	Industry East Industrial Park pursuant to Lease Agreement an	1,122				
157						
158						
159	Total Projects To Be Funded From Bond Proceeds			19,840,000.00	36,691.22	19,803,308.78
160						
161	Administration					
162						
163	US Bank	21		3,350.00	2,000.00	1,350.00
164	Bank of NY	22			-	-
165	US Bank	23		10,050.00	5,000.00	5,050.00
166	US Bank	25		6,700.00	2,000.00	4,700.00
167	Reimburse City of Industry - Salary	255		390,000.00	130,000.00	260,000.00
168	Various Vendor -Office Expenses	256		2,000.00	-	2,000.00
169	Various Vendor - Property Management	257		32,000.00	6,346.20	25,653.80
170	Various Vendor - Legal	258		162,200.00	-	162,200.00
171	Various Vendor - Accounting & Consulting	259		92,700.00	18,530.00	74,170.00
172	Various Vendor - Auditing & Review Services	260		80,000.00	3,500.00	76,500.00
173						
174	Total Administration			\$ 779,000.00	\$ 167,376.20	\$ 611,623.80
175						
176	Appraisal Fees					
177	City Of Industry	282			-	-
178	Total			\$ -	\$ -	\$ -
179						
180	Ge Brown & Brown Ins	263			48,282.00	(48,282.00)
181	Total			\$ -	\$ 48,282.00	\$ (48,282.00)
182						
183	Property Maintenance					
184	City of Industry	269		527,250.00	-	527,250.00
185	Total			\$ 527,250.00	\$ -	\$ 527,250.00
186						
187	Total All Expenditures			\$ 61,798,871.00	\$ 474,197.26	\$ 61,324,673.74
188						

*OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT AGENCY*

ITEM NO. 5.4

CLIENT MEMORANDUM

TO: OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
FROM: VARNER & BRANDT LLP
SUBJECT: TRANSMITTAL OF SEPTEMBER 29, 2016 OVERSIGHT BOARD MEETING AGENDA ITEM #5.4
DATE: SEPTEMBER 22, 2016

The following memorandum provides the members of the Oversight Board (“Oversight Board”) to the Successor Agency to the Industry Urban-Development Agency (“Successor Agency”) with pertinent information in order for each Board Member to make an informed decision on the matters before the Oversight Board.

Agenda Item No.: 5.4

Subject: Approval of Amended Recognized Obligation Payment Schedule 16-17B. Approval of the amendments to certain enforceable obligations listed on the Recognized Obligation Payment Schedule (“ROPS”) for the period covering July 1, 2016 – June 30, 2017 (“ROPS 16-17”).

Request by Successor Agency: Successor Agency requests that the Oversight Board approve amendments to the approved ROPS 16-17 in order to revise the payment amounts of certain approved enforceable obligations during the second half of the ROPS 16-17 period.

Legislative Authority of the Oversight Board:

1. *California Health and Safety Code Sections 34177(o)(1) and 34180(g):* The Successor Agency must prepare and obtain Oversight Board approval of ROPS for each fiscal year.
2. *California Health and Safety Code Section 34177(o)(1)(E):* Once per ROPS period, and no later than October 1, the Successor Agency may submit one amendment to the ROPS approved by the DOF, if the Oversight Board makes a finding that a revision is necessary for the payment of approved enforceable obligations during the second half of the ROPS period, which shall refer to January 1 to June 30. The Successor Agency may only amend the amount requested for payment of approved enforceable obligations.

Application: The Successor Agency submitted the Oversight Board-approved ROPS 16-17 to DOF on January 29, 2016. DOF issued its initial ROPS determination letter on April 12, 2016. A copy of the letter from DOF is attached hereto as Attachment A. The Successor Agency elected to request a meet and confer with DOF and following such process, DOF issued its final determination letter on May 17, 2016, approving the Successor Agency’s ROPS 16-17, excluding

such items and amounts described in the final determination letter. A copy of the letter from DOF is attached hereto as Attachment B.

Once per ROPS period and no later than October 1, the Successor Agency is permitted to seek one amendment to the DOF-approved ROPS, if the Oversight Board makes a finding that a revision is necessary for the payment of approved enforceable obligations during the second half of the ROPS period (i.e., January 1 to June 30). Only the amount requested for payment of approved enforceable obligations may be amended. (HSC Section 34177(o)(1)(E)).

Below is a brief summary of the enforceable obligations list on ROPS 16-17 that the Successor Agency is seeking to revise and explanation of the proposed amendment.

- Item Nos. 99 and 100 (Engineering Consulting; Landscape Architect [Landscaping Baker Slopes (MP 91-31 #61)])
 - During the meet and confer process, the Successor Agency noted that these items inadvertently identified the wrong funding source. DOF revised ROPS 16-17 to change the funding source from “Bond Proceeds” to “Other Funds”. Successor Agency is now seeking to revise the identification of “Obligation Type” from “Bond Funded Project – Pre-2011” to “Professional Services.”
 - It does not appear that this is a permissible type of amendment under HSC 34177(o)(1)(E). Amendments to ROPS may only be made to the payment amount of the enforceable obligation, not the description of the “Obligation Type”. It appears that the intent of this revision is to make further corrective/clean-up changes to Item Nos. 99 and 100 that were not updated following the DOF’s revision to the inadvertent error in the identification of the funding source. According to Successor Agency staff, despite the foregoing, DOF has verbally requested the amendment to these items.
- Item No. 117 (Engineering Consulting [Lemon Ave. Int. 60 (MP 03-10)])
 - The Successor Agency is seeking to increase the payment amount for the second half of the ROPS 16-17 period by an additional \$100,000, due to the need for additional work to be performed by the engineering consultant. The second half of the ROPS 16-17 period currently reflects no payment to be made. Oversight Board may consider requesting additional information from Successor Agency staff concerning the scope of the additional needed work.
- Item No. 206 (Installation of New Utility System [Industry Business Center (MP 99-31 #16)])
 - Due to an unexecuted agreement with the utility provider, DOF reduced this enforceable obligation to \$0. DOF indicated in its May 17, 2016

determination letter that once agreements have been executed, the Successor Agency should list them on the amended ROPS 16-17. Assuming the Oversight Board approves the agreement between the Successor Agency and the Industry Public Utilities Commission (Agenda Item No. 5.4), a valid contract exists and an amendment would be proper and in accordance with the DOF directive.

- Item No. 253 (Engineering Consultant Intersection 7-9, 11-9, 21, 22, 24 [Industry East Traffic Mitigation Improvements])
 - The Successor Agency is seeking to increase the payment amount for the second half of the ROPS 16-17 period from \$700,000 to \$800,000, based on the agreement with the City of Walnut. According to DOF's May 17, 2016 determination letter, no funding was approved for this item due to an absence of an agreement specifying that the Successor Agency was required to fund improvements in the City of Walnut. The Traffic Mitigation Agreement between the Successor Agency and the City of Walnut (and presented to the Oversight Board at this meeting, Agenda Item No. 5.5) will provide written evidence of the Successor Agency's funding obligation.

- Item No. 269 (Obligations Created Pursuant to HSC Sections 34171(b) and 34171(d)(1)(F) [City/Agency Reimbursement Agreement for Property Maintenance and Other Costs])
 - The Successor Agency is seeking to revise an incorrect allocation of the approved \$1,054,500 property maintenance fees over the ROPS 16-17 period. Each six month period of ROPS 16-17 should be \$527,250.

- Item No. 276 (Maintenance of Assets Created in ROPS Line Items 99-110 [City/Agency Reimbursement Agreement])
 - The Successor Agency is seeking to increase the payment amount for the second half of the ROPS 16-17 period from \$86,100 to \$151,200, due to a new contract involving additional maintenance costs.



Attachment A
DOF Determination Letter
Dated April 12, 2016

April 12, 2016

Mr. Paul Philips, City Manager
City of Industry
15625 E Stafford Street
City of Industry, CA 91744

Dear Mr. Philips:

Subject: 2016-17 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Industry Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule for the period July 1, 2016 through June 30, 2017 (ROPS 16-17) to the California Department of Finance (Finance) on January 29, 2016. Finance has completed its review of the ROPS 16-17.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item Nos. 164, 195, 206, 253, and 281 – Materials, consulting services, and utility installation costs totaling \$15,820,104 of Other Funds for the ROPS 16-17 period are not allowed. Finance determined the Industry Business Center 2005 Lease Agreement (2005 Lease) is an enforceable obligation per our letter dated February 20, 2013. As part of the 2005 Lease the former redevelopment agency (RDA) agreed to be responsible for specific public improvements. However, contracts for these services have not been executed and/or properly approved; therefore, these items are not eligible for Other Funds at this time. Once contracts have been executed and approved by the Oversight Board and Finance, the Agency should list them on future ROPS for funding.
- Item No. 269 – Property Maintenance costs in the amount of \$1,472,000 from Other Funds is partially allowed for ROPS 16-17. HSC section 34171 (d) (1) (F) states that agreements necessary for the administration or operation of the Agency, such as the cost of maintaining assets prior to disposition, are enforceable obligations. However, Finance approved the Agency's Long-Range Property Management Plan (LRPMP) on February 21, 2014, which directs several of the properties listed on the LRPMP to be transferred to the City of Industry for governmental use. As such, maintenance costs associated with the Workman Temple Homestead museum in the amount of \$378,000 and other various unidentified properties in the amount of \$39,500, totaling \$417,500 are not allowed for ROPS 16-17.
- Item No. 276 – Property landscape maintenance cost in the amount of \$228,000 from Other Funds is partially allowed for ROPS 16-17. It is our understanding the total contract amount of \$445,290 with Marina Landscape Maintenance, Inc. dated

January 21, 2015, includes maintenance, irrigation repair/replacement, and landscape replacement costs. Funding for the one-time costs of irrigation repair/replacement and landscape replacement costs were previously approved in ROPS 15-16A. In addition, recent invoices support the contract monthly maintenance cost of \$14,350, or \$172,200 annually. Therefore, the excess \$55,800 (\$228,000 - \$172,200) is not eligible for funding. Specifically, \$38,900 for the July 1, 2016 through December 31, 2016 (ROPS A) period and \$16,900 for the January 1, 2017 through June 30, 2017 (ROPS B) is not allowed.

- Item Nos. 283 through 288 – 2015 Tax Allocation Revenue Refunding Bonds in the ROPS A period totaling \$55,869,112. The Agency requested funding for these obligations in error and requests to reduce funding to zero. Specifically, the funding necessary to service these bonds was distributed to the Agency during the ROPS 15-16B period. As a result, RPTTF funding for the ROPS A period has been decreased by \$55,869,112.
- Item No. 289 – Mass grading costs in the amount of \$38,000,000 from Other Funds is partially allowed. The contract provided by the Agency indicates the mass grading cost is \$30,237,655; therefore, the excess \$7,762,345 is not an enforceable obligation and not eligible for Other Funds for the ROPS B period.
- Item Nos. 99, 100, 116 through 118, 120 through 123, 126 through 128, 132 through 134, 226, 229, 294, and 295 – Various construction projects totaling \$27,625,960 funded with Bond Proceeds. The Agency received a Finding of Completion on May 9, 2016 and is allowed to expend bond proceeds derived from bonds issued prior to January 1, 2011 (pre-2011 bond proceeds) in a manner consistent with the bond covenants. Our approval is specifically limited to the use of excess pre-2011 bond proceeds pursuant to HSC section 34191.4 (c) (1). Therefore, we have changed the various Obligation types to “Bond Funded Project – Pre-2011” Such approval, however, should not be construed as approval of the projects themselves as enforceable obligations.

Except for the items denied in whole or in part or the items that have been adjusted, Finance is not objecting to the remaining items listed on your ROPS 16-17. If you disagree with Finance's determination with respect to any items on your ROPS 16-17, except for those items which are the subject of litigation disputing Finance's previous or related determinations, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

http://www.dof.ca.gov/redevelopment/meet_and_confer/

The Agency's maximum approved RPTTF distribution for the reporting period is \$81,022,086 as summarized in the Approved RPTTF Distribution table on page 4 (See Attachment).

ROPS distributions will occur twice annually, one distribution for the ROPS A period, and one distribution for the ROPS B period based on Finance's approved amounts. Since Finance's determination is for the entire ROPS 16-17 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

On the ROPS 16-17 form, the Agency was not required to report the estimated obligations versus actual payments (prior period adjustment) associated with the July 1, 2015 through

December 31, 2015 period (ROPS 15-16A). The Agency will report actual payments for ROPS 15-16A and ROPS 15-16B on the ROPS 18-19 form pursuant to HSC section 34186 (a) (1). A prior period adjustment will be applied to the Agency's future RPTTF distribution. Therefore, the Agency should retain any difference in unexpended RPTTF.

Please refer to the ROPS 16-17 schedule used to calculate the total RPTTF approved for distribution:

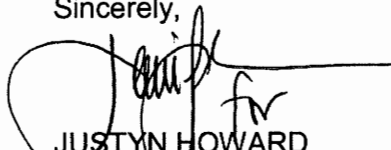
<http://www.dof.ca.gov/redevelopment/ROPS>

Absent a Meet and Confer, this is Finance's determination related to the enforceable obligations reported on your ROPS for the period July 1, 2016 through June 30, 2017. This determination only applies to items when funding was requested for the 12-month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution statutes. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Kylie Oltmann, Supervisor, or Zuber Tejani, Lead Analyst at (916) 445-1546.

Sincerely,


JUSTYN HOWARD
Program Budget Manager

cc: Ms. Susan Paragas, Controller, City of Industry
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

Attachment

Approved RPTTF Distribution			
For the period of July 2016 through June 2017			
	ROPS A Period	ROPS B Period	Total
Requested RPTTF (excluding administrative obligations)	\$ 55,869,112	\$ 81,022,086	\$ 136,891,198
Requested Administrative RPTTF	0	0	0
Total RPTTF requested for obligations on ROPS 16-17	55,869,112	81,022,086	\$ 136,891,198
Adjustment to Agency Requested RPTTF (Items 283-288)	(55,869,112)	0	(55,869,112)
Adjustment to Agency Requested Administrative RPTTF	0	0	0
Total RPTTF adjustments	(55,869,112)	0	\$ (55,869,112)
Total RPTTF requested	0	81,022,086	81,022,086
Total Administrative RPTTF authorized	0	0	\$ 0
Total RPTTF approved for distribution	0	81,022,086	\$ 81,022,086



Attachment B
DOF Determination Letter
Dated May 17, 2016



May 17, 2016

Mr. Paul Philips, City Manager
City of Industry
15625 E Stafford Street
City of Industry, CA 91744

Dear Mr. Philips:

Subject: 2016-17 Annual Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 12, 2016. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Industry Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule for the period of July 1, 2016 through June 30, 2017 (ROPS 16-17) to Finance on January 29, 2016. Finance issued a ROPS determination letter on April 12, 2016. Subsequently, the Agency requested a Meet and Confer session on one or more of the determinations made by Finance. The Meet and Confer session was held on April 26, 2016.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific determinations being disputed.

- Item Nos. 99 and 100 – Landscaping Baker Slopes using various vendors for payments totaling \$42,000. During the Meet and Confer process, the Agency noted that they inadvertently requested the incorrect funding source. Therefore, we have changed the funding source from Bond Proceeds to Other Funds.
- Item Nos. 206 and 281 – Materials, consulting services, and utility installation costs totaling \$13,929,600 of Other Funds for the ROPS 16-17 period. Finance continues to reduce funding for this item to \$0. Finance determined the Industry Business Center 2005 Lease Agreement (2005 Lease) is an enforceable obligation per our letter dated February 20, 2013. As part of the 2005 Lease the former redevelopment agency (RDA) agreed to be responsible for specific public improvements.

However, Finance initially denied these items because contracts for these services have not been executed and/or properly approved. Based on information provided during the Meet and Confer process, it is our understanding the utility companies involved in these two projects, Southern California Edison and Industry Public Utilities Commission, will have agreements prepared later this summer. Once agreements have been executed, the Agency should list them on the amended ROPS 16-17 or a future ROPS for funding. Therefore, the amount of Other Funds for these items is reduced to \$0.

- Item No. 253 – Industry East Traffic Mitigation Improvement costs totaling \$1,500,000 of Other Funds for the ROPS 16-17 period. Finance continues to reduce funding for this item to \$0. Finance previously determined the 2005 Lease is an enforceable obligation per our letter dated February 20, 2013. As part of the 2005 Lease, the RDA agreed to be responsible for specific public improvements. The project is a large development and is affecting surrounding cities.

During the Meet and Confer process, the Agency provided an executed professional services agreement with RKA Consulting Group for \$1,049,405 for design and preparation of street intersection plans dated March 10, 2015. The scope of services includes six intersections and five out of the six intersections are located outside of the City of Industry in other cities, such as the City of Walnut. According to the Agency, the City of Walnut does not have the money to pay for their share of the mitigation projects required by the California Environmental Quality Act (CEQA). As a result, the Agency stated that they are taking on the responsibility of intersection improvements in other cities and cited CEQA as the agreement requiring it to construct the improvements. However, the Industry Business Center Environmental Impact Report (EIR) states that some improvements are located outside the jurisdiction of the City of Industry and would require the cooperation and funding of other agencies, including but not limited to Caltrans, County of Los Angeles and Cities of Diamond Bar, Pomona, West Covina, and Walnut. There are currently no agreements in place with the other cities to have them provide funding for the improvements and there is no obligation in the EIR specifying that the Agency is to fund the improvements from its own resources. Therefore, the \$1,500,000 requested in Other Funds is not eligible for the ROPS 16-17 period.

- Item No. 276 – Property landscape maintenance cost in the amount of \$228,000 of Other Funds for the ROPS 16-17 period. Finance continues to partially allow this item. During the Meet and Confer process, the Agency provided additional clarification on the Marina Landscape Maintenance, Inc. Agreement (Agreement) dated January 21, 2015. The Agency contended that the total Agreement amount of \$445,290 includes irrigation repair/replacement and landscape replacement costs, in addition to the monthly maintenance fee. However, HSC section 34177.3 (b) specifically excludes planning, redesign or design, demolition, alteration, or construction, construction financing, site remediation, site development or improvement, land clearances, and seismic retrofits from the work of winding down the former RDA. The irrigation repair/replacement and landscape replacement costs are considered construction or alterations, which are specifically excluded and are not enforceable obligations.

Therefore, the monthly maintenance cost of \$14,350, or \$172,200 annually, is being approved for the ROPS 16-17 period. As such, the excess of \$55,800 (\$228,000 - \$172,200) is not eligible for funding. Specifically, \$38,900 for the July 1, 2016 through December 31, 2016 (ROPS A) period and \$16,900 for the January 1, 2017 through June 30, 2017 (ROPS B) is not allowed.

In addition, per Finance's letter dated April 12, 2016, we continue to make the following determinations not contested by the Agency during the Meet and Confer:

- Item Nos. 164 and 195 – Materials, consulting services, and utility installation costs totaling \$390,504 of Other Funds for the ROPS 16-17 period are not allowed. Finance determined the Industry Business Center 2005 Lease Agreement (2005 Lease) is an

enforceable obligation per our letter dated February 20, 2013. As part of the 2005 Lease the former redevelopment agency (RDA) agreed to be responsible for specific public improvements. However, contracts for these services have not been executed and/or properly approved; therefore, these items are not eligible for Other Funds at this time. Once contracts have been executed and approved by the Oversight Board and Finance, the Agency should list them on future ROPS for funding.

- Item No. 269 – Property Maintenance costs in the amount of \$1,472,000 from Other Funds is partially allowed for ROPS 16-17. HSC section 34171 (d) (1) (F) states that agreements necessary for the administration or operation of the Agency, such as the cost of maintaining assets prior to disposition, are enforceable obligations. However, Finance approved the Agency's Long-Range Property Management Plan (LRPMP) on February 21, 2014, which directs several of the properties listed on the LRPMP to be transferred to the City of Industry for governmental use. As such, maintenance costs associated with the Workman and Temple Family Homestead Museum in the amount of \$378,000 and other various unidentified properties in the amount of \$39,500, totaling \$417,500 are not allowed for ROPS 16-17.
- Item Nos. 283 through 288 – 2015 Tax Allocation Revenue Refunding Bonds in the ROPS A period totaling \$55,869,112. The Agency requested funding for these obligations in error and requests to reduce funding to zero. Specifically, the funding necessary to service these bonds was distributed to the Agency during the ROPS 15-16B period. As a result, RPTTF funding for the ROPS A period has been decreased by \$55,869,112.
- Item No. 289 – Mass grading costs in the amount of \$38,000,000 from Other Funds is partially allowed. The contract provided by the Agency indicates the mass grading cost is \$30,237,655; therefore, the excess \$7,762,345 is not an enforceable obligation and not eligible for Other Funds for the ROPS B period.
- Item Nos. 116 through 118, 120 through 123, 126 through 128, 132 through 134, 226, 229, 294, and 295 – Various construction projects totaling \$27,583,960 funded with Bond Proceeds. The Agency received a Finding of Completion on May 9, 2016 and is allowed to expend bond proceeds derived from bonds issued prior to January 1, 2011 (pre-2011 bond proceeds) in a manner consistent with the bond covenants. Our approval is specifically limited to the use of excess pre-2011 bond proceeds pursuant to HSC section 34191.4 (c) (1). Therefore, we have changed the various Obligation types to "Bond Funded Project – Pre-2011" Such approval, however, should not be construed as approval of the projects themselves as enforceable obligations.

Except for the items denied in whole or in part or the items that have been adjusted, Finance is not objecting to the remaining items listed on your ROPS 16-17.

The Agency's maximum approved RPTTF distribution for the reporting period is \$81,022,086 as summarized in the Approved RPTTF Distribution Table on Page 5 (See Attachment).

ROPS distributions will occur twice annually, one distribution for the ROPS A period, and one distribution for the ROPS B period based on Finance's approved amounts. Since Finance's determination is for the entire ROPS 16-17 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

On the ROPS 16-17 form, the Agency was not required to report the estimated obligations versus actual payments (prior period adjustment) associated with the July 1, 2015 through December 31, 2015 period (ROPS 15-16A). The Agency will report actual payments for ROPS 15-16A and ROPS 15-16B on the ROPS 18-19 form pursuant to HSC section 34186 (a) (1). A prior period adjustment will be applied to the Agency's future RPTTF distribution. Therefore, the Agency should retain any difference in unexpended RPTTF.

