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

SPECIAL MEETING AGENDA JANUARY 23, 2017 3:30 P.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
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4. Public Comments

5. **OVERSIGHT BOARD MATTERS**

- 5.1 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.

- 5.2 Consideration of Resolution No. OB 2017-01- 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 ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2017-2018.

RECOMMENDED ACTION: Adopt Resolution No. OB 2017-01.

- 5.3 Consideration of Resolution No. OB 2017-02 - 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 A RECOGNIZED OBLIGATION PAYMENT SCHEDULE PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018.

RECOMMENDED ACTION: Adopt Resolution No. OB 2017-02.

- 5.4 Consideration of Resolution No. OB 2017-03 - 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 PROPERTY LOCATED AT 333 TURNBULL CANYON ROAD.

RECOMMENDED ACTION: Adopt Resolution No. OB 2017-03.

- 5.5 Consideration of Resolution No. OB 2017-04 - 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 2017-04

- 5.6 Update and discussion regarding the Tres Hermanos Ranch.
- 6. Adjournment. Next regular meeting: February 7, 2017 at 3:30 p.m.

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

ITEM NO. 5.1



SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY

STAFF REPORT

Date: January 23, 2017

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, Director of Finance

Subject: Financial Reports

RECOMMENDATION

Receive and file

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

Pages 7-9 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. 5, 17, 30 and 35 closed escrow generating net sales proceeds of \$53,533,884.

Property nos. 2, and 34 (highlighted in blue) are currently in escrow and the estimated closing dates will be the early 2017. Agreement for property no. 1 and 34 are being drafted.

Property nos. 29, 40, 41 and 43 are listed for sale (highlighted in white).

Summary of sales of properties to third parties:

Sold to third parties	\$ 106,803,298.84
Currently in Escrow	\$ 8,250,000.00
Agreements being drafted	\$ 14,350,000.00
	<u>\$ 129,403,298.84</u>

Properties being sold to the City of Industry

Property nos. 20, 31 and 59 have closed escrow generating net sales proceeds of \$23,928,559.

The City of Industry will be making an offer to purchase the remaining properties as indicated on Exhibit 1.

Summary of sales of properties to the City of Industry:

Sold to the City	\$ 43,636,469.29
Sold to the City currently in escrow	\$ -
City offered to purchase	\$ 46,621,000.00
	<u>\$ 90,257,469.29</u>

Pages 10-12 Exhibit 2A & B Project Summary Report Through December 22, 2016

Exhibit 2A reflects only the costs incurred on the Industry Business Center ("IBC") project which the Successor Agency has spent an additional \$8,094,737 for the period September 22, 2016 through December 22, 2016. Exhibit 2B reflects the other projects to be funded by other available funds and bond proceeds which the Successor Agency has spent an additional amount of \$6,731,452 for the period September 22, 2016 through December 22, 2016.

Successor Agency To Industry Urban-Development Agency Project Summary		Exhibit 2A and 2B				
		Total Estimated Cost From January 2012 To Completion Of Projects	Over/Under Reported in ROPS	Total All Payments January 2012 to December 22, 2016	Project Complete	Remaining Amount Of Estimated Project Costs To Spend Per Amended Contract
Projects To Be Funded From Other Available Funds						
Industry Business Center MP 99-31 # 16	Exh. 2A Estimated Completion - Summer 2019	\$ 211,911,593.13	\$ (26,213,502.08)	\$ 84,975,560.35	\$ -	\$ 100,722,530.70
Landscaping Baker Parkways Slopes MP 99-31 # 61	Exh. 2B Ongoing until property is sold	3,014,078.11		2,116,050.14	(7,906.22)	890,121.75
Diamond Bar Creek MP 99-31 # 26	Exh. 2B Estimated Completion - Summer 2018	9,298,954.61		7,193,265.10	(5,855.00)	2,099,834.51
Industry East Traffic Mitigation MP 99 - 31 # 65	Exh. 2B Estimated Completion - 2020	3,940,368.01		146,116.22	-	3,794,251.79
City / Agency Reimbursement Agreement	Exh. 2B	34,139,469.00		34,139,469.00	-	-
Total Projects To Be Funded From Other Available Funds		<u>\$ 262,304,462.86</u>	<u>\$ (26,213,502.08)</u>	<u>\$ 128,570,460.81</u>	<u>\$ (13,761.22)</u>	<u>\$ 107,506,738.75</u>
Projects To Be Funded From Bond Proceeds						
Lemon Ave Interchange at Route 60 MP 3 - 10	Exh. 2B Estimated Completion - Summer 2017	\$ 10,079,543.42		\$ 2,349,055.90	\$ -	\$ 7,730,487.52
Route 57/60 Confluence Project MP 99 - 31 # 22	Exh. 2B Estimated Completion - Summer 2018	21,038,107.51		6,863,909.76	(3,114,526.18)	11,059,671.57
Westbound Slip On-Ramp 57/60 MP 99-31 #22A	Exh. 2B Estimated Completion - Late 2017	8,876,970.78		2,284,671.43	-	6,592,299.35
Total Projects To Be Funded From Bond Proceeds		<u>\$ 39,994,621.71</u>	<u>\$ -</u>	<u>\$ 11,497,637.09</u>	<u>\$ (3,114,526.18)</u>	<u>\$ 25,382,458.44</u>
Total All Projects		<u>\$ 302,299,084.57</u>	<u>\$ (26,213,502.08)</u>	<u>\$ 140,068,097.90</u>	<u>\$ (3,128,287.40)</u>	<u>\$ 132,889,197.19</u>

Below is a reconciliation for the Industry Business Center project between the \$172 million originally reported on ROPS compared to the estimated costs of \$211 million reported on Exhibit 2A.

Chairman and Members of the Oversight Board
 January 23, 2017

	Amount
Expenditures incurred prior to ROPS	\$ 1,074,750.18
Amount originally reported on initial ROPS	172,390,662.00
Approved budget amendments	17,629,625.15
Potential future budget amendments	(5,396,946.28)
Subtotal	185,698,091.05
Over (Under) Estimate in ROPS	26,213,502.08
Total	\$ 211,911,593.13

In 2013 after the start of the mass grading projects for the IBC based upon the reports to the engineers we increased our estimates for the cost of infrastructure at that time. We overestimated to ensure that when the SA's properties were being disposed of that there was sufficient sales proceeds to cover the estimated remaining costs of the projects. However since most of the mass grading projects have been completed and bid out we will have some costs savings and that our 2013 estimates are high. We believe that the estimated cost for the IBC project will be approximately \$185.7 million.

**Pages 13-16 Exhibit 3 Budget vs Actual Expenditures ROPS 16-17A Period
July 1, 2016 to December 31, 2016**

Exhibit 3 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.

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 3

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 December 22, 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	\$ 102,118.07	\$ 4,981.93
Diamond Bar Creek		MP 99-31 #26	1,098,200.00	60,886.49	1,037,313.51
Industry Business Center		MP 99-31 #16	38,383,921.00	8,493,699.29	29,890,221.71
Industry East Traffic Mitigation		MP 99-31 #65	1,063,400.00	26,989.40	1,036,410.60
City / Agency Reimbursement Agreement			-	-	-
Total Projects To Be Funded From Other Available Funds			\$ 40,652,621.00	\$ 8,683,693.25	\$ 31,968,927.75
Projects To Be Funded From Bond Proceeds					
Lemon Ave Interchange at Route 60		MP 03-10	6,313,000.00	143,506.40	6,169,493.60
Route 57/60 Confluence Project		MP 99-31 #22	6,446,000.00	184,398.95	6,261,601.05
Westbound Slip On- Ramp 57/60		MP 99-31 #22a	7,081,000.00	39,197.50	7,041,802.50
Total Projects To Be Funded From Bond Proceeds			\$ 19,840,000.00	\$ 367,102.85	\$ 19,472,897.15
Administration			779,000.00	475,515.29	303,484.71
General Insurance	263		-	48,282.00	(48,282.00)
Property Maintenance 01-01-2016 through 06-30-2016	269		527,250.00	358,366.69	168,883.31
Appraisal Fees	282		-	-	-
Total All Expenditures			\$ 61,798,871.00	\$ 9,932,960.08	\$ 51,865,910.92

Pages 17-18 Exhibit 4 and 5 Projected Cash Flows December 1, 2016 to June 30, 2019

Attached are Exhibits 4 and 5 which are the cash flow details and cash flow summary schedules by ROPS period. We have estimated approximately \$113 million of combined excess funds after funding all the estimated project costs which could be used to redeem the Successor Agency bonds or be available to be distributed to the other taxing entities. At the previous Oversight Board meeting we had estimated a combined excess of funds of \$79.6 million which is an increase of approximately \$33.4 million. Most of this increase was due to updating the total estimated costs to be spent on the Industry Business Center ("IBC") as described on Exhibit 2A of this report.