Please refer to the ROPS 16-17 schedule used to calculate the total RPTTF approved for distribution:

<http://www.dof.ca.gov/redevelopment/ROPS>

This is Finance's determination related to the enforceable obligations reported on your ROPS for the period July 1, 2016 through June 30, 2017. This determination only applies to items when funding was requested for the 12-month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution statutes. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, or Michael Barr, Analyst, at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Ms. Susan Paragas, Controller, City of Industry
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

Attachment

Approved RPTTF Distribution			
For the period of July 2016 through June 2017			
	ROPS A Period	ROPS B Period	Total
Requested RPTTF (excluding administrative obligations)	\$ 55,869,112	\$ 81,022,086	\$ 136,891,198
Requested Administrative RPTTF	0	0	0
Total RPTTF requested for obligations on ROPS 16-17	55,869,112	81,022,086	\$ 136,891,198
Adjustment to Agency Requested RPTTF (Items 283-288)	(55,869,112)	0	(55,869,112)
Adjustment to Agency Requested Administrative RPTTF	0	0	0
Total RPTTF adjustments	(55,869,112)	0	\$ (55,869,112)
Total RPTTF requested	0	81,022,086	81,022,086
Total Administrative RPTTF authorized	0	0	\$ 0
Total RPTTF approved for distribution	0	81,022,086	\$ 81,022,086

Amended Recognized Obligation Payment Schedule (ROPS 16-17B) - Summary

Filed for the January 1, 2017 through June 30, 2017 Period

Successor Agency: Industry City
 County: Los Angeles

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	ROPS 16-17B Authorized Amounts	ROPS 16-17B Requested Adjustments	ROPS 16-17B Amended Total
A Enforceable Obligations Funded as Follows (B+C+D):	\$ 32,056,324	\$ 11,223,850	\$ 43,280,174
B Bond Proceeds	7,743,960	-	7,743,960
C Reserve Balance	-	-	-
D Other Funds	24,312,364	11,223,850	35,536,214
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 81,022,086	\$ -	\$ 81,022,086
F RPTTF	81,022,086	-	81,022,086
G Administrative RPTTF	-	-	-
H Current Period Enforceable Obligations (A+E):	\$ 113,078,410	\$ 11,223,850	\$ 124,302,260

Certification of Oversight Board Chairman:
 Pursuant to Section 34177 (o) of the Health and Safety
 code, I hereby certify that the above is a true and accurate
 Recognized Obligation Payment Schedule for the above
 named successor agency.

 Name Title
 /s/ _____
 Signature Date

Industry City Amended Recognized Obligation Payment Schedule (ROPS 16-17B) - ROPS Detail

January 1, 2017 through June 30, 2017

(Report Amounts in Whole Dollars)

Item #	Project Name/Debt Obligation	Obligation Type	Total Outstanding Balance	AUTHORIZED AMOUNTS					REQUESTED ADJUSTMENTS					Total	Notes	
				Fund Sources					Fund Sources							
				Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF			
285	Tax Allocation Revenue Refunding Bonds, Series 2015B-Prj#2 Taxable	Refunding Bonds Issued After 6/27/12	\$ 302,507,698				26,376,064		\$ 26,376,064						\$	
286	Subordinate Tax Allocation Revenue Refunding Bonds Series 2015A-Prj#2-Taxable	Refunding Bonds Issued After 6/27/12	\$ 40,100,738				5,085,800		\$ 5,085,800						\$	
287	Tax Allocation Revenue Refunding Bonds, Series 2015A-Prj#3-Tax Exempt	Refunding Bonds Issued After 6/27/12	\$ 8,321,250				1,046,250		\$ 1,046,250						\$	
288	Tax Allocation Revenue Refunding Bonds, Series 2015B-Prj#3-Taxable	Refunding Bonds Issued After 6/27/12	\$ 44,190,381				4,634,187		\$ 4,634,187						\$	
289	Industry Business Center (MP 99-31 #16)	Improvement/Infrastructure	\$ 38,000,000			11,237,655			\$ 11,237,655						\$	
290	Industry Business Center (MP 99-31 #16)	Improvement/Infrastructure	\$ 18,784,000						\$ -						\$	
291	Industry Business Center (MP 99-31 #16)	Improvement/Infrastructure	\$ 2,877,094	\$ -	\$ -	\$ -			\$ -						\$	
294	W Bd Slip On Ramp 57/60 (MP 99-31 22a)	Bond Funded Project - Pre-2011	\$ 100,000	20,000					\$ 20,000						\$	
295	Route 57/60 Confluence (MP99-31 #22)	Bond Funded Project - Pre-2011	\$ 100,000	20,000					\$ 20,000						\$	

*OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT AGENCY*

ITEM NO. 5.5

CLIENT MEMORANDUM

TO: OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
FROM: VARNER & BRANDT LLP
SUBJECT: TRANSMITTAL OF SEPTEMBER 29, 2016 OVERSIGHT BOARD MEETING AGENDA ITEM #5.5
DATE: SEPTEMBER 22, 2016

The following memorandum provides the seven (7) board members (“Board Members”) of the Oversight Board (“Oversight Board”) of the Successor Agency to the Industry Urban-Development Agency (“Successor Agency”) with pertinent information in order for each Board Member to make an informed decision on the matters before the Oversight Board.

Agenda Item No.: 5.5

Subject: Approval of Contract for Extension of Electrical Distribution Line, Industry Business Center. Successor Agency seeks approval of a contract with Industry Public Utilities Commission (“IPUC”) concerning extending electrical service to the Industry Business Center project.

Recognized Obligation Payment Schedule Item No.: 206

Request by Successor Agency: Successor Agency requests that the Oversight Board approve the Contract for Extension of Electric Distribution Line with IPUC, attached hereto as Exhibit A (the “Contract”), for the extension of electrical service to the 600-acre Industry Business Center project, as part of the site improvement obligations of the Successor Agency required under the Lease Agreement dated April 28, 2005, between the Successor Agency and Industry East Business Center, LLC, as successor in interest to the Industry East Land, LLC (“2005 Lease”).

Legislative Authority of the Oversight Board:

1. *California Health and Safety Code Section 34177(c):* The Successor Agency must perform all obligations required by any enforceable obligation.
2. *California Health and Safety Code Section 34177(h):* The Successor Agency must expeditiously wind down the affairs of the Former Agency in accordance with the direction of the Oversight Board.

Application: Department of Finance (“DOF”) confirmed in its February 20, 2013 correspondence to the Successor Agency that the 2005 Lease is an enforceable obligation. The Successor Agency must perform all obligations that exist under an enforceable obligation. (Health and Safety Code § 34177(c)). Consistent with the foregoing, DOF also indicated in its letter that obligations emanating from the 2005 Lease must have executed contracts before such agreement will be eligible for payment in any given ROPS period. The Successor Agency included this Contract as Item No. 206 on ROPS 16-17.

Upon review of ROPS 16-17, DOF issued a determination letter dated April 12, 2016, denying the inclusion of this item on ROPS 16-17 and the corresponding expenditure of \$11,829,600. A copy of the letter from DOF is attached hereto as Attachment A. Successor Agency staff subsequently requested a meet and confer session with DOF, which was held on April 26, 2016. In its subsequent May 17, 2016 determination letter, DOF again denied the inclusion of this item on ROPS 16-17, citing to the absence of an executed agreement with the IUPC. DOF indicated that “Once agreements have been executed, the [Successor] Agency should list them on the amended ROPS 16-17 or a future ROPS for funding.” A copy of the letter from DOF is attached hereto as Attachment B.

The Successor Agency desires to execute the Contract and include the expenditure on the amended ROPS 16-17. The amended ROPS 16-17 will be presented to the Oversight Board at this meeting. The work under the Contract consists of the installation of electric distribution lines to various portions of the Industry Business Center project. This work relates to the Successor Agency’s site improvement obligations set forth in Exhibit B of the 2005 Lease. To fund the work, the Successor Agency intends to utilize the proceeds from rental property income and from the sale of Successor Agency properties. As the “applicant” for the work, the Successor Agency is required to pay the costs associated with the installation and infrastructure of the electric distribution lines. The contract amount for the Contract is \$10,750,000, which is less than the expenditure amount originally included on ROPS 16-17.



Attachment A

DOF Determination Letter, Dated April 12, 2016



April 12, 2016

Mr. Paul Philips, City Manager
City of Industry
15625 E Stafford Street
City of Industry, CA 91744

Dear Mr. Philips:

Subject: 2016-17 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Industry Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule for the period July 1, 2016 through June 30, 2017 (ROPS 16-17) to the California Department of Finance (Finance) on January 29, 2016. Finance has completed its review of the ROPS 16-17.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item Nos. 164, 195, 206, 253, and 281 – Materials, consulting services, and utility installation costs totaling \$15,820,104 of Other Funds for the ROPS 16-17 period are not allowed. Finance determined the Industry Business Center 2005 Lease Agreement (2005 Lease) is an enforceable obligation per our letter dated February 20, 2013. As part of the 2005 Lease the former redevelopment agency (RDA) agreed to be responsible for specific public improvements. However, contracts for these services have not been executed and/or properly approved; therefore, these items are not eligible for Other Funds at this time. Once contracts have been executed and approved by the Oversight Board and Finance, the Agency should list them on future ROPS for funding.
- Item No. 269 – Property Maintenance costs in the amount of \$1,472,000 from Other Funds is partially allowed for ROPS 16-17. HSC section 34171 (d) (1) (F) states that agreements necessary for the administration or operation of the Agency, such as the cost of maintaining assets prior to disposition, are enforceable obligations. However, Finance approved the Agency's Long-Range Property Management Plan (LRPMP) on February 21, 2014, which directs several of the properties listed on the LRPMP to be transferred to the City of Industry for governmental use. As such, maintenance costs associated with the Workman Temple Homestead museum in the amount of \$378,000 and other various unidentified properties in the amount of \$39,500, totaling \$417,500 are not allowed for ROPS 16-17.
- Item No. 276 – Property landscape maintenance cost in the amount of \$228,000 from Other Funds is partially allowed for ROPS 16-17. It is our understanding the total contract amount of \$445,290 with Marina Landscape Maintenance, Inc. dated

January 21, 2015, includes maintenance, irrigation repair/replacement, and landscape replacement costs. Funding for the one-time costs of irrigation repair/replacement and landscape replacement costs were previously approved in ROPS 15-16A. In addition, recent invoices support the contract monthly maintenance cost of \$14,350, or \$172,200 annually. Therefore, the excess \$55,800 (\$228,000 - \$172,200) is not eligible for funding. Specifically, \$38,900 for the July 1, 2016 through December 31, 2016 (ROPS A) period and \$16,900 for the January 1, 2017 through June 30, 2017 (ROPS B) is not allowed.

- Item Nos. 283 through 288 – 2015 Tax Allocation Revenue Refunding Bonds in the ROPS A period totaling \$55,869,112. The Agency requested funding for these obligations in error and requests to reduce funding to zero. Specifically, the funding necessary to service these bonds was distributed to the Agency during the ROPS 15-16B period. As a result, RPTTF funding for the ROPS A period has been decreased by \$55,869,112.
- Item No. 289 – Mass grading costs in the amount of \$38,000,000 from Other Funds is partially allowed. The contract provided by the Agency indicates the mass grading cost is \$30,237,655; therefore, the excess \$7,762,345 is not an enforceable obligation and not eligible for Other Funds for the ROPS B period.
- Item Nos. 99, 100, 116 through 118, 120 through 123, 126 through 128, 132 through 134, 226, 229, 294, and 295 – Various construction projects totaling \$27,625,960 funded with Bond Proceeds. The Agency received a Finding of Completion on May 9, 2016 and is allowed to expend bond proceeds derived from bonds issued prior to January 1, 2011 (pre-2011 bond proceeds) in a manner consistent with the bond covenants. Our approval is specifically limited to the use of excess pre-2011 bond proceeds pursuant to HSC section 34191.4 (c) (1). Therefore, we have changed the various Obligation types to “Bond Funded Project – Pre-2011” Such approval, however, should not be construed as approval of the projects themselves as enforceable obligations.

Except for the items denied in whole or in part or the items that have been adjusted, Finance is not objecting to the remaining items listed on your ROPS 16-17. If you disagree with Finance's determination with respect to any items on your ROPS 16-17, except for those items which are the subject of litigation disputing Finance's previous or related determinations, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

http://www.dof.ca.gov/redevelopment/meet_and_confer/

The Agency's maximum approved RPTTF distribution for the reporting period is \$81,022,086 as summarized in the Approved RPTTF Distribution table on page 4 (See Attachment).

ROPS distributions will occur twice annually, one distribution for the ROPS A period, and one distribution for the ROPS B period based on Finance's approved amounts. Since Finance's determination is for the entire ROPS 16-17 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

On the ROPS 16-17 form, the Agency was not required to report the estimated obligations versus actual payments (prior period adjustment) associated with the July 1, 2015 through

December 31, 2015 period (ROPS 15-16A). The Agency will report actual payments for ROPS 15-16A and ROPS 15-16B on the ROPS 18-19 form pursuant to HSC section 34186 (a) (1). A prior period adjustment will be applied to the Agency's future RPTTF distribution. Therefore, the Agency should retain any difference in unexpended RPTTF.

Please refer to the ROPS 16-17 schedule used to calculate the total RPTTF approved for distribution:

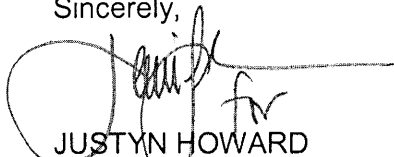
<http://www.dof.ca.gov/redevelopment/ROPS>

Absent a Meet and Confer, this is Finance's determination related to the enforceable obligations reported on your ROPS for the period July 1, 2016 through June 30, 2017. This determination only applies to items when funding was requested for the 12-month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution statutes. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Kylie Oltmann, Supervisor, or Zuber Tejani, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Ms. Susan Paragas, Controller, City of Industry
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

Attachment

Approved RPTTF Distribution			
For the period of July 2016 through June 2017			
	ROPS A Period	ROPS B Period	Total
Requested RPTTF (excluding administrative obligations)	\$ 55,869,112	\$ 81,022,086	\$ 136,891,198
Requested Administrative RPTTF	0	0	0
Total RPTTF requested for obligations on ROPS 16-17	55,869,112	81,022,086	\$ 136,891,198
Adjustment to Agency Requested RPTTF (Items 283-288)	(55,869,112)	0	(55,869,112)
Adjustment to Agency Requested Administrative RPTTF	0	0	0
Total RPTTF adjustments	(55,869,112)	0	\$ (55,869,112)
Total RPTTF requested	0	81,022,086	81,022,086
Total Administrative RPTTF authorized	0	0	\$ 0
Total RPTTF approved for distribution	0	81,022,086	\$ 81,022,086



Attachment B

DOF Determination Letter, Dated May 17, 2016



May 17, 2016

Mr. Paul Philips, City Manager
City of Industry
15625 E Stafford Street
City of Industry, CA 91744

Dear Mr. Philips:

Subject: 2016-17 Annual Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 12, 2016. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Industry Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule for the period of July 1, 2016 through June 30, 2017 (ROPS 16-17) to Finance on January 29, 2016. Finance issued a ROPS determination letter on April 12, 2016. Subsequently, the Agency requested a Meet and Confer session on one or more of the determinations made by Finance. The Meet and Confer session was held on April 26, 2016.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific determinations being disputed.

- Item Nos. 99 and 100 – Landscaping Baker Slopes using various vendors for payments totaling \$42,000. During the Meet and Confer process, the Agency noted that they inadvertently requested the incorrect funding source. Therefore, we have changed the funding source from Bond Proceeds to Other Funds.
- Item Nos. 206 and 281 – Materials, consulting services, and utility installation costs totaling \$13,929,600 of Other Funds for the ROPS 16-17 period. Finance continues to reduce funding for this item to \$0. Finance determined the Industry Business Center 2005 Lease Agreement (2005 Lease) is an enforceable obligation per our letter dated February 20, 2013. As part of the 2005 Lease the former redevelopment agency (RDA) agreed to be responsible for specific public improvements.

However, Finance initially denied these items because contracts for these services have not been executed and/or properly approved. Based on information provided during the Meet and Confer process, it is our understanding the utility companies involved in these two projects, Southern California Edison and Industry Public Utilities Commission, will have agreements prepared later this summer. Once agreements have been executed, the Agency should list them on the amended ROPS 16-17 or a future ROPS for funding. Therefore, the amount of Other Funds for these items is reduced to \$0.

- Item No. 253 – Industry East Traffic Mitigation Improvement costs totaling \$1,500,000 of Other Funds for the ROPS 16-17 period. Finance continues to reduce funding for this item to \$0. Finance previously determined the 2005 Lease is an enforceable obligation per our letter dated February 20, 2013. As part of the 2005 Lease, the RDA agreed to be responsible for specific public improvements. The project is a large development and is affecting surrounding cities.

During the Meet and Confer process, the Agency provided an executed professional services agreement with RKA Consulting Group for \$1,049,405 for design and preparation of street intersection plans dated March 10, 2015. The scope of services includes six intersections and five out of the six intersections are located outside of the City of Industry in other cities, such as the City of Walnut. According to the Agency, the City of Walnut does not have the money to pay for their share of the mitigation projects required by the California Environmental Quality Act (CEQA). As a result, the Agency stated that they are taking on the responsibility of intersection improvements in other cities and cited CEQA as the agreement requiring it to construct the improvements. However, the Industry Business Center Environmental Impact Report (EIR) states that some improvements are located outside the jurisdiction of the City of Industry and would require the cooperation and funding of other agencies, including but not limited to Caltrans, County of Los Angeles and Cities of Diamond Bar, Pomona, West Covina, and Walnut. There are currently no agreements in place with the other cities to have them provide funding for the improvements and there is no obligation in the EIR specifying that the Agency is to fund the improvements from its own resources. Therefore, the \$1,500,000 requested in Other Funds is not eligible for the ROPS 16-17 period.

- Item No. 276 – Property landscape maintenance cost in the amount of \$228,000 of Other Funds for the ROPS 16-17 period. Finance continues to partially allow this item. During the Meet and Confer process, the Agency provided additional clarification on the Marina Landscape Maintenance, Inc. Agreement (Agreement) dated January 21, 2015. The Agency contended that the total Agreement amount of \$445,290 includes irrigation repair/replacement and landscape replacement costs, in addition to the monthly maintenance fee. However, HSC section 34177.3 (b) specifically excludes planning, redesign or design, demolition, alteration, or construction, construction financing, site remediation, site development or improvement, land clearances, and seismic retrofits from the work of winding down the former RDA. The irrigation repair/replacement and landscape replacement costs are considered construction or alterations, which are specifically excluded and are not enforceable obligations.

Therefore, the monthly maintenance cost of \$14,350, or \$172,200 annually, is being approved for the ROPS 16-17 period. As such, the excess of \$55,800 (\$228,000 - \$172,200) is not eligible for funding. Specifically, \$38,900 for the July 1, 2016 through December 31, 2016 (ROPS A) period and \$16,900 for the January 1, 2017 through June 30, 2017 (ROPS B) is not allowed.

In addition, per Finance's letter dated April 12, 2016, we continue to make the following determinations not contested by the Agency during the Meet and Confer:

- Item Nos. 164 and 195 – Materials, consulting services, and utility installation costs totaling \$390,504 of Other Funds for the ROPS 16-17 period are not allowed. Finance determined the Industry Business Center 2005 Lease Agreement (2005 Lease) is an

enforceable obligation per our letter dated February 20, 2013. As part of the 2005 Lease the former redevelopment agency (RDA) agreed to be responsible for specific public improvements. However, contracts for these services have not been executed and/or properly approved; therefore, these items are not eligible for Other Funds at this time. Once contracts have been executed and approved by the Oversight Board and Finance, the Agency should list them on future ROPS for funding.

- Item No. 269 – Property Maintenance costs in the amount of \$1,472,000 from Other Funds is partially allowed for ROPS 16-17. HSC section 34171 (d) (1) (F) states that agreements necessary for the administration or operation of the Agency, such as the cost of maintaining assets prior to disposition, are enforceable obligations. However, Finance approved the Agency's Long-Range Property Management Plan (LRPMP) on February 21, 2014, which directs several of the properties listed on the LRPMP to be transferred to the City of Industry for governmental use. As such, maintenance costs associated with the Workman and Temple Family Homestead Museum in the amount of \$378,000 and other various unidentified properties in the amount of \$39,500, totaling \$417,500 are not allowed for ROPS 16-17.
- Item Nos. 283 through 288 – 2015 Tax Allocation Revenue Refunding Bonds in the ROPS A period totaling \$55,869,112. The Agency requested funding for these obligations in error and requests to reduce funding to zero. Specifically, the funding necessary to service these bonds was distributed to the Agency during the ROPS 15-16B period. As a result, RPTTF funding for the ROPS A period has been decreased by \$55,869,112.
- Item No. 289 – Mass grading costs in the amount of \$38,000,000 from Other Funds is partially allowed. The contract provided by the Agency indicates the mass grading cost is \$30,237,655; therefore, the excess \$7,762,345 is not an enforceable obligation and not eligible for Other Funds for the ROPS B period.
- Item Nos. 116 through 118, 120 through 123, 126 through 128, 132 through 134, 226, 229, 294, and 295 – Various construction projects totaling \$27,583,960 funded with Bond Proceeds. The Agency received a Finding of Completion on May 9, 2016 and is allowed to expend bond proceeds derived from bonds issued prior to January 1, 2011 (pre-2011 bond proceeds) in a manner consistent with the bond covenants. Our approval is specifically limited to the use of excess pre-2011 bond proceeds pursuant to HSC section 34191.4 (c) (1). Therefore, we have changed the various Obligation types to "Bond Funded Project – Pre-2011" Such approval, however, should not be construed as approval of the projects themselves as enforceable obligations.

Except for the items denied in whole or in part or the items that have been adjusted, Finance is not objecting to the remaining items listed on your ROPS 16-17.

The Agency's maximum approved RPTTF distribution for the reporting period is \$81,022,086 as summarized in the Approved RPTTF Distribution Table on Page 5 (See Attachment).

ROPS distributions will occur twice annually, one distribution for the ROPS A period, and one distribution for the ROPS B period based on Finance's approved amounts. Since Finance's determination is for the entire ROPS 16-17 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

On the ROPS 16-17 form, the Agency was not required to report the estimated obligations versus actual payments (prior period adjustment) associated with the July 1, 2015 through December 31, 2015 period (ROPS 15-16A). The Agency will report actual payments for ROPS 15-16A and ROPS 15-16B on the ROPS 18-19 form pursuant to HSC section 34186 (a) (1). A prior period adjustment will be applied to the Agency's future RPTTF distribution. Therefore, the Agency should retain any difference in unexpended RPTTF.

Please refer to the ROPS 16-17 schedule used to calculate the total RPTTF approved for distribution:

<http://www.dof.ca.gov/redevelopment/ROPS>

This is Finance's determination related to the enforceable obligations reported on your ROPS for the period July 1, 2016 through June 30, 2017. This determination only applies to items when funding was requested for the 12-month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution statutes. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, or Michael Barr, Analyst, at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Ms. Susan Paragas, Controller, City of Industry
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

Attachment

Approved RPTTF Distribution			
For the period of July 2016 through June 2017			
	ROPS A Period	ROPS B Period	Total
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Adjustment to Agency Requested Administrative RPTTF	0	0	0
Total RPTTF adjustments	(55,869,112)	0	\$ (55,869,112)
Total RPTTF requested	0	81,022,086	81,022,086
Total Administrative RPTTF authorized	0	0	\$ 0
Total RPTTF approved for distribution	0	81,022,086	\$ 81,022,086



SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY

MEMORANDUM

To: Honorable Chairman and Members of the Successor Agency to the Industry Urban-Development Agency Board

From: Paul J. Philips, Executive Director

Staff: Clement N. Calvillo, Agency Engineer, CNC Engineering
Joshua Nelson, Deputy Agency Engineer, CNC Engineering

Date: September 8, 2016

SUBJECT: Contract for Extension of Electric Distribution Line (IBC-0384)

DISCUSSION:

For the Industry Business Center project, the Industry Public Utilities Commission is the electric utility provider for that area. In order to serve the project, their rules require the applicant (in this case the Successor Agency is the applicant) to pay for the cost to extend their facilities to the project as well as pay for the infrastructure to be installed within the project. The attached agreement outlines the terms of the extension of the distribution system. The total cost to the Successor Agency is \$10,750,000 and is listed in the Recognized Obligation Payment Schedule under line number 206. At this time the California State Department of Finance has denied this line item because there wasn't an agreement in place. However, by signing this agreement it should satisfy their requirement to have an agreement in place. The Oversight Board to the Successor Agency to the Industry-Urban Development Agency will still need to approve this agreement prior to it being sent to the California State Department of Finance.

FISCAL IMPACT:

The IPUC requires an advance payment of \$10,750,000. This amount is listed in the amended ROPS 16-17B under line number 206 that will be submitted to the Oversight Board on September 12, 2016.

RECOMMENDED ACTION:

We recommend that you approve the agreement.

PP/CC/JN:jv

RESOLUTION NO. OB 2016-23

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING THE CONTRACT FOR EXTENSION OF ELECTRIC DISTRIBUTION LINE BY AND BETWEEN THE SUCCESSOR AGENCY AND THE INDUSTRY PUBLIC UTILITY COMMISSION

WHEREAS, the Successor Agency to the Industry Urban-Development Agency was formed in accordance with California Health and Safety Code Section 34173 (“Successor Agency”); and

WHEREAS, the Oversight Board (“Oversight Board”) of the Successor Agency was established pursuant to California Health and Safety Code Section 34179; and

WHEREAS, the former Industry Urban-Development Agency (“Former Agency”) and Industry East Business Center, LLC, as successor in interest to the Industry East Land, LLC, entered into that certain Lease Agreement dated April 28, 2005 (“2005 Lease Agreement”), for the development of industrial, retail, and office space on the 600-acre parcel of land owned by the Former Agency and located on either side of Grand Avenue and adjacent to State Route 60 (“IBC Project”); and

WHEREAS, the 2005 Lease Agreement required the Former Agency to perform certain public improvements and other work related to infrastructure for the IBC Project, including design and construction of vaults, junction boxes and related substructure elements for electrical utilities; and

WHEREAS, the California Department of Finance (“DOF”), in a letter dated February 20, 2013, stated that the 2005 Lease Agreement is an enforceable obligation of the Successor Agency and the Successor Agency may enter into contracts for obligations that emanate from the 2005 Lease Agreement; and

WHEREAS, the Successor Agency desires to enter into a Contract for Extension of Electric Distribution Line with the Industry Public Utility Commission, in the form attached hereto as Attachment A (“Contract”), subject to the approval of the Oversight Board and the DOF, whereby the Successor Agency will pay the Industry Public Utility Commission to install electric distribution lines to various portions of the IBC Project site in accordance with the Successor Agency’s obligations under the 2005 Lease Agreement; and

WHEREAS, the Oversight Board has determined that the approval of the Contract is proper and that the Agreement is consistent with the requirements of the Successor Agency to perform obligations required pursuant to any enforceable obligation in accordance with California Health and Safety Code Section 34177(c) and to wind down the affairs of the Former Agency in accordance with California Health and Safety Code Section 34177(h); and

WHEREAS, California Health and Safety Code Section 34179(e) requires the Oversight Board to adopt resolutions for any action taken by the Oversight Board.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

Section 1. **Approval of the Contract.** The Oversight Board hereby approves the Contract, attached hereto as Attachment A.

Section 2. **Authorization of Successor Agency.** Upon approval of this resolution (“Resolution”) by the DOF, the Oversight Board hereby authorizes and directs the Executive Director and/or Assistant Secretary of the Successor Agency, jointly and severally, to execute and deliver any and all other documents which they may deem necessary or advisable in order to effectuate the purposes of this Resolution.

Section 3. **Delivery to the California Department of Finance.** The Oversight Board hereby authorizes and directs the Secretary of the Oversight Board to electronically deliver a copy of this Resolution to the DOF in accordance with California Health and Safety Code Section 34179(h).

Section 4. **Other Actions.** The Oversight Board hereby authorizes and directs the Chairman, Vice Chairman and/or Secretary of the Oversight Board, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.

Section 5. **Effect.** This Resolution shall take effect in accordance with California Health and Safety Code Section 34179(h).

PASSED, APPROVED AND ADOPTED by the Oversight Board at a duly noticed meeting of the Oversight Board held on September 29, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____
Santos H. Kreimann, Chairman
Oversight Board of the Successor Agency to the
Industry Urban-Development Agency

ATTEST:

Diane M. Schlichting, Secretary
Oversight Board of the Successor Agency to
the Industry Urban-Development Agency

RESOLUTION NO. OB 2016-23

ATTACHMENT A

CONTRACT FOR EXTENSION OF ELECTRIC DISTRIBUTION LINE

[ATTACHED BEHIND THIS PAGE]

CONTRACT FOR EXTENSION OF ELECTRIC DISTRIBUTION LINE
RULE 15

1. PARTIES

This Contract for Extension of Electric Distribution Line ("Contract") is issued this 8th day of September, 2016.

The Parties to this Contract are:

Successor Agency to the Industry Urban-Development Agency

("Applicant")

and Industry Public Utility Commission ("IPUC"). Applicant and IPUC are referred to individually as "Party" and collectively as "Parties".

2. RECITALS

Applicant has requested IPUC, pursuant to IPUC's Rule 15 and Rule 16, Distribution Line Extensions and Service Extensions, to install an electric Distribution Line Extension to the location or locations described as follows:

Project known as the Industry Business Center, roughly 600 acres on the eastern and western sides of Grand Avenue, North of the SR57/S60 Freeway.

(Hereinafter referred to as "Project")

3. AGREEMENT

3.1 Responsibilities of Applicant

Construction

Applicant shall, in accordance with IPUC's specifications and timing requirements for the Project:

- o Perform route clearing, tree trimming, trenching, excavating, and backfilling and compacting;
- o Furnish imported backfill material and dispose of trench spoil as required;
- o Furnish, install and transfer ownership to IPUC any substructures, conduit, and protective structures required;
- o Obtain any necessary construction permits for all work performed by Applicant under this Contract.

If Applicant elects to have IPUC perform any part of this work, Applicant shall pay to IPUC, as specified herein and before the start of construction, IPUC's estimated-installed costs thereof.

Rights of Way

Applicant hereby grants to IPUC the rights of way and easements for the Distribution Line Extension over the shortest, most practical, available, and acceptable route within Applicant's property for the purpose of making delivery of electric service hereunder. Such easement shall include the right of access and right to trim trees as necessary. Where formal rights of way, easements, land leases, or permits are required by IPUC for installation of facilities on or over Applicant's property, or the property of others, Applicant understands and agrees that IPUC shall not be obligated to install the Distribution Line Extension for the Project unless and until any necessary permanent rights of way, easements, land leases, and permits, satisfactory to IPUC, are granted to or obtained for IPUC without cost to or condemnation by IPUC.

Payments

Applicant shall pay, before the start of construction, the non-refundable amounts as set forth in Appendix A to this Contract. This includes the costs for substructures and conduits which IPUC had previously installed at its expense in anticipation of the current Distribution Line Extension. Any necessary riser conduit, conduit covering, and miscellaneous riser material required for the Distribution Line Extension shall be furnished or paid for by Applicant and shall be installed by IPUC.

Joint Applicants. The total contribution or advance from joint Applicants will be apportioned by IPUC among the members of the group in such manner as Applicants mutually agree.

3.2 Responsibilities of IPUC

Construction

IPUC shall install, own, operate, and maintain the Distribution Line Extension to serve the Project. IPUC will install only those facilities that, in IPUC's judgment, will be used within a reasonable time to serve permanent loads.

3.3 Ownership of Facilities

Title to and ownership of the Distribution Line Extension shall vest in IPUC. Applicant does hereby agree that upon completion and acceptance by IPUC of any Applicant-installed facilities, title to each and every component part thereof shall immediately pass to IPUC free and clear of all liens and encumbrances.

3.4 Service Facilities

Service extensions shall be installed pursuant to IPUC's Rule 16, Service Extensions.

3.5 Street Lighting Facilities

Street lighting and Distribution Line Extensions within the Project solely for service to street lighting equipment shall be installed in accordance with the appropriate street light tariff schedule. Street light revenues are not applicable toward allowances or refunds for Distribution Line Extensions. Electroliers shall be located at points determined by the governmental agency having jurisdiction over streets to be dedicated to that agency or by Applicant for privately owned and maintained streets open to and used by the general public.

3.6 Delays in Construction

Force Majeure. IPUC shall not be responsible for any delay in the installation or completion of the facilities by IPUC resulting from the late performance of Applicant's responsibilities under this Contract, shortage of labor or material, strike, labor disturbance, war, riot, weather conditions, governmental rule, regulation or order, including orders or judgements of any court or commission, delay in obtaining necessary land rights, act of God, or any other cause or condition beyond the control of IPUC.

Resources. IPUC shall have the right, in the event it is unable to obtain sufficient supplies, materials, or labor for all of its construction requirements, to allocate materials and labor to construction projects which it deems, in its sole discretion, most important to serve the needs of its customers. Any delay in construction hereunder resulting from such allocation shall be deemed to be cause beyond IPUC's control.

Contract Revision. If Applicant does not commence installation of any facilities which are Applicant's responsibility or IPUC is prevented from commencing the installation of the facilities for causes beyond its reasonable control within one year from the effective date of this Contract, IPUC may, in its discretion, revise its cost estimate and recalculate the amounts set forth herein. IPUC will notify Applicant of such increased costs and give the option to either terminate this Contract or pay IPUC the additional charges.

3.7 Contract Termination

If at any time during the term of this Contract, IPUC is not the sole deliverer of electrical requirements for the Project, this Contract may be terminated. Upon termination of the Contract, Applicant agrees to forfeit that portion of the advance paid to IPUC for its expenses covering any engineering, surveying, right of way acquisition and other associated work incurred by IPUC.

3.8 Indemnification

Applicant shall, at its own cost, defend, indemnify, and hold harmless IPUC, its officers, agents, employees, assigns, and successors in interest from and against any and all liability, damages, losses, claims, demands, actions, causes of action, costs including attorney's fees and expenses, or any of them, resulting from the death or injury to any person or damages to any property caused by Applicant or its contractor and employees, officers or agents of either Applicant or its contractor, or any of them, and arising out of the performance or nonperformance of their obligations under this Contract.

3.9 Assignment of Contract

Applicant may assign this Contract, in whole or in part, only if IPUC consents in writing and the party to whom the Contract is assigned agrees in writing, to perform the obligations of Applicant hereunder. Assignment of the Contract shall not release Applicant from any of the obligations under this Contract unless otherwise provided therein.

3.10 Joint and Several Liability

Where two or more individuals or entities are joint Applicants under this Contract, all Applicants shall be jointly and severally liable to comply with all terms and conditions herein.

3.11 Warranty

Applicant warrants that all work and/or equipment furnished or installed by Applicant or its contractor shall be free of defects in workmanship and material. The warranty period shall begin from the date of final acceptance by IPUC and extend for one (1) year. Should the work develop defects during that period, IPUC, at its election, shall either (a) repair or replace the defective work and/or equipment, or (b) demand that Applicant repair or replace the defective work and/or equipment and, in either event, Applicant shall be liable for all costs associated with such repair and/or replacement. Applicant upon demand by IPUC, shall promptly correct, to IPUC's satisfaction and that of any governmental agency having jurisdiction, any breach of any warranty.

3.12 Contract Effective Date

This Contract shall not be effective unless it is (1) executed and delivered by Applicant to IPUC together with payment required hereunder within ninety (90) days of the date in Paragraph 1 of this Contract and (2) accepted by IPUC. This Contract shall then be effective on the date executed by IPUC and shall take effect without further notice to Applicant.

3.13 Commission Jurisdiction

This Contract is subject to the applicable provisions of IPUC's tariffs, including Rule 15 and Rule 16, filed and authorized by the Industry Public Utilities Commission.

This Contract shall, at all times, be subject to such changes or modifications by the Industry Public Utilities Commission, as said Commission may, from time to time, direct in the exercise of its jurisdiction.

3.14 Completion Date

The completion date requested by Applicant is December 31, 2019

4. **SIGNATURE CLAUSE**

The signatories hereto represent that they have been appropriately authorized to enter into this Contract on behalf of the party for whom they sign.

APPLICANT(S)

CORPORATION, PARTNERSHIP, OR DBA: Successor Agency to the Industry Urban-Development Agency

NAME OF AUTHORIZED INDIVIDUAL: Mark D. Radecki

SIGNATURE: _____

TITLE: Chairman

MAILING ADDRESS: 15625 Stafford Street Suite 100 Industry, CA 91744

TELEPHONE: 626-333-2211

ADDITIONAL SIGNATURES FOR JOINT APPLICANTS

NAME OF AUTHORIZED INDIVIDUAL: _____

SIGNATURE: _____

TITLE: _____

MAILING ADDRESS: _____

TELEPHONE: _____

NAME OF AUTHORIZED INDIVIDUAL: _____

SIGNATURE: _____

TITLE: _____

MAILING ADDRESS: _____

TELEPHONE: _____

APPORTIONMENT OF ADVANCE AMONG JOINT APPLICANTS:

INDUSTRY PUBLIC UTILITY COMMISSION

NAME OF AUTHORIZED INDIVIDUAL: Mark D. Radecki

SIGNATURE: _____

TITLE: President _____

DATE EXECUTED: September 8th 2016

DATE IPUC FIRST READY TO SERVE: TBD _____

WORK ORDER NO. _____

ASSOCIATED WORK ORDER NOS. N/A

*OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT AGENCY*

ITEM NO. 5.6

CLIENT MEMORANDUM

TO: OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
FROM: VARNER & BRANDT LLP
SUBJECT: TRANSMITTAL OF SEPTEMBER 29, 2016 OVERSIGHT BOARD MEETING AGENDA ITEM #5.6
DATE: SEPTEMBER 7, 2016

The following memorandum provides the seven (7) board members (“Board Members”) of the Oversight Board (“Oversight Board”) of the Successor Agency to the Industry Urban-Development Agency (“Successor Agency”) with pertinent information in order for each Board Member to make an informed decision on the matters before the Oversight Board.

Agenda Item No.: 5.6

Subject: Approval of Traffic Mitigation Agreement. Successor Agency seeks approval of the Traffic Mitigation Agreement with the City of Walnut (“Walnut”) concerning the Successor Agency’s mitigation obligations regarding certain projects.

Recognized Obligation Payment Schedule Item No.: 5.4

Request by Successor Agency: Successor Agency requests that the Oversight Board approve the Traffic Mitigation Agreement with Walnut, attached hereto as Exhibit A (the “Agreement”), for certain mitigation measures required to be performed by the Successor Agency pursuant to the Environmental Impact Report (“EIR”) and Mitigation Monitoring Program (“MMP”) for the 400-acre Industry East project and the 600-acre Industry Business Center project.

Legislative Authority of the Oversight Board:

1. *California Health and Safety Code Section 34177(c):* The Successor Agency must perform all obligations required by any enforceable obligation.
2. *California Health and Safety Code Section 34177(h):* The Successor Agency must expeditiously wind down the affairs of the Former Agency in accordance with the direction of the Oversight Board.

Application: The Successor Agency is the owner of two large parcels consisting of approximately 400-acres and 600-acres of land. The 400-acre property is subject to a Lease Agreement dated June 24, 1999, between the Successor Agency and Industry East Land, LLC, involving the development of an industrial park (“Industry East Project”). The 600-acre property is subject to a Lease Agreement dated April 28, 2005, between the Successor Agency and Industry East Business Center, LLC, as successor in interest to the Industry East Land, LLC, involving the development of industrial, retail and office space (“Industry Business Center Project”).

Pursuant to Exhibit B of the 1999 Lease and the 2005 Lease, the Successor Agency is obligated to perform various traffic mitigation measures for certain roadways affected by each project. The mitigation measures include preparing new designs for certain intersections, street widening, construction of curbs, gutters, sidewalks, street lighting, traffic signals, pavement striping, and design and construction of new roadways.

In connection with the two projects, EIRs for each project were prepared. Each project’s EIR specifies percentages of the project mitigation that are the responsibility of the Successor Agency and the percentages that were the responsibility of Walnut. To comply with the mitigation measures of the EIRs, the Successor Agency engaged RKA Consulting Group to design and prepare preliminary conceptual plans and final plans, specifications and estimates at certain intersections affected by the projects. Cost estimates were prepared for all the mitigations and the specified project percentages were applied to the estimates to determine the Successor Agency’s financial obligations within Walnut.

Walnut proposed entering into the Agreement with the Successor Agency to combine all of the Successor Agency’s construction responsibilities into two projects. The first project would be located at Grand Avenue and La Puente Road (Project 1) and a second project would be located at Lemon Avenue and Valley Boulevard (Project 2). Pursuant to the Agreement, upon completion of the construction of the improvements at Project 1 and Project 2, the Successor Agency will be deemed to have fully satisfied and completed all of its mitigation measures and CEQA requirements located in Walnut, as required by the EIRs and the MMPs for both projects.

The costs associated with the Successor Agency’s mitigation obligations were previously approved and included on ROPS 16-17 as Item Nos. 251-253 and 291.



SUCCESSOR AGENCY THE
INDUSTRY URBAN - DEVELOPMENT AGENCY

MEMORANDUM

To: Honorable Chairman and Members of the Successor Agency to the Industry Urban-Development Agency Board

From: Paul J. Philips, Executive Director

Staff: Clement N. Calvillo, Agency Engineer, CNC Engineering

Joshua Nelson, Deputy Agency Engineer, CNC Engineering

Date: September 8, 2016

SUBJECT: Traffic Mitigation Agreement between the Successor Agency to the Industry Urban-Development Agency and the City of Walnut (MP 99-31 #65)

DISCUSSION:

As the owner of the Industry Business Center and Industry East properties and as a condition of the certified Environmental Impact Report for each project pursuant to the California Environmental Quality Act ("CEQA") the Successor Agency is responsible to comply with the Mitigation Monitoring Programs ("MMP") adopted by the City. The Successor Agency has entered into a lease agreement for each property, and pursuant to the terms of each of those leases, the Successor Agency is required to provide the mitigations required to satisfy the requirements of CEQA, the EIR and the MMP. The EIRs for both the Industry East and IBC Projects specified percentages of project mitigation that are the responsibility of the Successor Agency, and the percentages that are the responsibility of Walnut.

In March 2016, to comply with the terms of the leases and fulfill the mitigation measures set forth in the MMPs and required by CEQA, the Successor Agency retained RKA Consulting Group to design and prepare preliminary conceptual plans and final plans, specifications, and estimates at certain intersections affected by the Industry East and IBC Projects, all located in Walnut. Cost estimates were prepared for all the mitigations and the specified project percentages were applied to those estimates to determine the Successor Agency's financial obligations within Walnut. Walnut proposed combining all of the Successor Agency's responsibilities for construction into two construction projects that are located at Grand Avenue and La Puente Road, and Lemon Avenue at Valley Boulevard. The attached agreement states that Walnut agrees to accept the Successor Agency's share of the mitigation measures required in Walnut through the plans prepared by RKA and the construction of the projects at Grand Avenue and La Puente Road, and Lemon Avenue at Valley Boulevard.

FISCAL IMPACT:

The Successor Agency has previously approved \$2.9 million in construction and right of way costs as well as \$1.2 million in professional services on lines 251 to 253 and line 291.

RECOMMENDED ACTION:

If the Successor Agency approves this agreement, it will then be taken before the Oversight Board to the Successor Agency to the Industry Urban-Development Agency, and if they approve it, it will be submitted to the Department of Finance for approval as well. We recommend that the Successor Agency to the Industry Urban-Development Agency approve the agreement.

PJP/CC/JN:jv

RESOLUTION NO. OB 2016-24

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING THE TRAFFIC MITIGATION AGREEMENT BY AND BETWEEN THE SUCCESSOR AGENCY AND THE CITY OF WALNUT

WHEREAS, the Successor Agency to the Industry Urban-Development Agency was formed in accordance with California Health and Safety Code Section 34173 (“Successor Agency”); and

WHEREAS, the Oversight Board (“Oversight Board”) of the Successor Agency was established pursuant to California Health and Safety Code Section 34179; and

WHEREAS, the former Industry Urban-Development Agency (“Former Agency”) and Industry East Land, LLC entered into that certain Lease Agreement dated June 24, 1999 (“1999 Lease Agreement”), for the development of an industrial park on the 400-acre parcel owned by the Former Agency (“Industry East Project”);

WHEREAS, the Former Agency and Industry East Business Center, LLC, as successor in interest to the Industry East Land, LLC, entered into that certain Lease Agreement dated April 28, 2005 (“2005 Lease Agreement”), for the development of industrial, retail, and office space on the 600-acre parcel of land owned by the Former Agency and located on either side of Grand Avenue and adjacent to State Route 60 (“IBC Project”); and

WHEREAS, both the 1999 Lease Agreement and the 2005 Lease Agreement required the Former Agency to pay for certain public improvements and certain California Environmental Quality Act (“CEQA”) mitigation measures imposed pursuant to the Mitigation Monitoring Program for each property under the Environmental Impact Report for the Industry East Project and IBC Project, including certain traffic mitigation measures; and

WHEREAS, the Environmental Impact Report for the Industry East Project and IBC Project specify percentages of the project mitigation that are the responsibility of the Successor Agency and the percentages that are the responsibility of the City of Walnut; and

WHEREAS, the Successor Agency engaged RKA Consulting Group to design and prepare preliminary conceptual plans and final plans, specifications and estimates at certain intersections affected by the Industry East Project and IBC Project. Cost estimates were prepared for all the mitigations and the specified project percentages were applied to the estimates to determine the Successor Agency’s financial obligations within the City of Walnut.