In the prior cash flows we had shown a shortfall of approximately \$3.0 million for expenditures to be funded by bond proceeds. It was our intention not to spend more than the bond proceeds that the Successor Agency originally had on hand in 2012. So for cash flow purposes we have limited the spending from the bond proceeds to cash on hand.

Chairman and Members of the Oversight Board
January 23, 2017

In addition the cash flow does not include a sales price for the IBC or the Grand Crossing projects as Majestic Realty is leasing the property from the Successor Agency and they have the first right to purchase the property and discussions with Majestic are in progress at this time.

Successor Agency to the IUDA Projected Cash Flow For Projects		Exhibit 5		
December 1, 2016 to June 30, 2019		12/1/16 to 12/31/16 Property Sales	1/1/17 to 6/30/17 Property Sales	Totals
Net Proceeds From Property Sales		\$ 65,137,111.00	\$ 102,221,000.00	\$ 167,358,111.00
IBC Project Costs To Be Spent				
ROPS 16-17A	12/1/16 to 12/31/16	\$ (735,718.96)		
ROPS 16-17B	1/1/17 to 6/30/17	(42,260,995.12)		
ROPS 17-18A	7/1/17 to 12/31/17	(30,540,331.66)		
ROPS 17-18B	1/1/18 to 6/30/18	(9,876,854.00)		
ROPS 18-19A	7/1/17 to 12/31/18	(16,048,313.22)		
ROPS 18-19B	1/1/18 to 6/30/19	(1,260,317.74)		
Estimated remaining project costs to be spent IBC			(100,722,530.70)	(100,722,530.70)
Other Project Costs To Be Spent				
Landscaping Baker Parkway Slopes		(905,199.31)		
Diamond Bar Creek		(2,101,331.12)		
Industry East Traffic Mitigation		(3,794,251.79)		
Estimated remaining project costs to be spent Other Projects			(6,800,782.22)	(6,800,782.22)
Estimated excess cash generated from rental income and notes receivable collections 12/1/2016 to 6/30/2019		16,635,596.57		16,635,596.57
Beginning cash balances at 12/1/2016		36,021,678.14		36,021,678.14
Estimated excess funds		<u>\$ 10,271,072.79</u>	<u>\$ 102,221,000.00</u>	<u>\$ 112,492,072.79</u>
Projects To Be Funded By Bond Proceeds:				
Lemon Ave Interchange at Route 60 MP 3 - 10		(7,764,889.13)		
Route 57/60 Confluence Project MP 99 - 31 # 22		(11,107,983.24)		
Westbound Slip On-Ramp 57/60 MP 99-31 #22A		(6,593,989.35)		
Estimated remaining project costs to be spent on projects to be funded by bond proceeds			(25,466,861.72)	(25,466,861.72)
Beginning cash balances at 12/1/2016		25,466,861.72		25,466,861.72
Estimated excess (shortfall) of funds		-	-	-
Estimated excess funds - combined		<u>\$ 10,271,072.79</u>	<u>\$ 102,221,000.00</u>	<u>\$ 112,492,072.79</u>

The cash flow schedules have assumed the following parameters:

- 1) Starting point using cash and investment amounts at 12/1/2016
- 2) Project costs from Exhibit 2A and 2B remaining to be spent at 12/1/2016 based upon estimates from CNC Engineering
- 3) Tres Hermamos Ranch being sold to the City for \$41,650,000
- 4) Property #'s 29, 34, 46 and 72 we used estimated values from the outside consultant in 2014. These amounts were based upon property being sold for commercial/industrial buildings.
- 5) Property #'s 14, 15, 22, 23, 47 we have not estimated a sales price at this time.
- 6) No sales price for IBC (#40) and Grand Crossing (#41) as Majestic Realty is leasing both properties and have first right to purchase the property. Discussions with Majestic Realty are in progress.
- 7) Rental income receipts has been estimated through June 2019 assuming that the Grand Crossing property is not sold prior do that date.
- 8) Collections on the notes receivable due from Grand Central Recycling and PH Diversified are assuming that monthly payments are being made timely and no early payoff of the note balances. Notes are due to mature in May and June 2022.

Chairman and Members of the Oversight Board
January 23, 2017

Fiscal Impact

There is no fiscal impact as result of this action.

Legend:





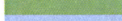

	Completed sale to third party
	Currently In Escrow or Agreements being drafted sold to third party
	To Be Sold
	Transferred to City of Industry at no cost
	Completed sale to the City of Industry
	City Offered to purchase
	Conveyance of property to Caltrans for West Bound Off Ramp taken from IBC property

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
1	vacant/industrial	859 Hacienda	for sale	industrial per zoning code	May-05	12.77 mill.	6.6 mill.	Apr-13	8268-027-913	8.5 ac.	2016-12			\$ 14,550,000.00		Early 2017		W Investments, LLC
2	vacant/industrial bldg.	828 Turnbull	for sale	industrial per zoning code	Dec-10	6.844 mill.	4.89 mill.	Apr-13	8268-014-980	6.63 ac.	Pending		\$ 6,250,000.00					313 Turnbull, LLC-Gresham Road
3	industrial bldg.	300 Baldwin Park Blvd	for sale		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	Jan-08	5.9 mill.	1.878 mill.	Apr-13	8760-009-900	1.96 ac.	2016-20	\$ 4,501,041.50					12/29/2016	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.	15130 Nelson	for sale	convey to City at FMV	Dec-07	3.7 mill.	1.58 mill.	Apr-13	8208-011-903	2.04 ac.				\$ 2,730,000.00				
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	25433 Nelson	for sale	convey to City at FMV	Dec-11	11.3 mill.	0.884 mill.	Apr-13	8208-059-906 8208-034-907	0.87 ac.				\$ 1,140,880.00				
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	.189 mill.	.895 mill.	Apr-13	8120-027-370	0.84 ac.					Appraisal			
15	vacant/industrial	Crossroads FMV South	for sale	industrial per zoning code	2076	.77 mill.	2.78 mill.	Apr-13	8125-021-940 8125-021-941	2.55 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	125 N. Orange	for sale	industrial per zoning code	May-04	13.5 mill.	2.89 mill.	Apr-13	8202-033-906	3.69 ac.	2016-19	\$ 5,001,777.25					12/5/2016	Fox Luggage, Inc.
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.	350 Hasland	for sale	existing bank building	1984	6.2 mill.	6.1 mill.	Apr-13	8208-025-951	2.8 ac.	2016-07	\$ 5,026,819.00					4/28/2016	City of Industry
20	vacant/industrial	220 Hasland	for sale	existing bank building	1984	1.475 mill.	0.987 mill.	Apr-13	8208-025-952	0.16 ac.	2016-08	\$ 1,846,886.00					11/7/2016	City of Industry
21	vacant	244 Hasland	for sale	gov. use per zoning code	1972	0.137 mill.	0.808 mill.	Apr-13	8208-025-953	0.98 ac.	2016-08	\$ 2,336,429.00					8/7/2016	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	8245-001-901 8245-001-914	3.49 ac.					Appraisal			
23	office bldg.	15600 Stafford	for sale	gov. use per zoning code	Mar-05	1.198 mill.	1.882 mill.	Apr-13	8208-022-902 8208-022-903	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 Hasland	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 Azusa North of Railroad	for sale	industrial per zoning code	Mar-2001 & Jun 2010	5.525 mill.	5.987 mill.	Apr-13	8264-025-903 8264-025-904 8264-025-914 8264-025-915 8264-025-917	10.11 ac.	2014-26	\$ 39,648,092.55					12/19/2016	CT Chestnut, LLC (CT Realty Corp.) Sales price for Properties 30 & 58
31	vacant/commercial	17201-17301 Gale	for sale	commercial with zone change	1980	86.8 mill.	16.6 mill.	Apr-13	8264-001-943 8264-001-944 8264-001-945 8264-001-942 8264-001-941	19.08 ac.	2015-08	\$ 18,886,209.00					11/19/2016	City of Industry
32	vacant	17475 Gale	for sale	new car dealership per automobile zone	Jul-03	7.5 mill.	5.86 mill.	Apr-13	8264-013-913 8264-013-914 8264-013-915	5.38 ac.	2015-04	\$ 5,493,660.00					7/31/2016	Legacy City Center LLC
33	vacant/commercial	17548 Gale	for sale	new car dealership per automobile zone	1984	16.7 mill.	6.5 mill.	Apr-13	8264-013-913 8264-013-914 8264-013-915	5.59 ac.	2016-04	\$ 20,886,349.00					8/8/2016	City of Industry
34	vacant	17697 Gale	for sale	new car dealership per automobile zone	Jan-04	40.3 mill.	6.8 mill.	Apr-13	8264-013-913 8264-013-914 8264-013-915	8.25 ac.				Agreements		Early 2017		
35	remnant/row	17723 Gale	for sale	new car dealership per automobile zone	Jan-04	40.5 mill.	4.4 mill.	Apr-13	8264-013-916	4.02 ac.	2016-18	\$ 4,382,936.00					10/31/2016	Puente Hills Automotive Services, Inc
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	8760-028-270 8760-010-938 8760-010-935	0.15 ac.	2014-12	NONE					6/3/2014	City of Industry
38	remnant		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								