WHEREAS, the Department of Finance (“DOF”) previously informed the Successor Agency that it may enter into contracts for obligations emanating from existing enforceable obligations, such as the 1999 Lease Agreement and the 2005 Lease Agreement; and

WHEREAS, the Successor Agency and the City of Walnut desire to enter into a Traffic Mitigation Agreement, in the form attached hereto as Attachment A (“Agreement”), subject to the approval of the Oversight Board and the DOF, whereby all of the Successor Agency’s various traffic mitigation obligations would be combined into two projects. The first project would be located at Grand Avenue and La Puente Road (“Project 1”) and a second project would be located at Lemon Avenue and Valley Boulevard (“Project 2”). Upon completion of the construction of the improvements at Project 1 and Project 2, and providing the plans for the balance of the intersections, the Successor Agency will be deemed to have fully satisfied and completed all of its mitigation measures and CEQA requirements within the City of Walnut; and

WHEREAS, the Oversight Board has determined that the approval of the Agreement is proper and that the Agreement is consistent with the requirements of the Successor Agency to perform obligations required pursuant to any enforceable obligation in accordance with California Health and Safety Code Section 34177(c) and to wind down the affairs of the Former Agency in accordance with California Health and Safety Code Section 34177(h); and

WHEREAS, California Health and Safety Code Section 34179(e) requires the Oversight Board to adopt resolutions for any action taken by the Oversight Board.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

Section 1. Approval of the Agreement. The Oversight Board hereby approves the Agreement, attached hereto as Attachment A.

Section 2. Authorization of Successor Agency. Upon approval of this resolution (“Resolution”) by the DOF, the Oversight Board hereby authorizes and directs the Executive Director and/or Assistant Secretary of the Successor Agency, jointly and severally, to execute and deliver any and all other documents which they may deem necessary or advisable in order to effectuate the purposes of this Resolution.

Section 3. Delivery to the California Department of Finance. The Oversight Board hereby authorizes and directs the Secretary of the Oversight Board to electronically deliver a copy of this Resolution to the DOF in accordance with California Health and Safety Code Section 34179(h).

Section 4. Other Actions. The Oversight Board hereby authorizes and directs the Chairman, Vice Chairman and/or Secretary of the Oversight Board, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.

Section 5. Effect. This Resolution shall take effect in accordance with California Health and Safety Code Section 34179(h).

PASSED, APPROVED AND ADOPTED by the Oversight Board at a duly noticed meeting of the Oversight Board held on September 29, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____
Santos H. Kreimann, Chairman
Oversight Board of the Successor Agency to
the Industry Urban-Development Agency

ATTEST:

Diane M. Schlichting, Secretary
Oversight Board of the Successor Agency to
the Industry Urban-Development Agency

RESOLUTION NO. OB 2016-24
ATTACHMENT A
AGREEMENT
[ATTACHED BEHIND THIS PAGE]

**TRAFFIC MITIGATION AGREEMENT BETWEEN THE
SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY AND
THE CITY OF WALNUT**

This TRAFFIC MITIGATION AGREEMENT (“Agreement”), is made and effective as of September 8, 2016 (“Effective Date”), between the Successor Agency to the Industry Urban-Development Agency, a public body (“Agency”) and the City of Walnut, a municipal corporation (“Walnut”). Agency and Walnut are hereinafter collectively referred to as the “Parties.”

RECITALS

WHEREAS, the Agency is the owner of certain real property generally located at Grand Avenue and the intersections of State Routes 60 and 57, in the City of Industry (“Property”); and

WHEREAS, in or about 2000, the City of Industry (“Industry”) certified an Environmental Impact Report (“EIR”) pursuant to the California Environmental Quality Act (Cal. Pub. Resources Code §§ 21000, *et seq.*) (“CEQA”) for the Industry East Project, for the development of an industrial park, at the Property; and

WHEREAS, as part of the EIR, in or about 2000, Industry adopted a Mitigation Monitoring Program (“MMP”) for the Industry East Project to ensure the implementation of the measures used to mitigate the environmental effects of the Industry East Project; and

WHEREAS, in or about 2004, Industry certified an EIR for the Industry Business Center (“IBC”) Project, which included the development of industrial, retail, and office space at the Property; and

WHEREAS, in or about April 2005, the Agency entered into a lease agreement (“Lease”) for the Property, whereby the Agency would allow a third party to develop the Industry East and IBC Projects at the Property, and manage the development thereof; and

WHEREAS, pursuant to the terms of the Lease, the Agency is required to provide the mitigation required for the Industry East Project and the IBC Project, to satisfy the requirements of CEQA, the EIRs and the MMP; and

WHEREAS, in or about 2009, Industry adopted a MMP for the Industry Business Center Revised Plan of Development, which served to ensure the implementation of the measures used to mitigate the environmental effects of the IBC Project, located at the Property, and

WHEREAS, the EIRs for both the Industry East and IBC Projects specified percentages of project mitigation that are the responsibility of Industry and/or Agency, and the percentages that are the responsibility of Walnut; and

WHEREAS, in March 2016, to comply with the terms of the Lease and fulfill the mitigation measures set forth in the MMPs and required by CEQA, the Agency retained

RKA Consulting Group to design and prepare preliminary conceptual plans and final plans, specifications, and estimates at certain intersections affected by the Industry East and IBC Projects, located in Walnut and as listed on Attachment No. 1 hereto, "List of Traffic Mitigation Measures" and incorporated herein; and

WHEREAS, cost estimates were prepared for all the mitigations and the specified project percentages were applied to those estimates to determine the Agency's financial obligations within Walnut; and

WHEREAS, Walnut proposes combining all of the Agency's construction responsibilities into two projects: Grand Avenue and La Puente Road (Attachment No. 1, Project A and Lemon Avenue at Valley Boulevard (see Attachment No. 1, Project B); and

WHEREAS, Walnut agrees to accept the Agency's share of the mitigation measures required in Walnut through the plans prepared by RKA for Projects A through F as shown on Attachment No. 1 and the construction of traffic mitigation projects at Grand Avenue and La Puente Road (Project A), and Lemon Avenue at Valley Boulevard (Project B); and

WHEREAS, the Parties desire to memorialize this plan to comply with the mitigation measures through this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, Agency and Walnut agree as follows:

1. TERM

This Agreement shall commence on the Effective Date, and shall remain and continue in effect until tasks described herein are completed, unless sooner terminated pursuant to the provisions of this Agreement.

2. AGENCY'S RESPONSIBILITIES

(a) As fulfillment of its percentage of mitigation responsibilities located in Walnut, under the EIRs and MMPs for the Industry East and IBC Projects, Agency shall act as the lead agency with respect to the planning, construction and completion of the Construction Projects (as defined below).

(b) Agency shall retain a consultant to design and prepare street improvement and intersection plans, which shall include, but is not limited to, traffic signals, signing and striping plans for Projects A through F as shown on Attachment No. 1 (the "Plans").

(c) Upon completion of the Plans, Agency shall provide all Plans to Walnut for review and approval.

(d) In addition to the completion of the Plans and submission of the Plans to Walnut, Agency shall be responsible for acquiring any necessary property and constructing or causing to construct the traffic mitigations set forth in the EIRs and MMPs for the Industry East and IBC Projects for the intersections located at Grand Avenue and La Puente Road

(Project A), and Lemon Avenue at Valley Boulevard (Project B), all in accordance with the approved Plans and at no cost to Walnut (collectively, the "Construction Projects").

3. WALNUT'S RESPONSIBILITIES

(a) Walnut shall promptly review the Plans and, following such review, notify Agency that such Plans are either approved or subject to revision to satisfy the Walnut City Engineer.

(b) Following the completion of the Construction Projects in compliance with the Plans, Walnut shall accept such Construction Projects as full consideration, acknowledgment and acceptance of the Agency's fulfillment of its CEQA mitigation obligations located in Walnut, as set forth in the EIRs and MMPs for the Industry East and IBC Projects. Notwithstanding the requirement that Walnut accept the Construction Projects upon completion of such projects in accordance with the Plans, ownership and title to all materials, equipment, and appurtenances installed within the public right of way as part of this Agreement will automatically be vested with Walnut and no further agreement will be necessary to transfer ownership.

(c) Upon acceptance, Walnut shall be responsible for maintenance of the Construction Projects.

4. FULFILLMENT OF OBLIGATIONS UNDER CEQA

The Parties hereby acknowledge and agree that upon receipt and acceptance by Walnut of the Construction Projects from the Agency, Agency shall be deemed to have fully satisfied, and completed, all of its mitigation measures located in Walnut, as set forth in the EIRs and MMPs for the Industry East and IBC Projects. Agency shall then be relieved of any further CEQA mitigation obligations located in Walnut related to the Industry East and IBC Projects.

5. TIME OF PERFORMANCE; TERMINATION

(a) Agency shall submit Plans to Walnut no later than 12 months following the Effective Date.

(b) Agency shall complete the Construction Project within 12 months following Walnut's approval of the Plans.

(c) In the event that either party defaults in the performance of any of its obligations under this Agreement or materially breaches any of the provisions of this Agreement, the non-defaulting party shall have the option to terminate this Agreement upon 30 days written notice.

6. INDEMNIFICATION

Walnut shall indemnify, protect, defend and hold harmless the Agency, and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all claims, losses, liabilities, damages, fines, penalties, actions, causes of action, judgments, costs and expenses (including, without limitation, attorneys' fees and costs) (collectively "**Claims**") arising out of or relating to this Agreement, including, but not limited to, any challenges concerning the Agency's fulfillment of its CEQA obligations under the

MMPs and EIRs for the Industry East and IBC Projects. If any action or proceeding is brought against the Agency by reason of any of the matters against which Walnut has agreed to indemnify the Agency as provided above, Walnut, upon notice from the Agency, must defend the Agency at Walnut's expense by counsel acceptable to the Agency, such acceptance not to be unreasonably withheld. The indemnity obligations of Rowland in this Section 6 will survive the expiration or termination of this Agreement.

7. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To Agency: Successor Agency to the Industry Urban Development Agency
15625 E. Stafford, Suite 100
City of Industry, CA 91744
Attention: Executive Director

With a Copy To: James M. Casso, City Attorney
Casso & Sparks, LLP
13200 Crossroads Parkway North, Suite 345
City of Industry, CA 91746

To Walnut: City of Walnut
21201 La Puente Road
P.O. Box 682
Walnut, CA 91789
Attention: City Clerk

With a Copy To: Barbara Leibold, City Attorney
Leibold McClendon & Mann, PC
9841 Irvine Center Drive, Suite 230
Irvine, CA 92618

8. ASSIGNMENT

The rights and obligations of the Parties under this Agreement may not be assigned or transferred without the prior written consent of the other party or Parties, which consent may be withhold in such party's reasonable discretion due to the unique, personal rights and obligations under this Agreement.

9. GOVERNING LAW/ATTORNEYS' FEES

The Agency and Walnut understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court in Los Angeles County, California. If any action at law or suit in equity is brought to enforce or interpret the provisions of this Agreement, or arising out of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and all related costs, including costs of expert witnesses and consultants, as well as costs on appeal, in addition to any other relief to which it may be entitled.

10. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the Parties relating to the obligations of the Parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written and pertaining to the subject of this Agreement or with respect to the terms and conditions of this Agreement, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

11. SEVERABILITY

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

12. COUNTERPARTS

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

13. CAPTIONS

The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and shall have no significance in the interpretation of this Agreement.

14. WAIVER

The waiver by Agency or Walnut of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by Agency or Walnut unless in writing.

15. REMEDIES

Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights, powers or remedies.

16. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement represent and warrant that he/she has the authority to execute this Agreement on behalf of his/her respective party, and has the authority to bind his/her respective party to the performance of its obligations hereunder.

(SIGNATURES ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the Effective Date.

“AGENCY”

Successor Agency to the Industry
Urban-Development Agency

By: _____
Paul J. Philips, Executive Director

Attest:

By: _____
Diane M. Schlichting, Assistant Secretary

Approved as to form:

By: _____
James M. Casso, Agency General Counsel

“WALNUT”

City of Walnut

By: _____
Rob Wishner, City Manager

Attest:

By: _____
Teresa De Dios, City Clerk

Approved as to form:

By: _____
Barbara Leibold, City Attorney

ATTACHMENT NO. 1

LIST OF TRAFFIC MITIGATION MEASURES

Agency to provide Plans and Construct Improvements/Signals/Signage/Etc.:

- A. Valley Boulevard and Lemon Avenue intersection:
 - Add west bound third lane

- B. Grand Avenue and La Puente Road intersection:
 - Add third north bound lane.
 - Add second north bound left turn lane.

Agency to provide Plans Only:

- C. Grand Avenue and San Jose Hills Road/ Mt. San Antonio College Entrance intersection
 - Add one north bound through lane on Grand Avenue
 - Add one south bound through lane on Grand Avenue
 - Add one south bound exclusive right turn lane.

- D. Grand Avenue and Mountaineer Road intersection
 - Add one north bound through lane on Grand Avenue.

- E. Grand Avenue and Shadow Mountain Road/ College Vista Avenue intersection
 - Add one south bound through lane on Grand Avenue.

- F. Nogales Street and Amar Road intersection
 - Add second west bound left turn lane.

*OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT AGENCY*

ITEM NO. 5.7

CLIENT MEMORANDUM

TO: OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
FROM: VARNER & BRANDT LLP
SUBJECT: TRANSMITTAL OF SEPTEMBER 29, 2016 OVERSIGHT BOARD MEETING AGENDA ITEM #5.7
DATE: SEPTEMBER 22, 2016

The following memorandum provides the members of the Oversight Board (“Oversight Board”) to the Successor Agency to the Industry Urban-Development Agency (“Successor Agency”) with pertinent information in order for each Board Member to make an informed decision on the matters before the Oversight Board.

Agenda Item No.: 5.7

Subject: Approval of Purchase and Sale Agreement; Disposition of Property. Approval of the Successor Agency’s purchase and sale agreement with the City of Industry (the “City”).

Request by Successor Agency: Successor Agency requests that the Oversight Board approve the purchase and sale agreement with the City concerning the sale and disposition of certain real property commonly known as Tres Hermanos Ranch (the “Property”) and identified as Asset No. 68 in the Successor Agency’s approved long-range property management plan (“LRPMP”).

Legislative Authority of the Oversight Board:

1. *California Health and Safety Code Section 34177(e):* The Successor Agency must dispose of assets and properties of the former redevelopment agency as directed by the Oversight Board; provided, however that the Oversight Board may direct the Successor Agency to transfer ownership of certain assets pursuant to Section 34181(a). The disposal of the assets and properties is to be completed expeditiously and in a manner aimed at maximizing value.
2. *California Health and Safety Code Section 34177(h):* The Successor Agency must expeditiously wind down the affairs of the Former Agency in accordance with the direction of the Oversight Board.
3. *California Health and Safety Code Section 34181(a):* The Oversight Board must direct the Successor Agency to dispose of all assets and properties of the former redevelopment agency; provided, however that the Oversight Board may instead direct the Successor Agency to transfer ownership of those assets constructed and used for a governmental

purpose, such as roads, school buildings, parks, police and fire stations, libraries, parking facilities and lots dedicated solely to public parking and local agency administrative buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to this construction or use of such an asset. The Successor Agency must dispose of assets and property expeditiously and in a manner aimed at maximizing value.

4. *California Health and Safety Code Section 34191.3*: The disposition authority of the Successor Agency and the Oversight Board under Sections 34177(e) and 34181(a), respectively, is suspended, except as to transfers for governmental use, until the Department of Finance has approved a long-range property management plan, at which point the long-range property management plan will govern the disposition and use of real property assets of the former redevelopment agency.

Application: The LRPMP of the Successor Agency governs the disposition and use of the real property assets of the former redevelopment agency. (HSC Section 34191.3(a)). Successor Agency must dispose of assets and properties of the former redevelopment agency in accordance with the direction of the Oversight Board. (HSC Sections 34177(e), 34181(a)). Approval of the Successor Agency's LRPMP occurred on February 21, 2014. The Property is identified as Property No. 68 on the LRPMP and reflected as a "for sale" property. The staff recommendation for the disposition of the Property contemplated the Successor Agency first offering the Property to the City.

The Property consists of approximately 2,450 acres located partially in the City of Chino Hills (8 of the 11 parcels) and the City of Diamond Bar (3 of the 11 parcels). The Property is currently utilized as open pasture for cattle grazing and includes two single family residences and the Arnold Reservoir. The portions of the Property located in Chino Hills are located in the RA (Agriculture-Ranch) zone. The City of Chino Hills General Plan designation is primarily agriculture/ranches; however, certain portions of the Property are designated for commercial, mixed use or very high density residential development. The portions of the Property located in Diamond Bar are primarily located in the AG (agriculture) zone and a portion is located in the RH-30 (high density residential) area. The Diamond Bar General Plan designation is Very Low Density Residential (all parcels).

The Successor Agency retained R.P. Laurain & Associates ("Appraiser") to determine the value of the Property. The Appraiser conducted an appraisal on January 18, 2016 and prepared a corresponding appraisal report. Successor Agency staff previously provided a copy of the appraisal to each member of the Oversight Board as well as a copy to Jim Rabe of Keyser Marston in order to review and provide comments to the Oversight Board.

The Appraiser was informed by the City that although not currently adopted or in effect, the Property would be encumbered with a covenant that would restrict use of the Property to open space, public use or preservation use. Consequently, the results of the appraisal are based on the assumption that the Property is restricted as an open space land parcel. Based on treatment as open space land, the Appraiser determined the fair market value of the Property to be \$41,650,000.00.

Although the appraisal was conducted on the assumption that the restrictive covenant currently encumbers the Property, the appraisal report provided no information regarding the scope of the restrictive covenant and the supporting documentation provided by the Successor Agency staff did not include any explanation or details concerning the covenant, the method by which the restriction would apply to the Property, or the concurrence of the jurisdictions which govern the Property.

The City has offered to purchase the Property for \$41,650,000.00. The proposed Purchase and Sale Agreement between the Successor Agency and the City provides that the sale of the Property is made on an "AS IS" basis and includes a full release of claims. Closing costs will be split between the parties. A non-refundable deposit equal to 10% of the purchase price (i.e., \$4,165,000.00) is required and completion of the transaction must occur within 30 days of September 8, 2016. We note the proposed purchase agreement does not condition the sale on a restrictive covenant.

The LRPMP governs the disposition of real property of the former redevelopment agency and the Oversight Board is responsible for directing the Successor Agency in such disposition. Any disposition of property, whether governmental purpose or otherwise, must be done expeditiously and in a manner aimed at maximizing value. (HSC Sections 34177(e), 34181(a))

In addition to the City's proposed purchase of the Property, on April 2015 the Successor Agency received an offer to purchase the Property from GH America Investments Group, Inc. ("GH America") for \$101,000,000, which offer was revised in May 2015 and reaffirmed in a March 7, 2016 Letter of Intent, which offer contemplated a \$10,100,000 non-refundable deposit. GH America previously provided the Oversight Board with a presentation summarizing the intended development of the Property for residential, mixed use, commercial, and open space preservation.

With the purpose of maximizing value in the disposition process, the Oversight Board may consider obtaining another appraisal of the Property that does not contemplate the purported restrictive covenant for open space land, but rather determines the value based on the current zoning of the Property. This should provide helpful information to the Oversight Board in analyzing how best to expeditiously maximize value. The Oversight Board may also consider requesting Successor Agency staff provide specific information and details regarding the restrictive covenant, including when and how it will be implemented and whether the City of Diamond Bar and the City of Chino Hills have been involved with the restrictive covenant.



KEYSER MARSTON ASSOCIATES
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

MEMORANDUM

ADVISORS IN:
Real Estate
Redevelopment
Affordable Housing
Economic Development

SAN FRANCISCO

A. Jerry Keyser
Timothy C. Kelly
Kate Earle Funk
Debbie M. Kern
Reed T. Kawahara
David Doezema

LOS ANGELES

Kathleen H. Head
James A. Rabe
Gregory D. Soo-Hoo
Kevin E. Engstrom
Julie L. Romey

SAN DIEGO

Paul C. Marra

To: Santos Kreimann, Chair
Industry Oversight Board

From: James Rabe, CRE

cc: Michael Gregoryk, Industry Oversight Board Vice Chair
Sean Varner, Industry Oversight Board Legal Counsel

Date: September 9, 2016

Subject: Review of Tres Hermanos Ranch Property

At your request, Keyser Marston Associates, Inc. (KMA) has reviewed the appraisal for the Tres Hermanos Ranch property, the purchase and sale agreement between the City of Industry and its Successor Agency and related documents. The primary question that you have posed is, "Is the appraisal a highest and best use, fair market appraisal?". The follow up question then is "Is the proposed purchase price highest and best use."

ANALYSIS

The appraisal for the Tres Hermanos property was prepared by R. P. Laurain & Associates, Inc. (Laurain). The appraisal is dated February 2, 2016. The cover letter from Laurain includes the following language, and this language is repeated elsewhere in the appraisal.

"While the subject parcels are zoned for agriculture use or low density single family residential use, per the City of Industry, it is understood that the subject property will be encumbered with a covenant that will restrict the use of the subject land to open space, public use or preservation use. Said covenant will "run with the land," thereby making the subject property an effective open space land parcel. The subject property, therefore, has been appraised as open space land.

“Based on the foregoing, a Hypothetical Condition has been employed in the valuation of the subject property. A Hypothetical condition is defined under the Uniform Standards of Professional Appraisal Practice (USPAP), as:

“A condition directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.”

And

“Hypothetical conditions are contrary to known facts about the physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends or about the integrity of the data used in an analysis.

“The indicated market value of the subject property, therefore, has been based on the assumption that, contrary to known fact, the subject property is encumbered with a covenant that restricts the use of the subject land to open space, public use or preservation use. Note that using the hypothetical condition might have affected the assignment results.” (emphasis added)

The Laurain appraisal, therefore, is not a highest and best use appraisal, but is a constrained appraisal. It is constrained to find the fair market value of the Tres Hermanos Ranch property only as open space. It does not consider any other use of the property, including the potential use of the property under its existing zoning. The Laurain appraisal represents a reasonable estimate of the fair market value of the Tres Hermanos Ranch property as open space. It is not however, an appraisal that provides the fair market value of the Tres Hermanos Ranch Property at its highest and best use.

In addition KMA has reviewed the memorandum from Mr. Casso to the Successor Agency Board dated September 8, 2016 which included, Resolution No. SA 2016-15, the purchase and sale agreement, and various attachments to the purchase and sale agreement. KMA has had limited time to review the documents, but KMA can find no reference to a restrictive open space covenant that has been placed upon the property. Absent such an existing covenant, it is KMA's opinion that the appraisal is not consistent with the condition of the property that is being conveyed, and therefore the Laurain appraisal cannot be utilized to value the property in its current condition.

RECOMMENDATION

For all of the reasons noted above, KMA believes that the Laurain appraisal is not a highest and best use appraisal of the Tres Hermanos Ranch property and further it does not appear that the property is in fact constrained to be open space. Therefore the

proposed purchase price should not be considered to be the highest and best use purchase price for the site.

If the Oversight Board wishes to achieve the highest and best value of the property, it should recommend to the City and the Successor Agency that the Tres Hermanos Ranch property be marketed to the general public. The Successor Agency had started down this path, had interviewed brokerage firms and had selected the Hoffman Company to market the property. Resuming that process is the most likely way that the Successor Agency will achieve the highest and best use value of the property.

An alternative is to appraise the property at its highest and best use subject to its existing zoning and land use designation, but recognizing that a buyer is likely to seek a different zoning and land use. A traditional highest and best use appraisal would take that into account.

Finally, an unsolicited offer of approximately \$100 million has been submitted to the City and Successor Agency. KMA would not recommend accepting this offer without putting the property out to bid. It may turn out that this is a high bid, but the Successor Agency and Oversight Board will not know that unless the property is put out for bid.



SUCCESSOR AGENCY OF THE
INDUSTRY URBAN - DEVELOPMENT AGENCY

MEMORANDUM

TO: Honorable Chairman and Members of the Board of the Successor Agency to the Industry Urban-Development Agency

FROM: James M. Casso, Agency Counsel

DATE: September 8, 2016

SUBJECT: Consideration of Resolution approving an agreement for the purchase and sale of the Tres Hermanos Ranch and making CEQA Findings

BACKGROUND: Under the provisions of ABX1 26 (the “Dissolution Act”), redevelopment agencies, including the Industry Urban-Development Agency (“Agency”), were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of winding down the business and fiscal affairs of the former redevelopment agencies.

The Dissolution Act requires the Successor Agency to dispose of all Agency owned property expeditiously, and in a manner that maximizes value. In an effort to comply with the provisions of the Dissolution Act, the Successor Agency plans to enter into a purchase and sale agreement with the City of Industry (the “City”) for the property commonly known as the Tres Hermanos Ranch (the “Property”). For the Property, the City will pay to the Agency the appraised value of \$41,650,000.00.

Originally, the Property was owned by the City but it was transferred to the former Industry Urban-Development Agency in the late 1970s. Under the ownership of both agencies, the Property has been preserved as open space and it has not been developed. The Property is currently utilized as an open pasture for cattle grazing, inclusive of two single family residences and the Arnold Reservoir.

According to the appraisal, the Property is zoned for agriculture use or low density single family residential use. As the Successor Agency is well aware, over a year ago a large scale housing developer made an offer for the property. Based on a presentation made by the housing developer at a recent Oversight Board meeting, the developer would like to build between 7,500 and 10,000 homes on the Property, effectively and completely altering its open space character forever.

The attached Resolution sets forth the requisite findings pursuant to CEQA and it ensures that the proposed purchase/sale, which awaits Oversight Board and Department of Finance approval, in compliance with California law.

DISCUSSION: The City will purchase the Property from the Agency for the appraised value as open space of \$41,650,000.00. The appraisal was performed by R.P. Laurain & Associates. The agreement requires the City to provide a \$4,165,000.00 deposit at the opening of escrow.

Close of escrow will occur 30 days after the opening of escrow.

BUDGET IMPACT: Based on an appraisal, the Property was valued at \$41,650,000.00. The City has agreed to pay the appraised market value of \$41,650,000.00. The value of the Property is based on its total land area of 2,450 acres. Its topography ranges from rolling to moderately sloping. The 11 parcels that make-up the Property are contiguous and ownership is vested with the Successor Agency. The funds received from the sale will be disturbed, pursuant to the Dissolution Act, to the various taxing entities.

RECOMMENDATION: Staff recommends that the Board adopt the attached resolution, approving the Purchase and Sale Agreement between the Agency and City for the Property.

Attachments:

Resolution
Purchase and Sale Agreement

RESOLUTION NO. OB 2016-25

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF CERTAIN REAL PROPERTY COMMONLY KNOWN AS TRES HERMANOS RANCH

WHEREAS, the Successor Agency to the Industry Urban-Development Agency was formed in accordance with California Health and Safety Code Section 34173 (“Successor Agency”); and

WHEREAS, the Oversight Board (“Oversight Board”) of the Successor Agency was established pursuant to California Health and Safety Code Section 34179; and

WHEREAS, the Successor Agency must dispose of assets and properties of the former redevelopment agency as directed by the Oversight Board pursuant to California Health and Safety Code Section 34177(e); and

WHEREAS, the Oversight Board must direct the Successor Agency to dispose of all assets and properties of the former redevelopment agency pursuant to California Health and Safety Code Section 34181(a); and

WHEREAS, the Successor Agency is not permitted to dispose of any real property assets of the former redevelopment agency, except governmental use assets, until the Department of Finance (“DOF”) approves the Successor Agency’s long-range property management plan (“LRPMP”) pursuant to California Health and Safety Code Section 34191.3; and

WHEREAS, on February 21, 2014, the DOF issued an approval notice approving the Successor Agency’s LRPMP (“Determination Letter”); and

WHEREAS, upon receiving DOF approval of the LRPMP, the LRPMP governs and supersedes all other provisions relating to the disposition and use of real property assets of the former redevelopment agency pursuant to California Health and Safety Code Section 34191.3; and

WHEREAS, the Successor Agency owns certain real property consisting of approximately 2,450-acres and commonly known as Tres Hermanos Ranch, which property is partially located in the City of Chino Hills and in the City of Diamond Bar, and identified on the LRPMP as Property No. 68 as a “for sale” property (the “Property”); and

WHEREAS, the Successor Agency intends to sell the Property to the City of Industry (“Purchaser”) for a purchase price of \$41,650,000, which represents an amount equal to the fair market value of the Property, as determined by an appraisal performed by R.P. Laurain & Associates on January 18, 2016. The appraisal was based on the assumption that, although the

Property is zoned for agriculture use or low density single family residential use, the Successor Agency and the Purchaser expect the Property to be encumbered with a covenant restricting use of the Property to open space, public use or preservation use; and

WHEREAS, pursuant to California Health and Safety Code Sections 34177(e) and 34181(a), the disposition of the Property must be completed expeditiously and in a manner aimed at maximizing value; and

WHEREAS, the sale of the Property by Successor Agency to the Purchaser in accordance with the terms of a purchase and sale agreement (the “Purchase Agreement”), a copy of which has been made available to the Oversight Board for inspection and is attached hereto as Exhibit A; and

WHEREAS, the Oversight Board has determined that the approval of the sale and disposition of the Property pursuant to the Purchase Agreement is consistent with the terms of the approved LRPMP under Health and Safety Code Section 34181(a) and 34191.3, and is consistent with the obligation of the Successor Agency to wind down the affairs of the former redevelopment agency in accordance with California Health and Safety Code Section 34177(h); and

WHEREAS, California Health and Safety Code Section 34179(e) requires the Oversight Board to adopt resolutions for any action taken by the Oversight Board.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board as follows:

Section 1. Approval of Purchase Agreement; Disposition of the Property. The Oversight Board hereby approves the sale and disposition of the Property in accordance with the terms of the approved LRPMP and the Purchase Agreement.

Section 2. Authorization of Successor Agency. Upon approval of this resolution (“Resolution”) by the California Department of Finance, the Oversight Board authorizes and directs the Executive Director and/or Assistant Secretary of the Successor Agency, jointly and severally, to execute and deliver the Purchase Agreement, in substantially the form made available to the Oversight Board for inspection, and any and all other documents which they may deem necessary or advisable in order to effectuate the approval of the Resolution.

Section 3. Delivery to the California Department of Finance. The Oversight Board hereby authorizes and directs the Secretary of the Oversight Board to electronically deliver a copy of this Resolution to the California Department of Finance in accordance with California Health and Safety Code Section 34179(h).

Section 4. Other Actions. The Oversight Board hereby authorizes and directs the Chairman, Vice Chairman and/or Secretary of the Oversight Board, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.

Section 5. Effect. This Resolution shall take effect in accordance with California Health and Safety Code Section 34179(h).

PASSED, APPROVED AND ADOPTED by the Oversight Board at a duly noticed meeting of the Oversight Board held on September 29, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____
Santos H. Kreimann, Chairman
Oversight Board of the Successor Agency to
the Industry Urban-Development Agency

ATTEST:

Diane M. Schlichting, Secretary
Oversight Board of the Successor Agency to
the Industry Urban-Development Agency

RESOLUTION NO. OB 2016-25
ATTACHMENT A
PURCHASE AGREEMENT
[ATTACHED BEHIND THIS PAGE]

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS
TRES HERMANOS RANCH**

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (this “**Agreement**”), dated as of September 8, 2016 (the “**Effective Date**”) is entered into by and between the SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, a public body corporate and politic, (the “**Agency**” or “**Seller**”) and the CITY OF INDUSTRY, a municipal corporation (the “**City**” or “**Buyer**”). The Agency and the City are hereinafter sometimes individually referred to as a “**Party**” and collectively referred to as the “**Parties.**”

RECITALS

A. Agency is the owner of that certain real property commonly known as Tres Hermanos Ranch, which consists of APN: 8701-021-271, 8701-022-270 and 8701-022-273 (Los Angeles County); 1000-011-19, 1000-011-20, 1000-011-21 and 1000-011-22, 1000-021-13 and 1000-021-14; 1000-031-14 and 1000-031-15 (San Bernardino County) and the reciprocal easement area, as more particularly described on **Exhibit A** attached hereto together with all right, title and interest in and to all appurtenances and improvements thereon or relating thereto (collectively, the “**Property**”).

B. The Property was previously owned by the Industry Urban-Development Agency (“**IUDA**”). On June 28, 2011, the Governor signed into law ABX1 26, which provided for the dissolution and winding down of redevelopment agencies throughout the State of California. ABX1 26 was subsequently amended by Assembly Bill 1484 (collectively, as amended, “**Dissolution Act**”).

C. Pursuant to the Dissolution Act, the City of Industry elected to be the Successor Agency to the IUDA to administer the dissolution and winding down of the IUDA. On February 1, 2012, pursuant to the Dissolution Act, the IUDA was dissolved by operation of law, and, upon dissolution, all assets, properties and contracts of the IUDA, including the Property, were transferred, by operation of law, to the Agency pursuant to the provisions of Health and Safety Code § 34175 (b).

D. Buyer desires to purchase the Property from Seller, and Seller desires to sell the Property to Buyer, on the terms and conditions contained in this Agreement.

NOW, THEREFORE, incorporating the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which is thereby acknowledge, subject to all terms and conditions hereof, Buyer and Seller agree as follows:

1. PURCHASE AND SALE. Pursuant to the terms and conditions contained in this Agreement, Seller hereby agrees to sell the Property to Buyer and, Buyer hereby agrees to purchase the Property from Seller.

2. PURCHASE PRICE. The purchase price (“**Purchase Price**”) for the Property shall be Forty-One Million Six Hundred Fifty Thousand Dollars (\$41,650,000.00) (the “**Purchase Price**”), payable by Buyer to Seller in cash at the Close of Escrow (as set forth in Section 7, below).

A non-refundable deposit equal to ten percent (10%) of the Purchase Price shall be deposited into escrow by Buyer within five (5) days after execution of this Agreement by Seller and delivery to Buyer (“**Deposit**”). At the Close of Escrow, the Deposit shall be applied to the Purchase Price. Notwithstanding the above, if any of the conditions to closing set forth in Section 4 are not satisfied and escrow fails to close as a result thereof, the Deposit shall be fully refundable to Buyer.

3. ESCROW.

A. Opening of Escrow. Buyer has opened an escrow at the offices of First American Title Insurance Company (“**Escrow Holder**”). The principal office of the Escrow Holder for purposes of this Agreement is 18500 Von Karman Avenue, Suite 600, Irvine, California 92612, Attention: Patty Beverly, Escrow Officer, Telephone: (949) 885-2465, Fax: (877) 372-0260, Email: pbeverly@firstam.com. Upon mutual execution of this Agreement, Buyer and Seller shall deliver a fully executed copy of this Agreement to Escrow Holder.

B. Closing Date. Escrow shall close thirty (30) days after the Effective Date, but in no event on the first business day following a non-business day. For purposes of this Agreement, the closing date (“**Closing Date**” or “**Close of Escrow**”) shall mean the date on which a grant deed conveying the Property to Buyer is recorded in the Los Angeles County Recorder’s Office and the San Bernardino County Recorder’s Office, respectively, with respect to the portions of the Property located in each county (unless recording in only one County is required for the issuance of the Title Policy). For ease of reference, the grant deeds, whether singular or plural, shall be referred to herein as the grant deed.

4. CONDITIONS TO CLOSING.

A. Buyer’s Conditions to Closing. Close of Escrow and Buyer’s obligation to purchase the Property pursuant to this Agreement are subject to the satisfaction, or waiver, of the following conditions at or prior to Closing:

(i) Title. Buyer acknowledges receipt of the September 1, 2016 preliminary title report prepared by Escrow Holder for the Property in the annotated form attached hereto as **Exhibit B** (“**Title Report**”). Buyer shall acquire the Property subject to all exceptions described in the Title Report, together with all non-delinquent real property taxes and assessments to be assessed against the Property, subject to the following modifications: (x) the following exceptions shall be deleted: 22, 25, 36, 39, and 44, and (y) the following endorsements shall be issued (unless waived by Buyer in writing prior to closing): 100 (with respect to covenants, conditions, and restrictions), no surface access for water rights (103.5), contiguity (116.4), Subdivision Map Act compliance (116.7), no surface access for oil/gas/mineral rights (100.24 or 100.29) (“**Approved Exceptions**”). At the Closing, Seller shall deliver title to the Property to Buyer subject only to the Approved Exceptions.

(ii) Delivery of Deed. Not less than one (1) business day prior to Closing, Seller shall have executed and deposited into Escrow, for delivery to Buyer, the Grant Deed attached hereto as **Exhibit C**.

(iii) Delivery of Assignment. Not less than one (1) business day prior to Closing, Seller shall have executed and deposited into Escrow, for delivery to Buyer, an Assignment

in the form attached hereto as **Exhibit D**, assigning any leases affecting the Property (“**Assignment(s)**”).

(iv) No Default. Seller shall not be in material default of Seller’s obligations under this Agreement.

If any of the conditions to Buyer’s obligations set forth above fail to occur at or before the Closing Date through no fault of Buyer, then Buyer may cancel the Escrow, terminate this Agreement, and recover any amounts paid by Buyer to the Escrow Holder toward the Purchase Price.

B. Seller’s Condition to Closing. Close of Escrow and Seller’s obligation to sell the Property to Buyer pursuant to this Agreement, are subject to the satisfaction of the following conditions at or prior to Closing:

(i) Authorization to Sell. Prior to the Closing, Seller shall have obtained any and all authorizations and approvals necessary to sell the Property pursuant to the Dissolution Act, including, if necessary, California Department of Finance approval of the Oversight Board resolution approving the sale of the Property to Buyer on the terms and conditions set forth herein.

(ii) No Default. Buyer shall not be in material default of Buyer’s obligations under this Agreement, including, but not limited to, Buyer’s obligation to deliver the Purchase Price into escrow on or before the Closing Date.

If the conditions above have not been satisfied or waived by Seller at or before the Closing Date through no fault of Seller, then Seller may, upon written notice to Buyer, cancel the Escrow, terminate this Agreement, and recover any documents delivered to the Escrow Holder pursuant to this Agreement.

5. REPRESENTATIONS AND WARRANTIES.

A. Buyer hereby represents and warrants to Seller that (i) it has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby; (ii) all requisite action (corporate, trust, partnership or otherwise) has been taken by Buyer in connection with entering into this Agreement and the instruments referenced herein, and the consummation of the transactions contemplated hereby; and (iii) no consent of any other party is required for Buyer to execute this Agreement and consummate the transaction contemplated herein.

B. Seller hereby represents and warrants to Buyer that (i) it has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby; (ii) all requisite action (corporate, trust, partnership or otherwise) has been taken by Seller in connection with entering into this Agreement and the instruments referenced herein, and the consummation of the transactions contemplated hereby; and (iii) no consent of any other party is required for Seller to execute this Agreement and consummate the transaction contemplated herein.

C. Except as disclosed on those reports, if any, set forth on **Exhibit E** attached hereto (collectively, “**Environmental Reports**”), Seller hereby represents and warrants that (i) Seller

has not released any Hazardous Materials on the Property, (ii) Seller has no actual knowledge of any release of Hazardous Materials (as defined below) on the Property, and (iii) Seller has not received any notice of any actual or alleged violation of any law, ordinance, rule, regulation or order of any governmental authority pertaining to the Property, or any investigation relating thereto. For purposes of this Agreement, the term “**Hazardous Materials**” shall mean any and all of those materials, substances, wastes, pollutants, contaminants, byproducts, or constituents which have been determined to be injurious to health or the environment, including without limitation those designated as hazardous or toxic by any federal, state or local law, ordinance, rule, regulation or policy, and any other materials, substances, wastes, pollutants, contaminants, by-products or constituents requiring remediation under federal, state or local laws, ordinances, rules, regulations or policies.

D. Seller hereby represents and warrants to Buyer that, other than the Approved Exceptions (i) the Property is not encumbered by any leases, options to purchase, rights of first refusal or contracts for lease or sale of the Property; (ii) there are no liens or claims against the Property, (iii) there are no agreements that will affect the Property or bind Buyer following the Closing, and (iv) no actual or threatened (in writing) litigation, claims, appeals, arbitrations or claims affect the Property or will affect Buyer following the Closing.

6. CONDITION OF PROPERTY. Subject to the terms of this Agreement, the Property shall be conveyed from the Agency to the City on an “AS IS” condition and basis with all faults and the City agrees that the Agency has no obligation to make modifications, replacements or improvements thereto. Except as expressly and specifically provided in this Agreement, the City and anyone claiming by, through or under the City hereby waives its right to recover from and fully and irrevocably releases the Agency and the Oversight Board, and their respective officers, directors, employees, representatives, agents, advisors, servants, attorneys, successors and assigns, and all persons, firms, corporations and organizations acting on the Agency’s or Oversight Board’s behalf (collectively, the “**Released Parties**”) from any and all claims, responsibility and/or liability that the City may now have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to the matters pertaining to the Property described in this Section 6. This release includes claims of which the City is presently unaware or which the City does not presently suspect to exist which, if known by the City, would materially affect the City’s release of the Released Parties. If the Property is not in a condition suitable for the intended use or uses, then it is the sole responsibility and obligation of the City to take such action as may be necessary to place the Property in a condition suitable for development of the Project thereon. Except as otherwise expressly and specifically provided in this Agreement and without limiting the generality of the foregoing, THE AGENCY MAKES NO REPRESENTATION OR WARRANTY AS TO (i) THE VALUE OF THE PROPERTY; (ii) THE INCOME TO BE DERIVED FROM THE PROPERTY; (iii) THE HABITABILITY, MARKETABILITY, PROFITABILITY, MERCHANTABILITY OR FITNESS FOR PARTICULAR USE OF THE PROPERTY; (iv) THE MANNER, QUALITY, STATE OF REPAIR OR CONDITION OF THE PROPERTY; (v) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (vi) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION OR POLLUTION LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS; (vii) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS AT, ON, UNDER OR ADJACENT TO THE

PROPERTY; AND (viii) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE.

THE CITY HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH IS SET FORTH BELOW:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

BY INITIALING BELOW, CITY HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES.

City's Initials



The waivers and releases by the City herein contained shall survive the Close of Escrow and the recordation of the Grant Deed and shall not be deemed merged into the Grant Deed upon its recordation.

7. CLOSE OF ESCROW.

A. Delivery of Documents and Payment. Not less than one (1) business day prior to Closing, Seller shall deposit into Escrow the executed Assignment, and a Grant Deed in the form attached hereto as **Exhibit B**, properly executed and acknowledged by Seller, in favor of Buyer, containing the legal description of the Property, subject only to the Approved Exceptions. Not less than one (1) business day prior to Closing, Buyer and Seller shall have each deposited into Escrow any supplemental escrow instructions necessary to close this Escrow. Escrow Holder shall deliver to Seller the Purchase Price, when (1) Escrow Holder has recorded the Grant Deed, (2) Escrow Holder is prepared to issue to Buyer the Title Policy as provided in Section 7B below, (3) the conditions specified in Section 4 have been satisfied or waived, and (4) Escrow Holder holds, and is able to deliver to Buyer, the executed Assignment.

B. Title Insurance. At the Close of Escrow, Buyer shall obtain from Escrow Holder a 2006 Form B Extended Coverage American Land Title Association owner's form policy of title insurance in the amount of the Purchase Price insuring title to the Property in the name of Buyer subject only to the Approved Exceptions and otherwise in the form of **Exhibit F** attached hereto ("**Title Policy**").

C. Recordation and Delivery. At the Closing, Escrow Holder shall (1) forward the Grant Deed to the recorder for recordation, and (2) deliver the Title Policy as provided in Section 7B, above and the Assignment to Buyer at the address set forth in Section 13.

D. Obligation to Refrain from Discrimination. The City covenants and agrees for itself, its successors and assigns, and for every successor in interest to the Property or any part thereof, that there shall be no discrimination against or segregation of any person, or group of persons, on account of sex, marital status, age, handicap, race, color, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, and the City (itself or any person claiming under or through the City) shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Property or any portion thereof. Notwithstanding the foregoing, if and when the City conveys the Property to a third party, the City shall be relieved of any further responsibility under this Section 7D as to the Property, or the portion thereof, so conveyed.

E. Form of Nondiscrimination and Nonsegregation Clauses. All deeds, leases or contracts for sale for all or any portion of the Property shall contain the following nondiscrimination or nonsegregation clauses:

(i) In deeds: “The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the Grantee himself or herself, or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.”

(ii) In leases: “The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the leasing, subleasing, transferring, use or occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the

selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the premises herein leased.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.”