Legend:

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	To Be Sold
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	Conveyance of property to Caltrans for West Bound Off Ramp taken from IBC property

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	8217-001-901	0.66 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	Heligert	15252 Stafford	for sale	gov. use per zoning code	1982	0.24 mill.	0.878 mill.	Apr-13	8208-025-889	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	0.37 ac.					Approval				
47	parking	15823 Stafford	for sale	gov. use per zoning code	Apr-75	0.076 mill.	combined w/ other parcels	Apr-13	8208-025-907, 908, 909 &925	3.5 ac.					Approval				
48	vacant	W side of Hacienda N of Stafford	for sale	gov. use per zoning code	2002	1.85 mill.	1.95 mill.	Apr-13	8208-025-887	1.415 ac. With #46 added					Approval				
49	Post Office & Fire Prevention	15660 Stafford	for sale	gov. use per zoning code	Nov-79	0.0513 mill.	3.6 mill.	Apr-13	8208-025-942	2.79 ac.					Approval				
50	vacant/parking	247 & 244 Hacienda	for sale	gov. use per zoning code	4/6/26	4.65 mill.	8.2 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	8208-028-848	5.74 ac.	2016-15	\$ 387,809.50					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	3.35 mill.	5.86 mill.	Apr-13	8208-027-901	5.02 ac.					\$ 875,000.00	Late 2016			
54	vacant	w side of Patriot	for sale	gov. use per zoning code	1978	1.9 mill.	6.12 mill.	Apr-13	8208-027-911 & 912	6.78 ac.					Approval				
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	17300 Chestnut	for sale	industrial per zoning code	Feb-02	13.49 mill.	12.28 mill.	Apr-13	8264-024-909, 918 &908	20.14 ac	2014-26	See #30					12/19/2016	CT Chestnut, LLC (CT Realty Corp.) Sales price for Properties 30 & 58, see property 30.	
59	industrial bldg.	3129 Hatcher	for sale	industrial per zoning code	8760	2.717 mill.	2.414 mill.	Apr-13	8264-004-908	3.08 ac.	2016-18	\$ 6,085,420.00					11/21/2016	City of Industry	
60	vacant/row	1129 & 1185 Hatcher	for sale	industrial per zoning code	58788	3.55 mill.	1.78 mill.	Apr-13	8264-004-910 &911	1.87 ac.	2016-14	See #59					11/22/2016	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	87633	0.881 mill.	3.0 mill.	Apr-13	8718-065-805	3.66 ac.	2016-16	\$ 201,721.85					6/9/2016	City of Industry	
66	vacant/industrial	Garcia Lane	for sale	gov. use per zoning code	1981	0.53 mill.	2.339 mill.	Apr-13	8709-027-989	2.23 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	orch	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, 3000-021-19-0000 & 14-0000, 1000-031-14-0000 & 15-0000	2,490 ac.						\$ 41,850,800.00			
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	
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	

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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												\$ 150,439,768.13	\$ 8,250,000.00	\$ 14,350,000.00	\$ 46,621,000.00				

Successor Agency To Industry Urban-Development Agency
Project Summary - Industry Business Center

Exhibit 2A

Vendor	ROPS Line #	Description	Expenditures prior to the Current Awarded Budget	Approved In ROPS	Budget Amendments	Future Amendments	Over/Under Reported in ROPS	Total Estimated Cost From January 2012 To Completion Of Projects	Total All Payments January 2012 to December 22, 2016	Remaining Amount Of Estimated Project Costs To Spend Per Amendeu Contract (AN-AP-BB=BI)
Industry Business Center MP 99-31 # 16		Estimated Completion - Summer 2019								
Placeworks	192	Professional Services	\$ -	\$ 172,502.00				172,502.00	\$ 152,005.00	20,497.00
PBLA	193	Professional Services	56,500.00	1,856,835.00	700,000.00			2,613,335.00	2,565,276.75	48,058.25
Leighton Consulting	194	Professional Services	104,799.85	2,643,123.00	1,900,000.00			4,647,922.85	2,482,916.78	2,165,006.07
Leighton Consulting	195	Professional Services		315,504.00				315,504.00	-	315,504.00
CNC Engineering	196	Professional Services	611,876.03	5,305,283.00	3,500,000.00			9,417,159.03	6,816,810.94	2,600,348.09
CNC Engineering	197	Professional Services		1,262,016.00				1,262,016.00	-	1,262,016.00
Thomsen Engineering	198	Professional Services	59,328.50	60,000.00				119,328.50	80,191.00	39,137.50
Sage Environmental	199	Professional Services	91,952.00	244,441.00				336,393.00	184,139.00	152,254.00
MX Graphics	200	Miscellaneous		18,771.00	40,500.00	23,189.06		82,460.06	59,212.53	23,247.53
So Cal Sandbags	201	Improvement/Infrastructure	64,570.07	135,430.00	29,894.00	94,591.93		324,486.00	124,486.00	200,000.00
So Cal Edison	202	Improvement/Infrastructure		3,200,000.00	4,403,000.00	1,681,000.00		9,284,000.00	7,603,000.00	1,681,000.00
Verizon	203	Improvement/Infrastructure		694,080.00		(694,080.00)		-	-	-
So Cal Gas Co	204	Improvement/Infrastructure		1,041,420.00				1,041,420.00	-	1,041,420.00
Walnut Valley Water District	205	Improvement/Infrastructure		16,288,200.00			(88,035.60)	16,200,164.40	3,746,078.44	12,542,121.56
Ind Public Utilities	206	Improvement/Infrastructure		11,829,600.00			(1,134,499.00)	10,695,101.00	-	11,829,600.00
Time Warner Cable	207	Improvement/Infrastructure		50,000.00		(50,000.00)		-	-	-
San Gabriel Valley News Paper	208	Miscellaneous	1,908.60	10,000.00		4694.88		16,603.48	11,908.60	4,694.88
First American Title Company	209	Professional Services		15,000.00			2,392.15	17,392.15	3,392.15	11,607.85
St Wtr Resources Cont Board	210	Fees	15,478.00	6,000.00		24,086.00		45,564.00	21,478.00	24,086.00
L A County Health Department	211	Fees		4,000.00				4,000.00	-	4,000.00
L A County Public Works	212	Fees		85,000.00				85,000.00	1,613.00	83,387.00
L A County Sewer Maint District	213	Fees		240,000.00		(22,079.00)		217,921.00	-	217,921.00
International Line Builders	214	Improvement/Infrastructure		50,000.00			(20,000.00)	30,000.00	-	50,000.00
MC Cain	215	Improvement/Infrastructure	25,668.63	120,000.00				145,668.63	104,902.91	40,765.72
Environs Landscape Arch	216	Professional Services		1,725,120.00			(28,507.72)	1,696,612.28	342,172.42	1,382,947.58
Contractor By Public Bidding	217	Improvement/Infrastructure		2,258,746.00	A	11,503,995.85	27,499,603.15	41,262,345.00	-	13,762,741.85
Contractor By Public Bidding	218	Improvement/Infrastructure		10,516,800.00				10,516,800.00	-	10,516,800.00
Kimley Horn & Assoc	219	Professional Services		200,000.00			(8,853.45)	191,146.55	57,409.15	142,590.85
Kimley Horn & Assoc	220	Professional Services		1,051,680.00			(8,597.45)	1,043,082.55	-	1,051,680.00
SCS Engineering	221	Professional Services		243,018.00	597,882.00			840,900.00	536,071.54	304,828.46
WKE, INC.	222	Professional Services	5,780.00	80,000.00				85,780.00	15,859.47	69,920.53
Bustko Engineering	223	Professional Services	36,888.50	1,971,600.00				2,008,488.50	1,656,868.33	351,620.17
Sukut Construction, LLC	267	Remedial Grading		6,689,774.00	436,733.06			7,126,507.06	7,126,507.51	(0.45)
C. A. Rasmussen Inc.	270	Mass Grading		20,329,607.00	1,002,870.81			21,332,477.81	21,436,380.43	(103,902.62)
Sukut Construction, LLC	271	Mass Grading		22,693,112.00	5,018,745.28			27,711,857.28	27,624,357.28	87,500.00
U S Bank (C A Rasmussen Acct)								-	-	-
International Line Builders	281			2,200,000.00				2,200,000.00	573,961.18	1,626,038.82
Contractor By Public Bidding	289			38,000,000.00		(13,262,345.00)		24,737,655.00	-	24,737,655.00
All American Asphalt	290			18,784,000.00		(4,700,000.00)		14,084,000.00	2,384,280.90	11,699,719.10
CASC Engineering & Consulting, LLC/ Retired	293							-	-	-
			1,074,750.18	172,390,662.00	17,629,625.15	(5,396,946.28)	26,213,502.08	211,911,593.13	85,711,279.31	99,986,811.74

A) The original ROPs amount here was \$110,955,239 but it has been split up into items 267, 270, 271, 281, 289, and 290.

B) Total represents the follow:

Total estimated costs	\$ 211,911,593.13
Less over/under estimates	(26,213,502.08)
Subtotal	185,698,091.05
Less payments	(85,711,279.31)
Total	\$ 99,986,811.74

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2						Successor Agency To Industry Urban-Development Agency																
3						Project Summary - Other Projects and Bond Proceed Projects																
4																						Exhibit 2B
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		Total All Payments January 2012 to December 22, 2016		Project Complete		Remaining Amount Of Estimated Project Costs To Spend Per Amended Contract (AJ-AT+AV=AX)
113								\$ 534,343.65		\$ 5,563,051.80		\$ 43,329,142.38		\$ 966,331.90		\$ 50,392,869.73		\$ 43,594,900.46		\$ (13,761.22)		\$ 6,784,208.05
114		Total Projects To Be Funded From Other Available Funds																				
115																						
116																						
117		Projects To Be Funded From Bond Proceeds																				
118		Lemon Ave Interchange at Route 60 MP 3 - 10			Estimated Completion - Summer 2017																	
119		CNC Engineering		116		Professional Services		\$ 15,264.25		\$ (6,632.29)		\$ 150,000.00				\$ 158,631.97		\$ 137,391.48				\$ 21,240.49
120		Jacobs Civil		117		Professional Services				\$ 303,576.81		\$ 114,624.27		1,387,000.46		1,805,201.54		1,406,400.51				398,801.03
121		Avant-Garde		118		Professional Services				103,977.19		150,000.00		175,000.00		428,977.19		377,057.19				51,920.00
122		Caltrans (Right of Way Acquisition)		119		Improvement/Infrastructure		227,443.31		-		-		-		227,443.31		227,443.31				-
123		Contractor TBD		120		Improvement/Infrastructure				3,543,160.00		3,543,160.00				3,543,160.00		-				3,543,160.00
124		Caltrans (Construction Administration)		121		Improvement/Infrastructure				3,715,366.00		198,828.25				3,914,194.25		198,828.25				3,715,366.00
125		LA County Public Works		122		Fees				335.16		1,600.00				1,935.16		1,935.16				-
128		Total Lemon Ave Interchange at Route 60						242,707.56		7,659,782.88		615,052.52		1,562,000.46		10,079,543.42		2,349,055.90		-		7,730,487.52
129																						
130		Route 57/60 Confluence Project MP 99 - 31 # 22			Estimated Completion - Summer 2018																	
131																						
132		CNC Engineering		123		Professional Services		55,575.95		47,918.83		221,600.00				325,094.78		212,149.33				112,945.45
133		WKE Inc (Environmental Phase)		124		Professional Services		716,116.09		25.22		80,000.00				796,141.31		796,141.31				-
134		Atkins		125		Professional Services				-		3,804,631.96				3,804,631.96		690,105.78		(3,114,526.18)		-
135		Casey O' Callaghan Golf Course		126		Professional Services				3,115.03		40,000.00				43,115.03		5,115.03				38,000.00
136		Caltrans		127		Improvement/Infrastructure				4,400,000.00		4,400,000.00				4,400,000.00		-				4,400,000.00
137		Contractor TBD		128		Improvement/Infrastructure				5,872,434.00		5,872,434.00				5,872,434.00		-				5,872,434.00
138		The PFM Group		129		Professional Services				(410,142.20)		450,000.00				39,857.80		39,857.80				(0.00)
139		Avant-Garde		130		Professional Services		167,378.32		(52,828.49)		142,000.00				256,549.83		262,529.83				(5,980.00)
140		ARC Imaging Recourses		131		Professional Services		110.00		-		-				110.00		110.00				-
141		MX Graphic		132		Miscellaneous				4,839.68		9,675.00				14,514.68		4,514.68				10,000.00
142		WKE Inc (Design Phase)		133		Professional Services		254,642.87		(2,989,258.31)		7,099,000.00				4,364,384.56		4,046,667.44				317,717.12
143		Prince Global		134		Professional Services		564,133.65		(82,860.09)		540,000.00				1,021,273.56		771,273.56				250,000.00
144		TBD(Avant-Grade)		295		Project Funding/Contract Administration				-		100,000.00				100,000.00		35,445.00				64,555.00
145		Total Route 57/60 Confluence Project MP 99 - 31 # 22						1,757,956.88		6,793,243.67		12,486,906.96		-		21,038,107.51		6,863,909.76		(3,114,526.18)		11,059,671.57
146		Westbound Slip On-Ramp 57/60 MP 99-31 #22A			Estimated Completion - Late 2017																	
147																						
148		WKE Inc		224		Professional Services		1,169,473.12		(951,395.42)		200,000.00				418,077.70		418,077.70				(0.00)
149		CNC Engineering		225		Professional Services		69,074.02		(32,395.29)		22,510.00				59,188.73		59,188.73				-
150		Caltrans		226		Improvement/Infrastructure				3,341,024.35		4,820,000.00				8,161,024.35		1,652,757.50				6,508,266.85
151		Avant-Garde		227		Professional Services				8,868.00		127,612.00				136,480.00		136,480.00				-
152		Atkins		228		Professional Services				-		-				-		-				-
153		MX Graphic		229		Miscellaneous				2,200.00		-				2,200.00		-				2,200.00
154		ARC imaging Recourses		230		Miscellaneous				-		-				-		-				-
155		TBD(Avant Garde)		294		Project Funding/Contract Administration				-		100,000.00				100,000.00		18,167.50				81,832.50
156		Total Westbound Slip On-Ramp 57/60 MP 99-31 #22A						1,238,547.14		2,368,301.64		5,270,122.00		-		8,876,970.78		2,284,671.43		-		6,592,299.35
157																						
158		Total Projects To Be Funded From Bond Proceeds						3,239,211.58		16,821,328.19		18,372,081.48		1,562,000.46		39,994,621.71		11,497,637.09		(3,114,526.18)		25,382,458.44
159																						
160		Totals						\$ 3,773,555.23		\$ 22,384,379.99		\$ 61,701,223.86		\$ 2,528,332.36		\$ 90,387,491.44		\$ 55,092,537.55		\$ (3,128,287.40)		\$ 32,166,666.49
161																						