(iii) In contracts: “The contracting party or parties hereby covenant by and for himself or herself and their respective successors and assigns, that there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the contracting party or parties, any subcontracting party or parties, or their respective assigns or transferees, establish or permit any such practice or practices of discrimination or segregation.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.”

F. Restrictive Covenant. In order to insure the City’s compliance with the covenants set forth in Sections 7E(i), (ii), and (iii) hereof, such covenants shall be set forth in the Grant Deed. Such covenants shall run with the Property for the benefit of the Agency and the Agency shall have the right to assign all of its rights and benefits therein to the City.

G. Effect and Duration of Covenants. The non-discrimination and non-segregation requirements set forth in Sections 7E(i), (ii), and (iii) shall (1) remain in effect in perpetuity, (2) be binding upon the Property and City and its successors and assigns, and (3) be set forth with particularity in any document of transfer or conveyance by the City.

8. **BROKERS**. Seller and Buyer hereby represent to each other that there are no brokers, finders, or other persons entitled to a commission, finder's fee or other payment in connection with this Agreement. Buyer and Seller hereby agree to indemnify, defend, protect, and hold the other harmless from and against any claims, liabilities, or damages for commissions or finder's fees brought by any third party who has dealt or claims to have dealt with the indemnifying party pertaining to the Property.

9. **FIRPTA**. Seller warrants that it is not a foreign person or entity as defined in the Foreign Investors Real Property Tax Act and prior to the Close of Escrow Seller will deposit an

affidavit certifying same and a California Form 593. Escrow Holder's duties pertaining to these provisions are limited to the receipt from Seller of such affidavit prior to the Close of Escrow and delivery to Buyer of such affidavit at the Close of Escrow.

10. GOVERNING LAW. This Agreement shall be construed and enforced in accordance with the applicable laws of the State of California.

11. PROPERTY TAXES. Buyer shall be responsible for any property or other taxes or assessments levied against the Property to the extent attributable to the period on or after the Closing. Seller shall be responsible for any property or other taxes or assessments levied against the Property to the extent attributable to the period prior to the Close of Escrow.

12. CLOSING COSTS. Buyer and Seller shall split equally the documentary transfer taxes, customary escrow fee and charges and recordation fees and the cost of the Title Policy. Any endorsements to the Title Policy requested by Buyer shall be paid for by Buyer. Tenant rental payments (if any), real property taxes and assessments (if any), utility and other operating costs of the Property shall be prorated at Closing with expenses prorated on an "accrual" basis and income prorated on a "cash" basis.

13. NOTICES. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered, sent by national overnight courier service, sent by facsimile transmission, if also sent by one of the other methods provided in this Section, or sent by registered or certified mail, first class postage prepaid, return receipt requested, and shall be deemed received upon the earlier of (i) the date of delivery to the address of the person to receive such notice, (ii) the date of the facsimile transmission, or (iii) three (3) business days after the date of posting with the United States Postal Service at the following addresses:

To Buyer: Paul J. Philips, City Manager
15625 East Stafford Street, Suite 100
City of Industry, California 91744

To Seller: Successor Agency to the Industry Urban-Development
Agency
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Paul J. Philips, Executive Director

with a copy to: James M. Casso
Casso & Sparks, LLP
13200 Crossroads Parkway N
Suite 345
City of Industry, California 91746

Any party to this Agreement may change its address for receipt of notices by giving notice of such change to the other party in the manner set forth in this Section. Neither the rejection of a notice by the addressee or the inability to deliver a notice because of a change of address for which no change of address notice was received, shall affect the date on which such notice is deemed received.

14. RECEIPT OF PROPERTY DOCUMENTS. Buyer acknowledges that it has received and had the opportunity to review the following documents:

- (i) The Title Report; and
- (ii) The Environmental Reports.

15. MISCELLANEOUS.

A. Time. Time is of the essence of this Agreement with respect to each and every provision hereof in which time is a factor.

B. Entire Agreement. This Agreement, including the Exhibits attached hereto, contains the entire agreement between the parties pertaining to the subject matter hereof and fully supersedes any and all prior agreements and understandings between the parties. No change in, modification of or amendment to this Agreement shall be valid unless set forth in writing and signed by all of the parties subsequent to the execution of this Agreement.

C. Further Assurances. Each of the parties agrees that it will without further consideration execute and deliver such other documents and take such other action, whether prior or subsequent to the Closing Date, as may be reasonably requested by the other party to consummate more effectively the purposes or subject matter of this Agreement, including, without limitation, such documents as shall be required to issue the Title Policy.

D. Successors. Subject to the provisions of this Agreement, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective heirs, executors, representatives, successors and assigns.

E. Severability. In the event any provision of this Agreement shall be determined by a court of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall be effective only to the extent of such determination and shall not prohibit or otherwise render ineffective any other provision of this Agreement.

F. Exhibits. References herein to exhibits are to **Exhibit A, Exhibit B, Exhibit C, Exhibit D, Exhibit E** and **Exhibit F** attached hereto, which exhibits are hereby incorporated by reference.


G. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document.

H. Survival. The Parties representations and warranties shall survive the Closing for one (1) year.

I. Buyer's Remedy for Seller's Default. If Seller defaults under this Agreement, then Buyer shall be entitled to pursue any remedy available at law or in equity, including, without limitation, specific performance of this Agreement.

J. Seller's Operation of the Property. From the Effective Date until the Closing, Seller shall (a) operate the Property in substantially the same manner as it did prior to the Effective Date, (b) perform all Seller's obligations under any Approved Exceptions, (c) maintain the Property in good order, condition and repair, and (d) not execute any new lease, agreement, or Approved Exception, or modify any such existing agreement (except to comply with requirements for obtaining the Title Policy).

K. SELLER'S REMEDY FOR BUYER'S DEFAULT. BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO PRESENTLY ESTIMATE THE TOTAL NET DETRIMENT OR DAMAGES WHICH SELLER MAY SUFFER IN THE EVENT BUYER DEFAULTS HEREUNDER AND FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED. BUYER AND SELLER THEREFORE AGREE THAT A REASONABLE PRESENT ESTIMATE OF THE NET DETRIMENT THAT SELLER WOULD SUFFER IN THE EVENT OF BUYER'S DEFAULT OR BREACH HEREUNDER IS AN AMOUNT OF MONEY EQUAL TO THE DEPOSIT, WHICH SHALL BE THE FULL, AGREED AND LIQUIDATED DAMAGES PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677 AND SHALL NOT CONSTITUTE FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE 3275 OR 3369. SELLER WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 3389.



SELLER'S INITIALS



BUYER'S INITIALS

L. Legal Fees. If either party brings any action or suit against the other for any matter relating to or arising out of this Agreement, then the prevailing party in such action or dispute shall be entitled to recover from the other party all costs and expenses of suit, including attorneys' fees and costs.

[SIGNATURES ON NEXT PAGE]

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

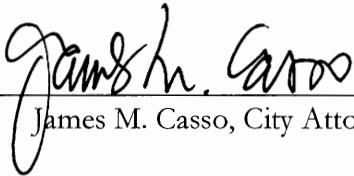
CITY OF INDUSTRY

By: 
Mark D. Radecki, Mayor

ATTEST:


Cecelia Dunlap, Deputy City Clerk

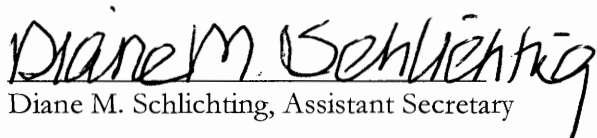
APPROVED AS TO FORM:

By: 
James M. Casso, City Attorney

**SUCCESSOR AGENCY TO THE INDUSTRY
URBAN-DEVELOPMENT AGENCY**

By: 
Mark D. Radecki, Chairman

ATTEST:


Diane M. Schlichting, Assistant Secretary

APPROVED AS TO FORM:

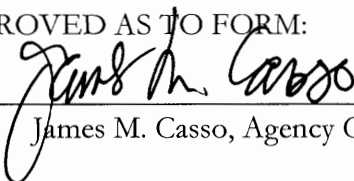
By: 
James M. Casso, Agency Counsel

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT "A"
Legal No. 899

LEGAL DESCRIPTION

A PORTION OF SECTION 1 AND ALL OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SECTION 12; THENCE EAST 80 CHAINS TO THE SOUTHEAST CORNER OF SECTION 12; THENCE NORTH 80 CHAINS TO THE NORTHEAST CORNER OF SAID SECTION 12; THENCE ON A COURSE OF ABOVE NORTH 61° 28' WEST 90.83 CHAINS MORE OR LESS, TO A POINT IN THE WEST LINE OF SAID SECTION 1, DISTANT 43.02 CHAINS NORTH OF THE SOUTHWEST CORNER THEREOF; THENCE SOUTH ALONG THE WEST LINES OF SAID SECTION 1 AND 12 TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION THEREOF INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED ON JULY 05, 1968 AS INSTRUMENT NO. 399 IN BOOK D-4405 PAGE 993 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEEDS TO THE STATE OF CALIFORNIA, RECORDED ON NOVEMBER 17, 1971 AS INSTRUMENTS NO. 253 AND 254 IN BOOK D-5259 PAGES 626 AND 630 OF OFFICIAL RECORDS IN SAID COUNTY RECORDER.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEEDS TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA RECORDED ON MARCH 07, 1975 AS INSTRUMENTS NO. 281 AND 282 IN BOOK D-6579 PAGES 1 AND 11 OF OFFICIAL RECORDS IN SAID COUNTY RECORDER.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND DESCRIBED AS PARCEL A, IN THE GRANT DEED TO POMONA UNIFIED SCHOOL DISTRICT, RECORDED APRIL 07, 1993 AS DOCUMENT NO. 93-653577, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL A:

THAT PORTION OF THE SOUTH HALF OF SECTION 1 AND THE NORTH HALF OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF DIAMOND BAR, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA,

ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF PARCEL 3 OF PARCEL MAP NO. 13350 AS PER MAP FILED IN BOOK 144 AT PAGES 12 AND 13 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 65° 33' 44" WEST; THENCE ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL 3, NORTH 61°55' 24" WEST 242.81 FEET TO THE MOST EASTERLY CORNER OF SAID LAND AS DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED ON NOVEMBER 17, 1971, AS INSTRUMENT NO. 254 IN BOOK D-5259 PAGE 630 OF OFFICIAL RECORDS; THENCE ALONG THE SOUTHWESTERLY BOUNDARIES OF SAID DEED TO THE STATE OF CALIFORNIA, AS FOLLOWS:

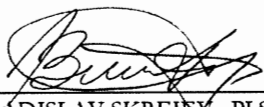
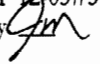
SOUTH 80° 26' 22" WEST 357.29 FEET, NORTH 39° 50' 49" WEST 184.88 FEET; NORTH 08° 58'26" WEST, 186.31 FEET TO THE SOUTHWESTERLY LINE OF PARCEL 1 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 83 PAGES 62 AND 63 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID LAST MENTIONED SOUTHWESTERLY LINE NORTH 61° 55' 24" WEST 2446.02 FEET; THENCE SOUTH 26° 04' 36" WEST 915.27 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 1500.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15° 00' 00", AN ARC DISTANCE OF 392.70 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 120.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 78° 55' 24" WEST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 60°00'00", AN ARC DISTANCE OF 125.66 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, SOUTH 48° 55' 24" EAST 170.71 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 2500.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE 16° 02' 34", AN ARC DISTANCE OF 700.00 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 1125.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 25° 02' 02" WEST; THENCE EASTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 73° 27' 26", AN ARC DISTANCE OF 1442.33 FEET; THENCE TANGENT TO SAID COMPOUND CURVE NORTH 41° 34' 36" EAST 225.00 FEET; THENCE SOUTH 61° 55' 24" EAST 70.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 100.00 FEET; THENCE EASTERLY ALONG SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 60° 00' 00", AN ARC DISTANCE OF 104.72 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE SOUTH HAVING A RADIUS OF 75.00 FEET; A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 31° 55' 24" EAST; THENCE EASTERLY ALONG SAID REVERSE CURVE THROUGH A CENTRAL ANGLE OF 78° 30' 00" AN ARC DISTANCE OF 102.76 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 350.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 46° 34' 36" EAST; THENCE SOUTHEASTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 22° 30' 00", AN ARC DISTANCE OF 137.44 FEET; THENCE TANGENT TO SAID LAST COMPOUND CURVE SOUTH 20° 55' 24" EAST 105.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO

THE NORTH AND HAVING A RADIUS OF 265.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 112° 00' 00", AN ARC DISTANCE OF 518.01 FEET; THENCE TANGENT TO LAST MENTIONED CURVE NORTH 47° 04' 36" EAST 137.02 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 200.00 FEET; THENCE EASTERLY ALONG SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 67° 27' 44", AN ARC DISTANCE OF 235.49 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, SOUTH 65° 27' 40" EAST 38.64 FEET TO THE WESTERLY LINE OF CHINO HILLS PARKWAY (100.00 FEET WIDE) AS EXISTED ON APRIL 5, 1993, AND AS ESTABLISHED BY THE COUNTY ENGINEER OF SAN BERNARDINO; THENCE ALONG SAID CHINO HILLS PARKWAY, AS FOLLOWS:

NORTH 24° 32' 20" EAST 72.06 FEET AND NORTHERLY ALONG A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1750.00 FEET THROUGH A CENTRAL ANGLE OF 00° 06' 04", AN ARC DISTANCE OF 3.09 FEET TO THE POINT OF BEGINNING.

AND ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND DESCRIBED AS PARCEL RW-1, CHINO HILLS PARKWAY RIGHT-OF-WAY, BY FINAL ORDER AND JUDGMENT IN CONDEMNATION, RECORDED AUGUST 25, 1995, INSTRUMENT NO. 95-1398248, OFFICIAL RECORDS.

APN: 8701-021-271, 8701-022-270 and 8701-022-273


VLADISLAV SKREJEV, PLS 8363
CNC Engineering
Job No. MP 12-03#3 Legal No.899
Checked by  August 30, 2016



LEGAL DESCRIPTION

REAL PROPERTY IN THE CITY OF CHINO HILLS, COUNTY OF SAN BERNARDINO,
STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL NO. 1:

THOSE PORTIONS OF SECTIONS 14 AND 23, IN GOVERNMENT LOT 38, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE RANCHO SANTA ANA DEL CHINO, IN THE CITY OF CHINO HILLS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN RECORD OF SURVEY RECORDED IN BOOK 3, PAGE 72, RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING SOUTHEASTERLY OF THE SAID RANCHO LINE BETWEEN STATIONS 13 AND 14, AS SHOWN ON SAID MAP.

EXCEPT THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 104, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE COUNTY OF SAN BERNARDINO, BY FINAL ORDER OF CONDEMNATION, RECORDED JUNE 07, 1988, INSTRUMENT NO. 88-180373, OFFICIAL RECORDS.

PARCEL NO. 2:

THE WEST 1/2 OF SECTION 13; THE WEST 1/2 OF SECTION 24; THE NORTHWEST 1/4 OF SECTION 25 AND THE NORTH 1/2 OF SECTION 26, ALL IN GOVERNMENT LOT 38, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE RANCHO SANTA ANA DEL CHINO, IN THE CITY OF CHINO HILLS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN THE RECORD OF SURVEYS, RECORDED IN BOOK 3, PAGE 72, RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

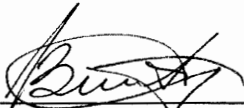
EXCEPT THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 83, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 92, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 104, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE COUNTY OF
SAN BERNARDINO, BY FINAL ORDER OF CONDEMNATION, RECORDED JUNE 07,
1988, INSTRUMENT NO. 88-180373, OFFICIAL RECORDS.

APN: 1000-011-19, 20, 21 and 22, 1000-021-13 and 14; 1000-031-14 and 15



VLADISLAV SKREJEV, PLS 8363

CNC Engineering

Job No. MP 12-03#3 Legal No.900

Checked by:  August 30, 2016



EXHIBIT B

TITLE REPORT

(See Attached.)

Updated 09/01/2016



**First American Title Company
National Commercial Services**

**18500 Von Karman Ave, Suite 600
Irvine, CA 92612**

September 01, 2016

Brandi Magana
Casso & Sparks, LLP
13200 Crossroads Parkway North, Suite 345
Industry, CA 91746
Phone: (213)626-8484
Fax: (213)626-0078

Customer Reference: Urban-Development Agency

Title Officer:	Ron Ciaramella	Title Assistant:	Gibson Reese
Phone:	(949)885-2451	Phone:	(949)885-2454

Order Number: NCS-489345-SA1

Property: No Site Address, Diamond Bar, CA

Attached please find the following item(s):

Commitment

Thank You for your confidence and support. We at First American Title Insurance Company maintain the fundamental principle:

Customer First!

First American Title Insurance Company

First American Title Insurance Company
INFORMATION

The Title Insurance Commitment is a legal contract between you and the company. It is issued to show the basis on which we will issue a Title Insurance Policy to you. The Policy will insure you against certain risks to the land title, subject to the limitations shown in the policy.

The Company will give you a sample of the Policy form, if you ask.

The Commitment is based on the land title as of the Commitment Date. Any changes in the land title or the transaction may affect the Commitment and the Policy.

The Commitment is subject to its Requirements, Exceptions and Conditions.

This information is not part of the title insurance commitment.

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YOU SHOULD READ THE COMMITMENT VERY CAREFULLY.
If you have any questions about the Commitment,
please contact the issuing office.

COMMITMENT FOR TITLE INSURANCE

Issued by

First American Title Insurance Company

Agreement to Issue Policy

We agree to issue a policy to you according to the terms of this Commitment.

When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this Commitment is limited by the following:

The Provisions in Schedule A.

The Requirements in Schedule B-1.

The Exceptions in Schedule B-2.

The Conditions.

This Commitment is not valid without Schedule A and Sections 1 and 2 of Schedule B.

SCHEDULE A

1. Commitment Date: August 22, 2016 at 7:30 A.M.

2. Policy or Policies to be issued: Amount
 - (A) ALTA Owner's Policy \$TBD
Proposed Insured:

To Be Determined

 - (B) ALTA Extended Loan Policy-2006 \$TBD
Proposed Insured:

To Be Determined

3. (A) The estate or interest in the land described in this Commitment is:

Fee Simple

(B) Title to said estate or interest at the date hereof is vested in:

City of Industry, a municipal corporation (Los Angeles County) and Successor Agency to the Industry Urban-Development Agency (San Bernardino County)

4. The land referred to in this Commitment is situated in the City of Diamond Bar, County of Los Angeles, State of California, and is described as follows:

PARCEL I: (Los Angeles County)

A PORTION OF SECTION 1 AND ALL OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SECTION 12; THENCE EAST 80 CHAINS TO THE SOUTHEAST CORNER OF SECTION 12; THENCE NORTH 80 CHAINS TO THE NORTHEAST CORNER OF SAID SECTION 12; THENCE ON A COURSE OF ABOVE NORTH 61° 28' WEST 90.83 CHAINS MORE OR LESS, TO A POINT IN THE WEST LINE OF SAID SECTION 1, DISTANT 43.02 CHAINS NORTH OF THE SOUTHWEST CORNER THEREOF;
THENCE SOUTH ALONG THE WEST LINES OF SAID SECTION 1 AND 12 TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION THEREOF INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED ON JULY 05, 1968 AS INSTRUMENT NO. 399 IN BOOK D-4405 PAGE 993 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEEDS TO THE STATE OF CALIFORNIA, RECORDED ON NOVEMBER 17, 1971 AS INSTRUMENTS NO. 253 AND 254 IN BOOK D-5259 PAGES 626 AND 630 OF OFFICIAL RECORDS IN SAID COUNTY RECORDER.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND,

DESCRIBED IN THE DEEDS TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA RECORDED ON MARCH 07, 1975 AS INSTRUMENTS NO. 281 AND 282 IN BOOK D-6579 PAGES 1 AND 11 OF OFFICIAL RECORDS IN SAID COUNTY RECORDER.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND DESCRIBED AS PARCEL A, IN THE GRANT DEED TO POMONA UNIFIED SCHOOL DISTRICT, RECORDED APRIL 07, 1993 AS DOCUMENT NO. 93-653577, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL A:

THAT PORTION OF THE SOUTH HALF OF SECTION 1 AND THE NORTH HALF OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF DIAMOND BAR, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF PARCEL 3 OF PARCEL MAP NO. 13350 AS PER MAP FILED IN BOOK 144 AT PAGES 12 AND 13 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 65° 33' 44" WEST; THENCE ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL 3 NORTH 61° 55' 24" WEST 242.81 FEET TO THE MOST EASTERLY CORNER OF SAID LAND AS DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED ON NOVEMBER 17, 1971, AS INSTRUMENT NO. 254 IN BOOK D-5259 PAGE 630 OF OFFICIAL RECORDS; THENCE ALONG THE SOUTHWESTERLY BOUNDARIES OF SAID DEED TO THE STATE OF CALIFORNIA, AS FOLLOWS: SOUTH 80° 26' 22" WEST 357.29 FEET, NORTH 39° 50' 49" WEST 184.88 FEET; NORTH 08° 58' 26" WEST, 186.31 FEET TO THE SOUTHWESTERLY LINE OF PARCEL 1 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 83 PAGES 62 AND 63 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID LAST MENTIONED SOUTHWESTERLY LINE NORTH 61° 55' 24" WEST 2446.02 FEET; THENCE SOUTH 26° 04' 36" WEST 915.27 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 1500.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15° 00' 00", AN ARC DISTANCE OF 392.70 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 120.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 78° 55' 24" WEST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 60° 00' 00", AN ARC DISTANCE OF 125.66 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, SOUTH 48° 55' 24" EAST 170.71 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 2500.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE 16° 02' 34", AN ARC DISTANCE OF 700.00 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 1125.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 25° 02' 02" WEST; THENCE EASTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 73° 27' 26", AN ARC DISTANCE OF 1442.33 FEET; THENCE TANGENT TO SAID COMPOUND CURVE NORTH 41° 34' 36" EAST 225.00 FEET; THENCE SOUTH 61° 55' 24" EAST 70.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 100.00 FEET; THENCE EASTERLY ALONG SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 60° 00' 00", AN ARC DISTANCE OF 104.72 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE SOUTH HAVING A RADIUS OF 75.00 FEET; A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 31° 55' 24" EAST; THENCE EASTERLY ALONG SAID REVERSE CURVE THROUGH A CENTRAL ANGLE OF 78° 30' 00" AN ARC DISTANCE OF 102.76 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 350.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 46° 34' 36" EAST; THENCE SOUTHEASTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 22° 30' 00", AN ARC DISTANCE OF 137.44 FEET; THENCE TANGENT TO SAID LAST COMPOUND CURVE SOUTH 20° 55' 24" EAST 105.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTH AND HAVING A RADIUS OF 265.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 112° 00' 00", AN ARC DISTANCE OF 518.01 FEET; THENCE TANGENT TO LAST MENTIONED CURVE NORTH 47° 04' 36" EAST 137.02 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 200.00 FEET; THENCE EASTERLY ALONG

SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 67° 27' 44", AN ARC DISTANCE OF 235.49 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, SOUTH 65° 27' 40" EAST 38.64 FEET TO THE WESTERLY LINE OF CHINO HILLS PARKWAY (100.00 FEET WIDE) AS EXISTED ON APRIL 5, 1993, AND AS ESTABLISHED BY THE COUNTY ENGINEER OF SAN BERNARDINO; THENCE ALONG SAID CHINO HILLS PARKWAY, AS FOLLOWS: NORTH 24° 32' 20" EAST 72.06 FEET AND NORTHERLY ALONG A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1750.00 FEET THROUGH A CENTRAL ANGLE OF 00° 06' 04", AN ARC DISTANCE OF 3.09 FEET TO THE POINT OF BEGINNING.