	A	B	C	D	E	F	Y	Z	AA	AC	AD
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 3
6		Payee	ROPS Line Item	Project #	Total Outstanding ROPS Annual ROPS 16-17	Estimated Project Expenditures Approved On ROPS 16-17A	Register 12/08/2016	Register 12/22/2016		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 December 22, 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		35,000.00	\$ 15,000.00	\$ 478.11	\$ 249.45		\$ 8,083.07	\$ 6,916.93
12		Environs Landscape Architecture	100		16,000.00	6,000.00				7,935.00	(1,935.00)
14		Kasa Construction, Inc.	102							-	-
27		Marina Landscape, Inc.	276		172,200.00	86,100.00		14,350.00		86,100.00	-
28		San Gabriel Valley Newspaper	158, 208							-	-
30		Total Landscaping Baker Parkway Slopes			\$ 223,200.00	\$ 107,100.00	\$ 478.11	\$ 14,599.45	\$ -	\$ 102,118.07	\$ 4,981.93
31											
32		Diamond Bar Creek		MP 99-31 #26							
33		CNC Engineering	148		400,000.00	300,000.00	831.45	665.16		13,966.49	286,033.51
34		Thomsen Engineering	149		184,000.00	125,000.00				-	125,000.00
35		Leighton Consulting	150		180,000.00	125,000.00				-	125,000.00
36		Regional Water Quality Control	151		20,000.00	10,000.00				-	10,000.00
37		Army Corp Engineers	152		1,000.00	1,000.00				-	1,000.00
38		Calif Dept of Fish & Game	153		10,000.00	10,000.00				-	10,000.00
39		State Water Resources Cont Board	154		12,000.00	12,000.00				-	12,000.00
40		MX Graphics	155		6,500.00	6,500.00				-	6,500.00
41		Brown & Brown Ins	156		25,000.00					-	-
42		City of Industry Disposal	157							-	-
43		San Gabriel Valley Newspaper	158		1,800.00	1,200.00				-	1,200.00
44		LA County Health Dept	159		3,500.00	1,500.00				-	1,500.00
45		So Calif Edison	160		50,000.00	50,000.00				-	50,000.00
46		Walnut Valley Water District	161		30,000.00	30,000.00				-	30,000.00
47		LA City Sewer Maint District	162		20,000.00	20,000.00				-	20,000.00
48		PBLA	163							-	-
49		Native Grow Nursery	164		-					-	-
50		Contractor - by public bidding	165		1,085,921.00	300,000.00				-	300,000.00
51		Sage Environmental	166		75,000.00	50,000.00				46,920.00	3,080.00
52		WKE, Inc	167		56,000.00	56,000.00				-	56,000.00
53		H & H Contractors	266							-	-
54		Total Diamond Bar Creek			\$ 2,160,721.00	\$ 1,098,200.00	\$ 831.45	\$ 665.16	\$ -	\$ 60,886.49	\$ 1,037,313.51
55											

	A	B	C	D	E	F	Y	Z	AA	AC	AD
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 3
6		Payee	ROPS Line Item	Project #	Total Outstanding ROPS Annual ROPS 16-17	Estimated Project Expenditures Approved On ROPS 16-17A	Register 12/08/2016	Register 12/22/2016		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 December 22, 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				-	20,000.00
59		PBLA Engineering	193		600,000.00	500,000.00		73,621.38		241,077.94	258,922.06
60		Leighton Consulting	194		2,300,000.00	900,000.00		22,331.10		89,045.91	810,954.09
61		Leighton Consulting	195		-	-				-	-
62		CNC Engineering	196		3,200,000.00	1,400,000.00	49,579.85	39,118.18		639,889.37	760,110.63
63		CNC Engineering	197		1,262,016.00	150,000.00				-	150,000.00
64		Thomsen Engineering	198		45,000.00	35,000.00				-	35,000.00
65		Sage Environmental	199		80,000.00	60,000.00	4,995.00			4,995.00	55,005.00
66		MX Graphics	200		15,000.00	8,000.00				3,108.33	4,891.67
67		So Cal Sandbags	201		200,000.00	100,000.00				-	100,000.00
68		So Cal Edison	202		3,031,000.00	3,031,000.00				1,350,000.00	1,681,000.00
69		Verizon	203		694,080.00	694,080.00				-	694,080.00
70		So Cal Gas Co	204		1,041,420.00	1,041,420.00				-	1,041,420.00
71		Walnut Valley Water District	205		16,063,200.00	10,000,000.00				3,558,314.04	6,441,685.96
72		Ind Public Utilities	206		-	-				-	-
73		Time Warner Cable - Not Approved by DOF	207		-	-				-	-
74		San Gabriel Valley Newspaper	208		6,000.00	4,000.00				-	4,000.00
75		First American Title Company	209		14,000.00	5,000.00				-	5,000.00
76		St Wtr Resources Cont Board	210		25,000.00	12,000.00				914.00	11,086.00
77		L A County Health Department	211		4,000.00	1,500.00				-	1,500.00
78		L A County Dept Public Works	212		85,000.00	40,000.00				1,557.00	38,443.00
79		L A City Sewer Maint District	213		217,921.00	217,921.00				-	217,921.00
80		International Line Builders	214		50,000.00	50,000.00				-	50,000.00
81		MC Cain	215		40,000.00	40,000.00				-	40,000.00
82		Environs Landscape Arch	216		1,350,000.00	300,000.00				45,914.99	254,085.01
83		Contractor By Public Bidding	217		26,000,000.00	-				-	-
84		Contractor By Public Bidding	218		10,516,800.00	-				-	-
85		Kimley Horn & Assoc	219		160,000.00	100,000.00				3,528.13	96,471.87
86		Kimley Horn & Assoc	220		1,000,000.00	300,000.00				-	300,000.00
87		SCS Engineers	221		310,000.00	90,000.00	16,472.50			31,675.00	58,325.00
88		WKE, INC.	222		75,000.00	50,000.00				1,400.00	48,600.00
89		Bustko Engineering	223		750,000.00	450,000.00		48,200.04		137,998.68	312,001.32
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		481,400.91		2,384,280.90	16,399,719.10
96		City Of Walnut	291		2,877,094.00	-				-	-
97		CASC Engineering & Consulting, INC.	293		-	-				-	-
100		Total Industry Business Center			\$ 90,816,531.00	\$ 38,383,921.00	\$ 71,047.35	\$ 664,671.61	\$ -	\$ 8,493,699.29	\$ 29,890,221.70