AND ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND DESCRIBED AS PARCEL RW-1, CHINO HILLS PARKWAY RIGHT-OF-WAY, BY FINAL ORDER AND JUDGMENT IN CONDEMNATION, RECORDED AUGUST 25, 1995, INSTRUMENT NO. 95-1398248, OFFICIAL RECORDS.

PARCEL II: (San Bernardino County)

REAL PROPERTY IN THE CITY OF CHINO HILLS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL NO. 1:

THOSE PORTIONS OF SECTIONS 14 AND 23, IN GOVERNMENT LOT 38, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE RANCHO SANTA ANA DEL CHINO, IN THE CITY OF CHINO HILLS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN RECORD OF SURVEY RECORDED IN BOOK 3, PAGE 72, RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING SOUTHEASTERLY OF THE SAID RANCHO LINE BETWEEN STATIONS 13 AND 14, AS SHOWN ON SAID MAP.

EXCEPT THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 104, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE COUNTY OF SAN BERNARDINO, BY FINAL ORDER OF CONDEMNATION, RECORDED JUNE 07, 1988, INSTRUMENT NO. 88-180373, OFFICIAL RECORDS.

PARCEL NO. 2:

THE WEST 1/2 OF SECTION 13; THE WEST 1/2 OF SECTION 24; THE NORTHWEST 1/4 OF SECTION 25 AND THE NORTH 1/2 OF SECTION 26, ALL IN GOVERNMENT LOT 38, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE RANCHO SANTA ANA DEL CHINO, IN THE CITY OF CHINO HILLS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN THE RECORD OF SURVEYS, RECORDED IN BOOK 3, PAGE 72, RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

EXCEPT THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 83, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 92, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 104, OFFICIAL RECORDS.

Form No. 1068-2
ALTA Plain Language Commitment

Commitment No.: NCS-489345-SA1
Page Number: 7

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE COUNTY OF SAN BERNARDINO, BY FINAL ORDER OF CONDEMNATION, RECORDED JUNE 07, 1988, INSTRUMENT NO. 88-180373, OFFICIAL RECORDS.

APN: 8701-021-271, 8701-022-270 and 273 (Los Angeles County); 1000-011-19, 20, 21 and 22, 1000-021-13 and 14; 1000-031-14 and 15 (San Bernardino County)

SCHEDULE B
SECTION ONE
REQUIREMENTS

The following requirements must be met:

- (A) Pay the agreed amounts for the interest in the land and/or the mortgage to be insured.
- (B) Pay us the premiums, fees and charges for the policy.
- (C) Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
- (D) You must tell us in writing the name of anyone not referred to in this Commitment who will get an interest in the land or who will make a loan on the land. We may then make additional requirements or exceptions.
- (E) Releases(s) or Reconveyance(s) of Item(s): None
- (F) Other: None
- (G) You must give us the following information:
 - 1. Any off record leases, surveys, etc.
 - 2. Statement(s) of Identity, all parties.
 - 3. Other: None

The following additional requirements, as indicated by "X", must be met:

- (H) Provide information regarding any off-record matters, which may include, but are not limited to: leases, recent works of improvement, or commitment statements in effect under the Environmental Responsibility Acceptance Act, Civil Code Section 850, et seq.

The Company's Owner's Affidavit form(as provided by company) must be completed and submitted prior to close in order to satisfy this requirement. This Commitment will then be subject to such further exceptions and/or requirements as may be deemed necessary.
- (I) An ALTA/ACSM survey of recent date, which complies with the current minimum standard detail requirements for ALTA/ACSM land title surveys, must be submitted to the Company for review. This Commitment will then be subject to such further exceptions and/or requirements as may be deemed necessary.
- (J) The following LLC documentation is required:
 - (i) a copy of the Articles of Organization
 - (ii) a copy of the Operating Agreement, if applicable
 - (iii) a Certificate of Good Standing and/or other evidence of current Authority to Conduct Business within the State
 - (iv) express Company Consent to the current transaction

- (K) The following partnership documentation is required :
 - (i) a copy of the partnership agreement, including all applicable amendments thereto
 - (ii) a Certificate of Good Standing and/or other evidence of current Authority to Conduct Business within the State
 - (iii) express Partnership Consent to the current transaction

- (L) The following corporation documentation is required:
 - (i) a copy of the Articles of Incorporation
 - (ii) a copy of the Bylaws, including all applicable Amendments thereto
 - (iii) a Certificate of Good Standing and/or other evidence of current Authority to Conduct Business within the State
 - (iv) express Corporate Resolution consenting to the current transaction

- (M) Based upon the Company's review of that certain partnership/operating agreement dated **Not disclosed** for the proposed insured herein, the following requirements must be met:

Any further amendments to said agreement must be submitted to the Company, together with an affidavit from one of the general partners or members stating that it is a true copy, that said partnership or limited liability company is in full force and effect, and that there have been no further amendments to the agreement. This Commitment will then be subject to such further requirements as may be deemed necessary.

- (N) A copy of the complete lease, as referenced in Schedule A, #3 herein, together with any amendments and/or assignments thereto, must be submitted to the Company for review, along with an affidavit executed by the present lessee stating that it is a true copy, that the lease is in full force and effect, and that there have been no further amendments to the lease. This Commitment will then be subject to such further requirements as may be deemed necessary.

- (O) Approval from the Company's Underwriting Department must be obtained for issuance of the policy contemplated herein and any endorsements requested thereunder. This Commitment will then be subject to such further requirements as may be required to obtain such approval.

- (P) Potential additional requirements, if ALTA Extended coverage is contemplated hereunder, and work on the land has commenced prior to close, some or all of the following requirements, and any other requirements which may be deemed necessary, may need to be met:

- (Q) The Company's "Mechanic's Lien Risk Addendum" form must be completed by a Company employee, based upon information furnished by the appropriate parties involved.

- (R) The Company's "Indemnity Agreement I" must be executed by the appropriate parties.

- (S) Financial statements from the appropriate parties must be submitted to the Company for review.

- (T) A copy of the construction contract must be submitted to the Company for review.

- (U) An inspection of the land must be performed by the Company for verification of the phase of construction.

SCHEDULE B

SECTION TWO

EXCEPTIONS

Any policy we issue will have the following exceptions unless they are taken care of to our satisfaction. The printed exceptions and exclusions from the coverage of the policy or policies are set forth in Exhibit A attached. Copies of the policy forms should be read. They are available from the office which issued this Commitment.

The Following Matters Affect Los Angeles County:

1. General and special taxes and assessments for the fiscal year 2016-2017, a lien not yet due or payable.
2. General and special taxes and assessments for the fiscal year 2015-2016.
First Installment: \$36,065.89, PAID
Penalty: \$0.00
Second Installment: \$36,065.88, PAID
Penalty: \$0.00
Tax Rate Area: 10262
A. P. No.: 8701-021-271
3. General and special taxes and assessments for the fiscal year 2015-2016.
First Installment: \$233.65, PAID
Penalty: \$0.00
Second Installment: \$233.63, PAID
Penalty: \$0.00
Tax Rate Area: 10262
A. P. No.: 8701-022-270
4. General and special taxes and assessments for the fiscal year 2015-2016.
First Installment: \$5,865.40, PAID
Penalty: \$0.00
Second Installment: \$5,865.39, PAID
Penalty: \$0.00
Tax Rate Area: 10262
A. P. No.: 8701-022-273

The Following Matters Affect San Bernardino County:

5. General and special taxes and assessments for the fiscal year 2016-2017, a lien not yet due or payable.
6. General and special taxes and assessments for the fiscal year 2015-2016.
First Installment: \$2,225.19, PAID
Penalty: \$0.00
Second Installment: \$2,225.16, PAID

Penalty: \$0.00
Tax Rate Area: 024034
A. P. No.: 1000-031-14-0-000

7. General and special taxes and assessments for the fiscal year 2015-2016.

First Installment: \$3,799.41, PAID
Penalty: \$0.00
Second Installment: \$3,799.38, PAID
Penalty: \$0.00
Tax Rate Area: 024034
A. P. No.: 1000-031-15-0-000

8. General and special taxes and assessments for the fiscal year 2015-2016.

First Installment: \$3,750.80, PAID
Penalty: \$0.00
Second Installment: \$3,750.78, PAID
Penalty: \$0.00
Tax Rate Area: 024034
A. P. No.: 1000-021-13-0-000

9. General and special taxes and assessments for the fiscal year 2015-2016.

First Installment: \$5,762.19, PAID
Penalty: \$0.00
Second Installment: \$5,762.15, PAID
Penalty: \$0.00
Tax Rate Area: 024034
A. P. No.: 1000-021-14-0-000

10. General and special taxes and assessments for the fiscal year 2015-2016.

First Installment: \$1,855.21, PAID
Penalty: \$0.00
Second Installment: \$1,855.20, PAID
Penalty: \$0.00
Tax Rate Area: 024034
A. P. No.: 1000-011-19-0-000

11. General and special taxes and assessments for the fiscal year 2015-2016.

First Installment: \$1,846.30, PAID
Penalty: \$0.00
Second Installment: \$1,846.26, PAID
Penalty: \$0.00
Tax Rate Area: 024034
A. P. No.: 1000-011-20-0-000

12. General and special taxes and assessments for the fiscal year 2015-2016.

First Installment: \$717.76, PAID
Penalty: \$0.00
Second Installment: \$717.74, PAID
Penalty: \$0.00
Tax Rate Area: 024034
A. P. No.: 1000-011-21-0-000

13. General and special taxes and assessments for the fiscal year 2015-2016.
First Installment: \$1,171.60, PAID
Penalty: \$0.00
Second Installment: \$1,171.57, PAID
Penalty: \$0.00
Tax Rate Area: 024034
A. P. No.: 1000-011-22-0-000
14. Water rights, claims or title to water, whether or not shown by the public records.

(Affects Los Angeles and San Bernardino County Properties)

The Following Matters Affect Los Angeles County Properties:

15. The effect of the recital contained in the deed affecting said land from Chandis Securities Company, et al to the State of California, recorded July 05, 1968, Document No. 399 of Official Records which recites:

"This conveyance is made for the purpose of a freeway and adjusted frontage road and the grantor hereby releases and relinquishes to the grantee any and all abutters rights including access rights appurtenant to grantor's remaining property in and to said freeway."
16. A waiver affecting said land in favor of the State of California of any claims for any and all damages to said land by reason of the location, constructions, landscaping and maintenance of highway or freeway contiguous thereto as contained in the deed recorded on November 17, 1971 as Document Nos. 253 and 254 of Official Records.
17. An easement for tunnel and incidental purposes, recorded March 07, 1975 as Instrument No. 283 of Official Records.
In Favor of: The Metropolitan Water District of Southern California, a public corporation
Affects: As described therein
18. An easement for fill and slope and incidental purposes, recorded March 07, 1975 as Instrument No. 284 of Official Records.
In Favor of: The Metropolitan Water District of Southern California, a public corporation
Affects: As described therein
19. A temporary easement for construction of water pipelines and incidental purposes, recorded March 07, 1975 as Instrument No. 285 of Official Records.
In Favor of: The Metropolitan Water District of Southern California, a public corporation
Affects: As described therein
20. A temporary easement for construction of water pipelines and incidental purposes, recorded March 07, 1975 as Instrument No. 286 of Official Records.
In Favor of: The Metropolitan Water District of Southern California, a public corporation
Affects: As described therein

21. An easement for road and incidental purposes, recorded March 07, 1975 as Instrument No. 287 of Official Records.
In Favor of: The Metropolitan Water District of Southern California, a public corporation
Affects: As described therein
22. Terms and provisions of an unrecorded lease dated November 01, 1975, by and between Josephine Scott Crocker, as Trustee, WM. Keith Scott, as Trustee, Delia P. Scott, as Trustee, and Chandis Securities Company, a corporation as lessor and Harold Guy Arnold as lessee, as disclosed by a Grant Deed recorded February 01, 1978 as Instrument No. 78-119743 of Official Records.

Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records are not shown herein.
23. An easement for slopes and incidental purposes, recorded April 07, 1993 as Instrument No. 93-653578 of Official Records.
In Favor of: Pomona Unified School District, a public agency organized under the laws of the State of California
Affects: As described therein
24. An easement for slope and storm drain purposes and incidental purposes, recorded August 25, 1995 as Instrument No. 95-1398248 of Official Records.
In Favor of: County of San Bernardino
Affects: As described therein

The Following Matters Affect San Bernardino County Properties:

25. The effect of a map of Chino Hills Facilities benefit assessment area and the lien of any taxes or assessments levied by bonds issued by Chino Hills Facilities benefit assessment, recorded in map book 62, page 23, of assessment maps.
26. Rights of the public in and to that portion of the land lying within any road, street or highway.
27. An easement for pole line and tower and incidental purposes in the document recorded as Book 495, Page 159 of Official Records.
28. An easement for pipelines and incidental purposes in the document recorded as Book 2, Page 183 of Official Records.
29. An easement for either or both pole lines, conduits and incidental purposes, recorded July 03, 1928 as Book 388, Page 139 of Official Records.
In Favor of: Southern California Edison Company
Affects: As described therein
30. An easement for either or both pole lines, conduits and incidental purposes, recorded September 19, 1941 as Book 1488, Page 173 of Official Records.
In Favor of: Southern California Edison Company
Affects: As described therein
31. An easement for gas pipe lines and incidental purposes in the document recorded as Book 2214, Page 8 of Official Records.

32. An easement for gas pipe lines and incidental purposes, recorded March 23, 1951 as Book 2738, Page 28 of Official Records.
In Favor of: Southern California Gas Company and Southern Counties Gas Company of California
Affects: As described therein
33. Terms and conditions set forth in deeds recorded in Book 8630, Page 83, in Book 8360, Page 92 and in Book 8630, Page 104, all of Official Records.
34. An easement for fill and slope and incidental purposes, recorded March 07, 1975 as Book 8630, Page 114 of Official Records.
In Favor of: The Metropolitan Water District of Southern California
Affects: As described therein
35. An easement for road and incidental purposes, recorded March 07, 1975 as Book 8630, Page 166 of Official Records.
In Favor of: Metropolitan Water District of Southern California
Affects: As described therein
36. Terms and provisions of an unrecorded lease dated November 01, 1975, by and between Josephine Scott Crocker, as Trustee, Wm. Keith Scott, as Trustee, Delia P. Scott, as Trustee, and Chandis Securities Company, a corporation as lessor and Harold Guy Arnold as lessee, as disclosed by a Grant Deed recorded February 01, 1978 as Book 9359, Page 145 of Official Records.
- Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records are not shown herein.
37. Any boundary discrepancies or rights which may exist or arise by reason of that record of survey recorded in Book 3, Page 72, Records of Survey.
38. Any boundary discrepancies or rights which may exist or arise by reason of that record of survey recorded in Book 38, Pages 54 to 56, inclusive, Records of Survey.
39. A Deed of Trust to secure an original indebtedness of \$7,000,000.00 recorded May 18, 1983 as Instrument no. 83-107902 of Official Records.
Dated: May 01, 1983
Trustor: Industry Urban-Development Agency, a public body, corporate and politic
Trustee: First American Title Insurance Company, a California corporation
Beneficiary: Bank of American National Trust and Savings Association

Affects: The land and other property.
- A full reconveyance of said Deed of Trust above mentioned was recorded September 13, 1985, as Instrument No. 85-225182, Official Records.
40. An easement for slope and drainage and incidental purposes, recorded June 07, 1988 as Instrument No. 88-180373 of Official Records.
In Favor of: The County of San Bernardino
Affects: As described therein

41. The effect of that certain license for diversion and use of water, dated March 08, 1989, recorded April 04, 1989 as Instrument No. 89-118472 of Official Records.
42. An easement for equestrian and hiking trail and incidental purposes, recorded April 19, 1989 as Instrument No. 89-138944 of Official Records.
In Favor of: The County of Los Angeles
Affects: As described therein

(Affects Parcel Nos. 1 and 2)

Assignment and Assumption of Easements recorded August 01, 2003 as Instrument No. 2003-0569762 of Official Records provides that the interest of the easement holder was transferred to Pacific Terminals LLC, a Delaware limited liability company.
43. An easement for road and incidental purposes, recorded February 26, 1992 as Instrument No. 92-069064 of Official Records.
In Favor of: Southern California Edison Company
Affects: As described therein

(Affects a portion of Parcel No. 2)
44. The effect of a Notice of Intent to preserve interest executed by Jack Wesley Greening, Jr., recorded April 06, 2000 as Instrument No. 20000117482 of Official Records.

The effect of a Quitclaim Deed executed by Jack W. Greening, Jr. In favor of Chino Land & Water Co., Inc., recorded October 04, 2000 as Instrument No. 20000362332 of Official Records.
45. An easement for emergency access and incidental purposes, recorded November 21, 2000 as Instrument No. 20000424992 of Official Records.
In Favor of: Boy Scouts of America, Los Angeles Area County
Affects: Cannot be located from the record
46. An easement for access and ingress and egress and incidental purposes, recorded November 21, 2000 as Instrument No. 20000424992 of Official Records.
In Favor of: Boy Scouts of America, Los Angeles Area County
Affects: Cannot be located from the record
47. The terms and provisions contained in the document entitled "Memorandum of Mutual Rescission Agreement and Quitclaim" recorded July 03, 2001 as Instrument No. 20010260856 of Official Records.
48. The terms and provisions contained in the document entitled "Right of Way Agreement" recorded July 03, 2001 as Instrument No. 20010260857, both of Official Records.
49. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/ACSM survey.
50. Rights of parties in possession.

INFORMATIONAL NOTES

1. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land Vacant Residential Properties of Los Angeles County in Diamond Bar, California.

APN: 8701-021-271, 8701-022-270 and 273
2. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land Electric Power Transmission Properties in San Bernardino County in Chino Hills, California.

APN: 1000-031-14 and 15; 1000-021-13 and 14; 1000-011-19 thru 22
3. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None
4. If this preliminary report/commitment was prepared based upon an application for a policy of title insurance that identified land by street address or assessor's parcel number only, it is the responsibility of the applicant to determine whether the land referred to herein is in fact the land that is to be described in the policy or policies to be issued.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American Title Insurance Company expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

********To obtain wire instructions for deposit of funds to your escrow file please contact your Escrow Officer.********

CONDITIONS

1. DEFINITIONS

(a) "Mortgage" means mortgage, deed of trust or other security instrument.

(b) "Public Records" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

2. LATER DEFECTS

The Exceptions in Schedule B - Section Two may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements (a) and (c) of Schedule B - Section One are met. We shall have no liability to you because of this amendment.

3. EXISTING DEFECTS

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

4. LIMITATION OF OUR LIABILITY

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying on this Commitment when you acted in good faith to:

comply with the Requirements shown in Schedule B - Section One

or

eliminate with our written consent any Exceptions shown in Schedule B - Section Two.

We shall not be liable for more than the Policy Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

5. CLAIMS MUST BE BASED ON THIS COMMITMENT

Any claim, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this commitment and is subject to its terms.



First American Title

Privacy Information

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet.

In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

Fair Information Values

Fairness We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

Public Record We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

Use We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

Accuracy We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

Education We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

Security We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)

1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990
SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notice of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
(a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy; or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by their policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

2. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970
SCHEDULE OF EXCLUSIONS FROM COVERAGE

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions of area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

3. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970
WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 2 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

Part One

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

**4. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE
SCHEDULE OF EXCLUSIONS FROM COVERAGE**

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant, (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy or acquired the insured mortgage and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder, (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy (except to the extent insurance is afforded herein as to any statutory lien for labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy).
4. Unenforceability of the lien of the insured mortgage because of failure of the insured at Date of Policy or of any subsequent owner of the indebtedness to comply with applicable "doing business" laws of the state in which the land is situated.

**5. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association Lenders Policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy, the exclusions set forth in paragraph 4 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

Part One

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**6. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy;
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or the extent insurance is afforded herein as to assessments for street improvements under construction or completed at date of policy); or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
 - (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

**7. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 6 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**8. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1.
 - (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
 - (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or

- (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
- (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

**9. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 8 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:
Part One:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**10. AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL
TITLE INSURANCE POLICY - 1987
EXCLUSIONS**

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - * land use
 - * improvements on the land
 - * land division
 - * environmental protectionThis exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date. This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
 - * a notice of exercising the right appears in the public records on the Policy Date
 - * the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.
3. Title Risks:
 - * that are created, allowed, or agreed to by you
 - * that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
 - * that result in no loss to you
 - * that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
 - * to any land outside the area specifically described and referred to in Item 3 of Schedule A, or
 - * in streets, alleys, or waterways that touch your landThis exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

11. EAGLE PROTECTION OWNER'S POLICY

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998**

Covered Risks 14 (Subdivision Law Violation), 15 (Building Permit), 16 (Zoning) and 18 (Encroachment of boundary walls or fences) are subject to Deductible Amounts and Maximum Dollar Limits of Liability

EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
 - a. building
 - b. zoning
 - c. land use
 - d. improvements on the land
 - e. land division
 - f. environmental protection

This exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.
This exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
 - a. a notice of exercising the right appears in the Public Records at the Policy Date; or
 - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.

This exclusion does not limit the coverage described in Covered Risk 11 or 18.

12. THIRD GENERATION EAGLE LOAN POLICY AMERICAN LAND TITLE ASSOCIATION EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (1/01/08)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.

13. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 2006

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;

- or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
 3. Defects, liens, encumbrances, adverse claims, or other matters
(a) created, suffered, assumed, or agreed to by the Insured Claimant;
(b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
(c) resulting in no loss or damage to the Insured Claimant;
(d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
(e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
 4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
 5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
 6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
(a) a fraudulent conveyance or fraudulent transfer, or
(b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
 7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

**14. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 2006
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 13 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

**15. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 2006
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risks 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

**16. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 2006
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 15 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

EXHIBIT C

FORM OF GRANT DEED

RECORDING REQUESTED BY:

FIRST AMERICAN TITLE INSURANCE COMPANY

AND WHEN RECORDED RETURN TO:

City of Industry
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Diane Schlichting

[The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383. The undersigned declares that this grant Deed is exempt from Documentary Transfer Tax pursuant to Revenue and Taxation Code Section 11922.]

GRANT DEED

Documentary Transfer Tax: \$0.00

THE UNDERSIGNED GRANTOR DECLARES:

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY (the "Grantor"), hereby grants to THE CITY OF INDUSTRY (the "Grantee"), that certain real property described in Exhibit A attached hereto (the "Site") and incorporated herein by this reference, together with all of Grantor's right title and interest in and to all easements, privileges and rights appurtenant to the Site.

This Grant Deed of the Site is subject to the provisions of that certain Purchase and Sale Agreement and Joint Escrow Instructions Tres Hermanos Ranch (the "Agreement") entered into by and between the Grantor and Grantee dated as of September 8, 2016, the terms of which are incorporated herein by reference. A copy of the Agreement is available for public inspection at the offices of the Grantor located at 15625 East Stafford Street, Suite 100, City of Industry, California 91744. The Site is conveyed further subject to all easements, rights of way, covenants, conditions, restrictions, reservations and all other matters of record, and the following conditions, covenants and agreements.

1. Subject to the provisions of Section 7 of the Agreement, the Site as described in Exhibit A is conveyed subject to the condition that the Grantee covenants by and for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through it, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease,

transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the Grantee, or any person claiming under or through it, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.

2. All deeds, leases or contracts entered into with respect to the Property shall contain or be subject to substantially the following nondiscrimination/nonsegregation clauses:

(a) In deeds: “The Grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the Grantee himself or herself, or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.”

(b) In leases: “The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the leasing, subleasing, transferring, use or occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection,

location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the premises herein leased.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.”

(c) In contracts: “The contracting party or parties hereby covenant by and for himself or herself and their respective successors and assigns, that there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the contracting party or parties, any subcontracting party or parties, or their respective assigns or transferees, establish or permit any such practice or practices of discrimination or segregation.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.”

3. All covenants and agreements contained in this Grant Deed shall run with the land and shall be binding for the benefit of Grantor and its successors and assigns and such covenants shall run in favor of the Grantor and for the entire period during which the covenants shall be in force and effect as provided in the Agreement, without regard to whether the Grantor is or remains an owner of any land or interest therein to which such covenants relate. The Grantor, in the event of any breach of any such covenants, shall have the right to exercise all of the rights and remedies provided herein or otherwise available, and to maintain any actions at law or suits in equity or other property proceedings to enforce the curing of such breach. The covenants contained in this Grant Deed shall be for the benefit of and shall be enforceable only by the Grantor and its successors and assigns.

4. The covenants contained in Paragraphs 2 and 3 of this Grant Deed shall remain in effect in perpetuity except as otherwise expressly set forth therein.

5. This Grant Deed may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Grantor and Grantee have caused this Grant Deed to be executed and notarized as of this ____ day of _____, 2016.

GRANTOR:

SUCCESSOR AGENCY TO THE INDUSTRY
URBAN-DEVELOPMENT AGENCY

By: _____
Mark Radecki, Chairman

ATTEST:

Diane Schlichting, Agency Secretary

GRANTEE:

CITY OF INDUSTRY

By: _____
Mark Radecki, Mayor

ATTEST:

Cecelia Dunlap, City Clerk

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Los Angeles)

On _____, before me, _____
(insert name and title of the officer)

Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Los Angeles)

On _____, before me, _____
(insert name and title of the officer)

Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A
LEGAL DESCRIPTION

(Attached.)

LEGAL DESCRIPTION

A PORTION OF SECTION 1 AND ALL OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SECTION 12; THENCE EAST 80 CHAINS TO THE SOUTHEAST CORNER OF SECTION 12; THENCE NORTH 80 CHAINS TO THE NORTHEAST CORNER OF SAID SECTION 12; THENCE ON A COURSE OF ABOVE NORTH 61° 28' WEST 90.83 CHAINS MORE OR LESS, TO A POINT IN THE WEST LINE OF SAID SECTION 1, DISTANT 43.02 CHAINS NORTH OF THE SOUTHWEST CORNER THEREOF; THENCE SOUTH ALONG THE WEST LINES OF SAID SECTION 1 AND 12 TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION THEREOF INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED ON JULY 05, 1968 AS INSTRUMENT NO. 399 IN BOOK D-4405 PAGE 993 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEEDS TO THE STATE OF CALIFORNIA, RECORDED ON NOVEMBER 17, 1971 AS INSTRUMENTS NO. 253 AND 254 IN BOOK D-5259 PAGES 626 AND 630 OF OFFICIAL RECORDS IN SAID COUNTY RECORDER.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEEDS TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA RECORDED ON MARCH 07, 1975 AS INSTRUMENTS NO. 281 AND 282 IN BOOK D-6579 PAGES 1 AND 11 OF OFFICIAL RECORDS IN SAID COUNTY RECORDER.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND DESCRIBED AS PARCEL A, IN THE GRANT DEED TO POMONA UNIFIED SCHOOL DISTRICT, RECORDED APRIL 07, 1993 AS DOCUMENT NO. 93-653577, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL A:

THAT PORTION OF THE SOUTH HALF OF SECTION 1 AND THE NORTH HALF OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF DIAMOND BAR, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA,

ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF PARCEL 3 OF PARCEL MAP NO. 13350 AS PER MAP FILED IN BOOK 144 AT PAGES 12 AND 13 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 65° 33' 44" WEST; THENCE ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL 3, NORTH 61°55' 24" WEST 242.81 FEET TO THE MOST EASTERLY CORNER OF SAID LAND AS DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED ON NOVEMBER 17, 1971, AS INSTRUMENT NO. 254 IN BOOK D-5259 PAGE 630 OF OFFICIAL RECORDS; THENCE ALONG THE SOUTHWESTERLY BOUNDARIES OF SAID DEED TO THE STATE OF CALIFORNIA, AS FOLLOWS:

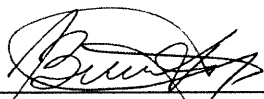

SOUTH 80° 26' 22" WEST 357.29 FEET, NORTH 39° 50' 49" WEST 184.88 FEET; NORTH 08° 58'26" WEST, 186.31 FEET TO THE SOUTHWESTERLY LINE OF PARCEL 1 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 83 PAGES 62 AND 63 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID LAST MENTIONED SOUTHWESTERLY LINE NORTH 61° 55' 24" WEST 2446.02 FEET; THENCE SOUTH 26° 04' 36" WEST 915.27 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 1500.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15° 00' 00", AN ARC DISTANCE OF 392.70 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 120.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 78° 55' 24" WEST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 60°00'00", AN ARC DISTANCE OF 125.66 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, SOUTH 48° 55' 24" EAST 170.71 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 2500.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE 16° 02' 34", AN ARC DISTANCE OF 700.00 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 1125.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 25° 02' 02" WEST; THENCE EASTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 73° 27' 26", AN ARC DISTANCE OF 1442.33 FEET; THENCE TANGENT TO SAID COMPOUND CURVE NORTH 41° 34' 36" EAST 225.00 FEET; THENCE SOUTH 61° 55' 24" EAST 70.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 100.00 FEET; THENCE EASTERLY ALONG SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 60° 00' 00", AN ARC DISTANCE OF 104.72 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE SOUTH HAVING A RADIUS OF 75.00 FEET; A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 31° 55' 24" EAST; THENCE EASTERLY ALONG SAID REVERSE CURVE THROUGH A CENTRAL ANGLE OF 78° 30' 00" AN ARC DISTANCE OF 102.76 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 350.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 46° 34' 36" EAST; THENCE SOUTHEASTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 22° 30' 00", AN ARC DISTANCE OF 137.44 FEET; THENCE TANGENT TO SAID LAST COMPOUND CURVE SOUTH 20° 55' 24" EAST 105.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO

THE NORTH AND HAVING A RADIUS OF 265.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 112° 00' 00", AN ARC DISTANCE OF 518.01 FEET; THENCE TANGENT TO LAST MENTIONED CURVE NORTH 47° 04' 36" EAST 137.02 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 200.00 FEET; THENCE EASTERLY ALONG SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 67° 27' 44", AN ARC DISTANCE OF 235.49 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, SOUTH 65° 27' 40" EAST 38.64 FEET TO THE WESTERLY LINE OF CHINO HILLS PARKWAY (100.00 FEET WIDE) AS EXISTED ON APRIL 5, 1993, AND AS ESTABLISHED BY THE COUNTY ENGINEER OF SAN BERNARDINO; THENCE ALONG SAID CHINO HILLS PARKWAY, AS FOLLOWS:

NORTH 24° 32' 20" EAST 72.06 FEET AND NORTHERLY ALONG A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1750.00 FEET THROUGH A CENTRAL ANGLE OF 00° 06' 04", AN ARC DISTANCE OF 3.09 FEET TO THE POINT OF BEGINNING.

AND ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND DESCRIBED AS PARCEL RW-1, CHINO HILLS PARKWAY RIGHT-OF-WAY, BY FINAL ORDER AND JUDGMENT IN CONDEMNATION, RECORDED AUGUST 25, 1995, INSTRUMENT NO. 95-1398248, OFFICIAL RECORDS.

APN: 8701-021-271, 8701-022-270 and 8701-022-273


VLADISLAV SKREJEV, PLS 8363
CNC Engineering
Job No. MP 12-03#3 Legal No.899
Checked by  August 30, 2016



LEGAL DESCRIPTION

REAL PROPERTY IN THE CITY OF CHINO HILLS, COUNTY OF SAN BERNARDINO,
STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL NO. 1:

THOSE PORTIONS OF SECTIONS 14 AND 23, IN GOVERNMENT LOT 38, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE RANCHO SANTA ANA DEL CHINO, IN THE CITY OF CHINO HILLS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN RECORD OF SURVEY RECORDED IN BOOK 3, PAGE 72, RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING SOUTHEASTERLY OF THE SAID RANCHO LINE BETWEEN STATIONS 13 AND 14, AS SHOWN ON SAID MAP.

EXCEPT THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 104, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE COUNTY OF SAN BERNARDINO, BY FINAL ORDER OF CONDEMNATION, RECORDED JUNE 07, 1988, INSTRUMENT NO. 88-180373, OFFICIAL RECORDS.

PARCEL NO. 2:

THE WEST 1/2 OF SECTION 13; THE WEST 1/2 OF SECTION 24; THE NORTHWEST 1/4 OF SECTION 25 AND THE NORTH 1/2 OF SECTION 26, ALL IN GOVERNMENT LOT 38, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE RANCHO SANTA ANA DEL CHINO, IN THE CITY OF CHINO HILLS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN THE RECORD OF SURVEYS, RECORDED IN BOOK 3, PAGE 72, RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.

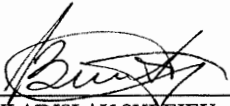
EXCEPT THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 83, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 92, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 104, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE COUNTY OF
SAN BERNARDINO, BY FINAL ORDER OF CONDEMNATION, RECORDED JUNE 07,
1988, INSTRUMENT NO. 88-180373, OFFICIAL RECORDS.

APN: 1000-011-19, 20, 21 and 22, 1000-021-13 and 14; 1000-031-14 and 15




VLADISLAV SKREJEV, PLS 8363
CNC Engineering
Job No. MP 12-03#3 Legal No.900
Checked by:  August 30, 2016



EXHIBIT D

FORM OF ASSIGNMENT AND ASSUMPTION OF LEASES

ASSIGNMENT AND ASSUMPTION OF LEASES

This Assignment and Assumption of Leases (this "Assignment") dated as of September ____, 2016 is entered into by and between the Successor Agency to the Industry Urban-Development agency, a public body, corporate and politic ("Assignor"), and the City of Industry, a municipal corporation ("Assignee").

WITNESSETH

WHEREAS, Assignor is the lessor or landlord under the certain lease agreements identified on Exhibit A attached hereto (the "Leases") executed with respect to that certain real property located in the City of Industry, California (the "Property") as more fully described in Exhibit B attached hereto;

WHEREAS, Assignor, as Seller, and Assignee, as Buyer, have entered into that certain Purchase and Sale Agreement and Escrow Instructions Tres Hermanos Ranch dated as of September 8, 2016 (the "Purchase Agreement") conveying the Property (as defined in the Purchase Agreement).

WHEREAS, Assignor desires to assign its interest as lessor or landlord in the Leases to Assignee, and Assignee desires to accept the assignment thereof.

NOW, THEREFORE, in consideration of the promises and conditions contained herein, the parties hereby agree as follows:

1. Effective as of the Effective Date (as defined below), Assignor hereby assigns, transfers and conveys to Assignee all of its right, title and interest in and to the Leases.
2. Effective as of the Effective Date, Assignee hereby assumes all of the Assignor's obligations under the Leases and agrees to indemnify Assignor against and hold Assignor harmless from any and all cost, liability, loss, damage or expense, including, without limitation, attorneys' fees, accruing on or to be performed subsequent to the Effective Date and arising out of the Assignor's obligations under the Leases.
3. Effective as of the Effective Date, Assignor hereby agrees to indemnify Assignee against and hold Assignee harmless from any and all cost, liability, loss, damage or expense, including, without limitations attorneys' fees, accruing or to be performed prior to the effective Date and arising out of the Assignor's obligations under the Leases.
4. Any rental and other payments under the Lease shall be prorated between the parties as provided in the Purchase Agreement.

5. In the event of any litigation arising out of this Assignment, the losing party shall pay the prevailing party's costs and expenses of such litigation, including, without limitation, attorneys' fees.

6. This Assignment shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest and assigns.

7. This Assignment shall be governed by and construed in accordance with the laws of the State of California.

8. This Assignment is delivered pursuant to the Purchase Agreement.

9. For purposes of this Assignment, the "Effective Date" shall be the date of the Close of Escrow (as defined in the Purchase Agreement).

10. This Assignment may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment the day and year first written above.

CITY OF INDUSTRY

By: _____
Mark D. Radecki, Mayor

ATTEST:

Cecelia Dunlap, Deputy City Clerk

APPROVED AS TO FORM:

By: _____
James M. Casso, City Attorney

**SUCCESSOR AGENCY TO THE INDUSTRY
URBAN-DEVELOPMENT AGENCY**

By: _____
Mark D. Radecki, Chairman

ATTEST:

Diane M. Schlichting, Assistant Secretary

APPROVED AS TO FORM:

By: _____
James M. Casso, Agency Counsel

EXHIBIT A
LIST OF LEASES

(Attached.)

EXHIBIT B

LEGAL DESCRIPTION OF THE PROPERTY

LEGAL DESCRIPTION

A PORTION OF SECTION 1 AND ALL OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SECTION 12; THENCE EAST 80 CHAINS TO THE SOUTHEAST CORNER OF SECTION 12; THENCE NORTH 80 CHAINS TO THE NORTHEAST CORNER OF SAID SECTION 12; THENCE ON A COURSE OF ABOVE NORTH 61° 28' WEST 90.83 CHAINS MORE OR LESS, TO A POINT IN THE WEST LINE OF SAID SECTION 1, DISTANT 43.02 CHAINS NORTH OF THE SOUTHWEST CORNER THEREOF; THENCE SOUTH ALONG THE WEST LINES OF SAID SECTION 1 AND 12 TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION THEREOF INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED ON JULY 05, 1968 AS INSTRUMENT NO. 399 IN BOOK D-4405 PAGE 993 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEEDS TO THE STATE OF CALIFORNIA, RECORDED ON NOVEMBER 17, 1971 AS INSTRUMENTS NO. 253 AND 254 IN BOOK D-5259 PAGES 626 AND 630 OF OFFICIAL RECORDS IN SAID COUNTY RECORDER.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEEDS TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA RECORDED ON MARCH 07, 1975 AS INSTRUMENTS NO. 281 AND 282 IN BOOK D-6579 PAGES 1 AND 11 OF OFFICIAL RECORDS IN SAID COUNTY RECORDER.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND DESCRIBED AS PARCEL A, IN THE GRANT DEED TO POMONA UNIFIED SCHOOL DISTRICT, RECORDED APRIL 07, 1993 AS DOCUMENT NO. 93-653577, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL A:

THAT PORTION OF THE SOUTH HALF OF SECTION 1 AND THE NORTH HALF OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF DIAMOND BAR, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA,

ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF PARCEL 3 OF PARCEL MAP NO. 13350 AS PER MAP FILED IN BOOK 144 AT PAGES 12 AND 13 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 65° 33' 44" WEST; THENCE ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL 3, NORTH 61°55' 24" WEST 242.81 FEET TO THE MOST EASTERLY CORNER OF SAID LAND AS DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED ON NOVEMBER 17, 1971, AS INSTRUMENT NO. 254 IN BOOK D-5259 PAGE 630 OF OFFICIAL RECORDS; THENCE ALONG THE SOUTHWESTERLY BOUNDARIES OF SAID DEED TO THE STATE OF CALIFORNIA, AS FOLLOWS:



SOUTH 80° 26' 22" WEST 357.29 FEET, NORTH 39° 50' 49" WEST 184.88 FEET; NORTH 08° 58'26" WEST, 186.31 FEET TO THE SOUTHWESTERLY LINE OF PARCEL 1 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 83 PAGES 62 AND 63 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID LAST MENTIONED SOUTHWESTERLY LINE NORTH 61° 55' 24" WEST 2446.02 FEET; THENCE SOUTH 26° 04' 36" WEST 915.27 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 1500.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15° 00' 00", AN ARC DISTANCE OF 392.70 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 120.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 78° 55' 24" WEST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 60°00'00", AN ARC DISTANCE OF 125.66 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, SOUTH 48° 55' 24" EAST 170.71 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 2500.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE 16° 02' 34", AN ARC DISTANCE OF 700.00 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 1125.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 25° 02' 02" WEST; THENCE EASTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 73° 27' 26", AN ARC DISTANCE OF 1442.33 FEET; THENCE TANGENT TO SAID COMPOUND CURVE NORTH 41° 34' 36" EAST 225.00 FEET; THENCE SOUTH 61° 55' 24" EAST 70.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 100.00 FEET; THENCE EASTERLY ALONG SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 60° 00' 00", AN ARC DISTANCE OF 104.72 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE SOUTH HAVING A RADIUS OF 75.00 FEET; A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 31° 55' 24" EAST; THENCE EASTERLY ALONG SAID REVERSE CURVE THROUGH A CENTRAL ANGLE OF 78° 30' 00" AN ARC DISTANCE OF 102.76 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 350.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 46° 34' 36" EAST; THENCE SOUTHEASTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 22° 30' 00", AN ARC DISTANCE OF 137.44 FEET; THENCE TANGENT TO SAID LAST COMPOUND CURVE SOUTH 20° 55' 24" EAST 105.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO

THE NORTH AND HAVING A RADIUS OF 265.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 112° 00' 00", AN ARC DISTANCE OF 518.01 FEET; THENCE TANGENT TO LAST MENTIONED CURVE NORTH 47° 04' 36" EAST 137.02 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 200.00 FEET; THENCE EASTERLY ALONG SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 67° 27' 44", AN ARC DISTANCE OF 235.49 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, SOUTH 65° 27' 40" EAST 38.64 FEET TO THE WESTERLY LINE OF CHINO HILLS PARKWAY (100.00 FEET WIDE) AS EXISTED ON APRIL 5, 1993, AND AS ESTABLISHED BY THE COUNTY ENGINEER OF SAN BERNARDINO; THENCE ALONG SAID CHINO HILLS PARKWAY, AS FOLLOWS:

NORTH 24° 32' 20" EAST 72.06 FEET AND NORTHERLY ALONG A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1750.00 FEET THROUGH A CENTRAL ANGLE OF 00° 06' 04", AN ARC DISTANCE OF 3.09 FEET TO THE POINT OF BEGINNING.

AND ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND DESCRIBED AS PARCEL RW-1, CHINO HILLS PARKWAY RIGHT-OF-WAY, BY FINAL ORDER AND JUDGMENT IN CONDEMNATION, RECORDED AUGUST 25, 1995, INSTRUMENT NO. 95-1398248, OFFICIAL RECORDS.

APN: 8701-021-271, 8701-022-270 and 8701-022-273


VLADISLAV SKREJEV, PLS 8363
CNC Engineering
Job No. MP 12-03#3 Legal No.899
Checked by  August 30, 2016



LEGAL DESCRIPTION

REAL PROPERTY IN THE CITY OF CHINO HILLS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL NO. 1:

THOSE PORTIONS OF SECTIONS 14 AND 23, IN GOVERNMENT LOT 38, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE RANCHO SANTA ANA DEL CHINO, IN THE CITY OF CHINO HILLS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN RECORD OF SURVEY RECORDED IN BOOK 3, PAGE 72, RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING SOUTHEASTERLY OF THE SAID RANCHO LINE BETWEEN STATIONS 13 AND 14, AS SHOWN ON SAID MAP.

EXCEPT THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 104, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE COUNTY OF SAN BERNARDINO, BY FINAL ORDER OF CONDEMNATION, RECORDED JUNE 07, 1988, INSTRUMENT NO. 88-180373, OFFICIAL RECORDS.

PARCEL NO. 2:

THE WEST 1/2 OF SECTION 13; THE WEST 1/2 OF SECTION 24; THE NORTHWEST 1/4 OF SECTION 25 AND THE NORTH 1/2 OF SECTION 26, ALL IN GOVERNMENT LOT 38, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE RANCHO SANTA ANA DEL CHINO, IN THE CITY OF CHINO HILLS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN THE RECORD OF SURVEYS, RECORDED IN BOOK 3, PAGE 72, RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY.


EXCEPT THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 83, OFFICIAL RECORDS.

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SAN BERNARDINO, BY FINAL ORDER OF CONDEMNATION, RECORDED JUNE 07,
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APN: 1000-011-19, 20, 21 and 22, 1000-021-13 and 14; 1000-031-14 and 15




VLADISLAV SKREJEV, PLS 8363
CNC Engineering
Job No. MP 12-03#3 Legal No.900
Checked by:  August 30, 2016



EXHIBIT E

LIST OF ENVIRONMENTAL REPORTS

EXHIBIT F
TITLE POLICY