	A	B	C	D	E	F	Y	Z	AA	AC	AD
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 3
6		Payee	ROPS Line Item	Project #	Total Outstanding ROPS Annual ROPS 16-17	Estimated Project Expenditures Approved On ROPS 16-17A	Register 12/08/2016	Register 12/22/2016		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 December 22, 2016	Period July 1 to December 31, 2016
101											
102		Industry East Traffic Mitigation		MP 99-31 #65							
103		CNC Engineering	251		500,000.00	200,000.00				4,354.25	195,645.75
104		Geotechnical Consultant	252		174,888.00	150,000.00				-	150,000.00
105		RKA Consulting Group	253		-					22,635.15	(22,635.15)
106		Contractor by Public Bid	254		1,322,066.00					-	-
107		City Of Diamond Bar	275		713,400.00	713,400.00				-	713,400.00
108		Total Industry East Traffic Mitigation			\$ 2,710,354.00	\$ 1,063,400.00	\$ -	\$ -	\$ -	\$ 26,989.40	\$ 1,036,410.60
113											
114		Total Projects To Be Funded From Other Available Funds			\$ 95,910,806.00	\$ 40,652,621.00	\$ 72,356.91	\$ 679,936.22	\$ -	\$ 8,683,693.25	\$ 31,968,927.75
115											
116		Projects To Be Funded From Bond Proceeds									
117											
118		Lemon Ave Interchange at Route 60		MP 03-10							
119		CNC Engineering	116		95,000.00	\$ 30,000.00	\$ 3,478.91	\$ 2,708.70		40,444.33	(10,444.33)
120		Jacobs Civil	117		200,000.00	200,000.00		24,034.00		70,782.07	129,217.93
121		Avant-Garde	118		100,000.00	80,000.00		4,180.00		32,280.00	47,720.00
122		Caltrans (Right of Way Acquisition)	119							-	-
123		Caltrans - contractor by public bidding	120		3,543,160.00	3,000,000.00				-	3,000,000.00
124		Caltrans (Construction Administration)	121		3,715,366.00	3,000,000.00				-	3,000,000.00
125		LA County Dept Public Works	122		3,000.00	3,000.00				-	3,000.00
127		Total Lemon Ave Interchange at Route 60			\$ 7,656,526.00	\$ 6,313,000.00	\$ 3,478.91	\$ 30,922.70	\$ -	\$ 143,506.40	\$ 6,169,493.60
128											
129		Route 57/60 Confluence Project		MP 99-31 #22							
130		CNC Engineering	123		150,000.00	50,000.00	8,335.33	8,008.92		35,089.31	14,910.69
131		WKE Inc (Environmental Phase)	124							-	-
132		Atkins	125							-	-
133		Casey O'Callaghan Golf Design	126		38,000.00	38,000.00				-	38,000.00
134		Caltrans	127		4,400,000.00	3,000,000.00				-	3,000,000.00
135		Caltrans - by public bidding	128		5,872,434.00	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		10,000.00	8,000.00				-	8,000.00
140		WKE Inc (Design Phase)	133		3,700,000.00	1,200,000.00	11,712.57			94,894.64	1,105,105.36
141		Prince Global	134		300,000.00	70,000.00		10,000.00		40,000.00	30,000.00
142		TBD (Avant-Grade)	295		100,000.00	80,000.00		10,255.00		14,415.00	65,585.00
143		Total Route 57/60 Confluence Project			\$ 14,570,434.00	\$ 6,446,000.00	\$ 20,047.90	\$ 28,263.92	\$ -	\$ 184,398.95	\$ 6,261,601.05
144											

	A	B	C	D	E	F	Y	Z	AA	AC	AD
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 3
6		Payee	ROPS Line Item	Project #	Total Outstanding ROPS Annual ROPS 16-17	Estimated Project Expenditures Approved On ROPS 16-17A	Register 12/08/2016	Register 12/22/2016		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 December 22, 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				-	7,000,000.00
149		Avant-Garde (Retired)	227							-	-
150		Atkins	228							-	-
151		MX Graphics	229		2,200.00	1,000.00				-	1,000.00
152		ARC Imaging Recourses	230							-	-
153		TBD (Avant-Grade)	294		100,000.00	80,000.00		1,690.00		39,197.50	40,802.50
154		Total Westbound Slip On- Ramp 57/60			\$ 7,102,200.00	\$ 7,081,000.00	\$ -	\$ 1,690.00	\$ -	\$ 39,197.50	\$ 7,041,802.50
158											
159		Total Projects To Be Funded From Bond Proceeds			29,329,160.00	19,840,000.00	23,526.81	60,876.62	-	367,102.85	19,472,897.15
160											
161		Administration									
162											
163		US Bank	21		3,350.00	3,350.00				2,000.00	1,350.00
164		Bank of NY	22							-	-
165		US Bank	23		10,050.00	10,050.00				5,000.00	5,050.00
166		US Bank	25		6,700.00	6,700.00				2,000.00	4,700.00
167		Reimburse City of Industry - Salary	255		780,000.00	390,000.00		196,116.62		196,116.62	193,883.38
168		Various Vendor -Office Expenses	256		4,000.00	2,000.00				52.40	1,947.60
169		Various Vendor - Property Management	257		64,000.00	32,000.00				15,217.46	16,782.54
170		Various Vendor - Legal	258		342,000.00	162,200.00	78,278.81			96,303.81	65,896.19
171		Various Vendor - Accounting & Consulting	259		185,400.00	92,700.00	10,285.00	12,090.00		107,215.00	(14,515.00)
172		Various Vendor - Auditing & Review Services	260		160,000.00	80,000.00	11,145.00	11,275.00		51,610.00	28,390.00
173											
174		Total Administration			\$ 1,555,500.00	\$ 779,000.00	\$ 99,708.81	\$ 219,481.62	\$ -	\$ 475,515.29	\$ 303,484.71
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		1,054,500.00	527,250.00		\$ 358,366.69		358,366.69	168,883.31
185		Total			\$ 1,054,500.00	\$ 527,250.00	\$ -	\$ 358,366.69	\$ -	\$ 358,366.69	\$ 168,883.31
186											
187		Total All Expenditures			\$ 127,849,966.00	\$ 61,798,871.00	\$ 195,592.53	\$ 1,318,661.15	\$ -	\$ 9,932,960.08	\$ 51,865,910.92

Successor Agency to the IUDA
 Projected Cash Flow For Projects
 December 1, 2016 to June 30, 2019

Exhibit 4

Industry Business Center (IBC):

Land Sales - 3rd Parties
 Land Sales - City of Industry
 Funds from rental income/notes receivable/(to Other Projects)
 Estimated Project Expenditures per ROPS 15-16A
 Net
 Transfers To Other Projects
 Beginning Cash Balance - Property Sales Depository Account
 Ending Cash Balance

16-17A Budget	16-17B Budget	17-18A Budget	17-18B Budget	18-19A Budget	18-19B Budget	Totals
12/1/16 to 12/31/16	1/1/17 to 6/30/17	7/1/17 to 12/31/17	1/1/18 to 6/30/18	7/1/18 to 12/31/18	1/1/19 to 6/30/19	
\$ 49,150,911.00	\$ 32,900,000.00					\$ 82,050,911.00
\$ 15,986,200.00	\$ 69,321,000.00					\$ 85,307,200.00
\$ (76,805.28)	\$ 970,615.54	\$ (83,939.32)	\$ 3,069,465.54	\$ 2,931,900.54	\$ 3,023,577.35	\$ 9,834,814.35
\$ (735,718.96)	\$ (42,260,995.12)	\$ (30,540,331.66)	\$ (9,876,854.00)	\$ (16,048,313.22)	\$ (1,260,317.74)	\$ (100,722,530.70)
\$ 64,324,586.76	\$ 60,930,620.42	\$ (30,624,270.99)	\$ (6,807,388.47)	\$ (13,116,412.69)	\$ 1,763,259.61	\$ 76,470,394.65
\$ -						\$ -
\$ 36,021,678.14	\$ 100,346,264.90	\$ 161,276,885.32	\$ 130,652,614.33	\$ 123,845,225.87	\$ 110,728,813.18	\$ 36,021,678.14
\$ 100,346,264.90	\$ 161,276,885.32	\$ 130,652,614.33	\$ 123,845,225.87	\$ 110,728,813.18	\$ 112,492,072.79	\$ 112,492,072.79

Other Projects:

Landscaping Baker Parkway Slopes
 Diamond Bar Creek
 Industry East Traffic Mitigation
 Net
 Funds from rental income/notes receivable and IBC
 Beginning Cash Balance
 Ending Cash Balance

\$ (15,077.56)	\$ (165,600.00)	\$ (165,100.00)	\$ (165,100.00)	\$ (162,665.00)	\$ (231,656.75)	\$ (905,199.31)
\$ (1,496.61)	\$ (907,950.00)	\$ (1,191,884.51)	\$ -	\$ -	\$ -	\$ (2,101,331.12)
\$ -	\$ (1,453,400.00)	\$ (1,951,520.35)	\$ (140,000.00)	\$ (130,000.00)	\$ (119,331.44)	\$ (3,794,251.79)
\$ (16,574.17)	\$ (2,526,950.00)	\$ (3,308,504.86)	\$ (305,100.00)	\$ (292,665.00)	\$ (350,988.19)	\$ (6,800,782.22)
\$ 16,574.17	\$ 2,526,950.00	\$ 3,308,504.86	\$ 305,100.00	\$ 292,665.00	\$ 350,988.19	\$ 6,800,782.22
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Projects To Be Funded By Bond Proceeds:

Lemon Ave Interchange at Route 60 MP 3 - 10
 Route 57/60 Confluence Project MP 99 - 31 # 22
 Westbound Slip On-Ramp 57/60 MP 99-31 #22A
 Net
 Transfers from land sales
 Beginning Cash Balance
 Ending Cash Balance (Deficit)

\$ (34,401.61)	\$ (266,240.49)	\$ (7,464,247.03)	\$ -	\$ -	\$ -	\$ (7,764,889.13)
\$ (48,311.82)	\$ (10,762,171.12)	\$ (140,000.00)	\$ (134,555.00)	\$ (22,945.30)	\$ -	\$ (11,107,983.24)
\$ (1,690.00)	\$ (4,082,832.50)	\$ (2,509,466.85)	\$ -	\$ -	\$ -	\$ (6,593,989.35)
\$ (84,403.43)	\$ (15,111,244.11)	\$ (10,113,713.88)	\$ (134,555.00)	\$ (22,945.30)	\$ -	\$ (25,466,861.72)
						\$ -
\$ 25,466,861.72	\$ 25,382,458.29	\$ 10,271,214.18	\$ 157,500.30	\$ 22,945.30	\$ (0.00)	\$ 25,466,861.72
\$ 25,382,458.29	\$ 10,271,214.18	\$ 157,500.30	\$ 22,945.30	\$ (0.00)	\$ (0.00)	\$ -

Successor Agency to the IUDA
Projected Cash Flow For Projects

Exhibit 5

December 1, 2016 to June 30, 2019

			12/1/16 to 12/31/16 Property Sales	1/1/17 to 6/30/17 Property Sales	Totals
(1)(2)(3)(4) Net Proceeds From Property Sales			\$ 65,137,111.00	\$ 102,221,000.00	\$ 167,358,111.00
IBC Project Costs To Be Spent					
ROPS 16-17A	12/1/16 to 12/31/16	\$ (735,718.96)			
ROPS 16-17B	1/1/17 to 6/30/17	(42,260,995.12)			
ROPS 17-18A	7/1/17 to 12/31/17	(30,540,331.66)			
ROPS 17-18B	1/1/18 to 6/30/18	(9,876,854.00)			
ROPS 18-19A	7/1/17 to 12/31/18	(16,048,313.22)			
ROPS 18-19B	1/1/18 to 6/30/19	(1,260,317.74)			
Estimated remaining project costs to be spent IBC			(100,722,530.70)		(100,722,530.70)
Other Project Costs To Be Spent					
Landscaping Baker Parkway Slopes		(905,199.31)			
Diamond Bar Creek		(2,101,331.12)			
Industry East Traffic Mitigation		(3,794,251.79)			
Estimated remaining project costs to be spent Other Projects			(6,800,782.22)		(6,800,782.22)
(5) Estimated excess cash generated from rental income and notes receivable collections 12/1/2016 to 6/30/2019			16,635,596.57		16,635,596.57
Beginning cash balances at 12/1/2016			36,021,678.14		36,021,678.14
Estimated excess funds			\$ 10,271,072.79	\$ 102,221,000.00	\$ 112,492,072.79
Projects To Be Funded By Bond Proceeds:					
Lemon Ave Interchange at Route 60 MP 3 - 10		(7,764,889.13)			
Route 57/60 Confluence Project MP 99 - 31 # 22		(11,107,983.24)			
Westbound Slip On-Ramp 57/60 MP 99-31 #22A		(6,593,989.35)			
Estimated remaining project costs to be spent on projects to be funded by bond proceeds			(25,466,861.72)		(25,466,861.72)
Beginning cash balances at 12/1/2016			25,466,861.72		25,466,861.72
Estimated excess (shortfall) of funds			-	-	-
Estimated excess funds - combined			\$ 10,271,072.79	\$ 102,221,000.00	\$ 112,492,072.79

- 1) Sales price for Tres Hermanos Ranch \$41,650,000
- 2) Properties #'s 2, 29, 34, 46, 72 of \$22.9M sales price based upon original estimate for commercial property at date submission of Long Range Management Plan
- 3) No sales price included for properties #'s 14, 15, 22, 23, 47 waiting on appraisals
- 4) Does not include sales price for IBC (#40) and Grand Crossing (#41), Majestic Reality has first rights to purchase property
- 5) Rental Income receipts dependent upon when Grand Crossing property is sold
- 6) Collections on notes receivable through 6/30/2019 with no early payoff of notes maturity dates May/June 2022

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

ITEM NO. 5.2



CLIENT MEMORANDUM

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

FROM: VARNER & BRANDT LLP

SUBJECT: TRANSMITTAL OF JANUARY 23, 2017 OVERSIGHT BOARD MEETING AGENDA ITEM NOS. 5.2 AND 5.3

DATE: JANUARY 17, 2017

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 Nos.: 5.2 and 5.3

Subject: **Approval of Recognized Obligation Payment Schedule (Agenda Item No. 5.3) and Administrative Budget (Agenda Item No. 5.2).** Approval of Recognized Obligation Payment Schedule ("ROPS") and Administrative Budget of the Successor Agency for the period of July 1, 2017 through June 30, 2018 ("ROPS 17-18").

Request by Successor Agency:

1. Successor Agency requests that the Oversight Board approve the ROPS for the period of July 1, 2017 through June 30, 2018.
2. The Successor Agency requests the Oversight Board approve the Administrative Budget for the period of July 1, 2017 through June 30, 2018.

Legislative Authority of the Oversight Board:

1. *California Health and Safety Code Section 34177(h):* The Successor Agency must expeditiously wind down the affairs of the former redevelopment agency in accordance with the direction of the Oversight Board.
2. *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.

2011, may require further inquiry or discussion with Successor Agency staff, including enforceable obligations entered into by the Successor Agency.

We note the following items as the Oversight Board reviews ROPS 17-18:

- Item No. 164 is reflected as retired.
- Successor Agency has added Item Nos. 296, 297 and 298, each of which we briefly discuss below:
 - Item No. 296: The Successor Agency has indicated the debt service for the ROPS 16-17 period equaled \$81,022,086, but the Successor Agency only received \$25,365,624 of RPTTF for this period, resulting in a shortfall of \$54,423,374. The Successor Agency requests approval of an additional \$54,423,374 in ROPS 17-18 which represents the shortfall from previously approved ROPS Items Nos. 283-288 on ROPS 16-17. The DOF approved the ROPS 16-17 requested amount, but the RPTTF distribution did not cover the requisite amount. The Successor Agency made early bond payments that reduced the originally requested amount by \$942,250. Successor Agency has discussed this matter with the DOF and the Successor Agency indicates the DOF recommended the current presentation of this matter. .
 - Item No. 297: ROPS identifies this item as excess costs owed to the City of Industry for in the amount of \$65,100 relating to the maintenance of slopes as set forth in Item No. 276. The additional amount relates to a change order for the westerly slope which will be completed in January. The DOF denied this item in the previous ROPS period. We suggest the Oversight Board request the Successor Agency staff to provide additional detail on this item at the Oversight Board meeting.
 - Item No. 298: ROPs identifies this item as a right of way for in Walnut as part of the Industry Business Center. Successor Agency has requested approval for \$1,002,000 for the Item. This Item relates to the estimated cost for the right of way acquisition required by the Traffic Mitigation Agreement approved by the Oversight Board at the September 29, 2016 meeting.
- Item Nos. 8, 9, 20, 26, 27, 164, 185, 206, 21,7 218, 254, 262, 281 and 291, each highlighted in red, reflect Department of Finance's denial of these items. Some of these items may be reinstated once contracts for the expenditures are signed and approved as enforceable obligations.



SUCCESSOR AGENCY TO 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: Paul J. Philips, Executive Director *Paul J. Philips*

Staff: Susan Paragas, Director of Finance
Dean Yamagata, Frazer, LLP
Joshua Nelson, Deputy Agency Engineer, CNC Engineering

Date: January 23, 2017

SUBJECT: Consideration of Resolution No. SA 2017-03 – A Resolution of the Agency to adopt the Administrative Budget for the Twelve Month Period of July 1, 2017 to June 30, 2018 and Resolution No. SA 2017-04 - A Resolution of the Successor Agency to the Industry Urban-Development Agency (“Agency”) to Adopt the Recognized Obligation Payment Schedule 17-18

BACKGROUND

The Successor Agency to the former Industry Urban-Development Agency (“Agency”) is required to adopt a recognized obligation payment schedule (“ROPS”) setting forth the nature and amount of all existing Agency recognized obligations (as defined by law). Each ROPS previously reflected a six-month interval of obligations. However, effective for Fiscal Year 2016-17, the new procedure requires the Successor Agencies to prepare a ROPS for a 12-month interval, for the full fiscal year. In addition, the Agency is required to prepare a proposed administrative budget and submit to the Oversight Board (“Board”) for approval.

Pursuant to California Health and Safety Code (“HSC”) 34177.7 (o) (1), the Agency shall submit an oversight board approved annual ROPS to the State Department of Finance (“DOF”) and the County Auditor-Controller by February 1.

The obligations of the Agency may include the following:

- a. Bonds;
- b. Loans legally required to be repaid pursuant to a payment schedule with mandatory repayment terms;

for its approval and forwarded to the DOF, by February 1, 2017, for its review and determination. The Resolution also authorizes Staff to amend ROPS 17-18 to revise line items as requested by the Oversight Board and/or DOF.

FISCAL IMPACT

Approval of ROPS 17-18 will facilitate the ability of the Agency to continue payment of the enforceable obligations of the former Industry Urban-Development Agency for the next twelve-month period. Failure to approve and submit ROPS 17-18 to the DOF by the February 1, 2017 deadline, per HSC 34177 (m) (1). The total request funding on ROPS 17-18 is \$235,767,971 and is to be funded from RPTTF, bond proceeds, and other funds such as property sale proceeds and rental income. The total requested amount includes \$1,631,000 allocated for Agency administrative costs.

RECOMMENDED ACTION:

Staff recommends that the Successor Agency Board adopt Resolution No. SA 2017-03, approving ROPS 17-18 and Resolution No. SA 2017-04, approving the administrative budget for the period of July 1, 2017 through June 30, 2018 pursuant to AB x1 26 as amended by AB 1484.

ATTACHMENTS:

1. Resolution No. SA 2017-03: Approving SA Administrative Budget for the Period from July 1, 2017 to June 30, 2018
2. Resolution No. SA 2017-04: Approving ROPS 17-18 for the Period from July 1, 2017 to June 30, 2018
3. Exhibit A: ROPS 17-18

RESOLUTION NO. OB 2017-01

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 AN ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2017-2018

WHEREAS, pursuant to Health and Safety Code Section 34177(j), the City of Industry serves as the successor agency to the dissolved Industry Urban-Development Agency (“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, Health and Safety Code Section 34177(j), requires that the Successor Agency submit to the Oversight Board for its approval, the Administrative Budget for the period July 1, 2017 through June 30, 2018; and

WHEREAS, the Successor Agency has prepared an Administrative Budget for the period July 1, 2017 through June 30, 2018. A copy of the Administrative Budget is attached hereto and incorporated herein as Exhibit “A;” 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, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE FORMER INDUSTRY URBAN-DEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Recitals. The recitals set forth above are true and correct and are incorporated into this resolution (“Resolution”) by this reference.

SECTION 2. Approval of the Administrative Budget. The Oversight Board hereby approves and adopts the Administrative Budget, as set forth in the form attached to this Resolution as Exhibit “A,” pursuant to Health and Safety Code Section 34177(j).

SECTION 3. Implementation. The Oversight Board hereby directs Successor Agency staff to submit copies of the Administrative Budget to the County of Los Angeles Administrative Officer, the County of Los Angeles Auditor-Controller and the State of California Department of Finance, and to post the Administrative Budget on the Successor Agency’s website.

SECTION 4. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

EXHIBIT "A"

ADMINISTRATIVE BUDGET

JULY 1, 2017 THROUGH JUNE 30, 2018

EXHIBIT A

**Successor Agency to the Industry Urban-Development Agency
Administrative Budget from July 1, 2017 to June 30, 2018**

	Budget 17-18A	Budget 17-18B	Total
Personnel Costs	\$ 296,865	\$ 296,865	\$ 593,730
Office/ Delivery/Phone and Overhead	2,000	2,000	4,000
Professional Fees	5,400	5,400	10,800
Annual Trustee Fees	9,000	-	9,000
Legal and Litigation Services	348,000	348,000	696,000
Auditing and Consulting Fees	134,235	134,235	268,470
General Insurance and Bonding	49,000	-	49,000
Totals	\$ 844,500	\$ 786,500	\$ 1,631,000

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

ITEM NO. 5.3



CLIENT MEMORANDUM

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

FROM: VARNER & BRANDT LLP

SUBJECT: TRANSMITTAL OF JANUARY 23, 2017 OVERSIGHT BOARD MEETING AGENDA ITEM NOS. 5.2 AND 5.3

DATE: JANUARY 17, 2017

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 Nos.: 5.2 and 5.3

Subject: Approval of Recognized Obligation Payment Schedule (Agenda Item No. 5.3) and Administrative Budget (Agenda Item No. 5.2). Approval of Recognized Obligation Payment Schedule ("ROPS") and Administrative Budget of the Successor Agency for the period of July 1, 2017 through June 30, 2018 ("ROPS 17-18").

Request by Successor Agency:

1. Successor Agency requests that the Oversight Board approve the ROPS for the period of July 1, 2017 through June 30, 2018.
2. The Successor Agency requests the Oversight Board approve the Administrative Budget for the period of July 1, 2017 through June 30, 2018.

Legislative Authority of the Oversight Board:

1. *California Health and Safety Code Section 34177(h):* The Successor Agency must expeditiously wind down the affairs of the former redevelopment agency in accordance with the direction of the Oversight Board.
2. *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.

3. *California Health and Safety Code Section 34177(l)(2)*: ROPS are only deemed valid if the Successor Agency: (i) prepares the ROPS for the enforceable obligations of the former redevelopment agency; (ii) submits the ROPS to the Oversight Board and the Oversight Board approves the ROPS; (iii) simultaneously submits ROPS to (a) the county administrative officer, (b) the county auditor-controller, and (c) the Department of Finance ("DOF"); (iv) submits a copy of the Oversight Board-approved ROPS to (a) the county auditor-controller, (b) the State Controller's office, and (c) the DOF; and (v) posts the approved ROPS on the Successor Agency's website.
4. *California Health and Safety Code Section 34177(o)*: The Successor Agency must electronically submit the ROPS approved by the Oversight Board for the period of July 1, 2017 through June 30, 2018 to the DOF and to the county auditor-controller no later than February 1, 2017.
5. *California Health and Safety Code Section 34177(j)*: The Successor Agency must prepare a proposed administrative budget approved by the Oversight Board for the upcoming fiscal year, which budget identifies administrative costs, sources of payment, and proposed arrangements for administrative and operations services provided by the city, county or other entities.

Application: SB 107 amended the Dissolution Legislation to require the Successor Agency to prepare a ROPS that identifies enforceable obligations and the amounts and funding sources of the enforceable obligations on a 12-month, rather than the previous 6-month, forward looking basis. SB 107 also specifies a process for amending the ROPS, whereby not later than October 1, the Successor Agency may submit one (1) amendment to the ROPS, if the Oversight Board approves a revision necessary for the payment of approved enforceable obligations during the second half of the ROPS period, defined as January 1 through June 30. The Successor Agency may only amend the amount requested for payment of approved enforceable obligations.

The Successor Agency requests the Oversight Board approve the ROPS for the period of July 1, 2017 through June 30, 2018 and approve the Successor Agency's Administrative Budget for the period of July 1, 2017 through June 30, 2018. Both approval requests are properly before the Oversight Board. The Oversight Board has approval authority over the ROPS and Administrative Budget for the period of July 1, 2017 through June 30, 2018.

The Oversight Board should review enforceable obligations not included in previous ROPS or not otherwise previously approved by the Oversight Board. The Oversight Board should examine new enforceable obligations to ensure compliance with the California Health and Safety Code. As a threshold inquiry, the DOF will want to ensure that each obligation arose on or prior to June 27, 2011, or constitutes an allowable enforceable obligation necessary for the winding down of the former redevelopment agency. Items that either do not have effective dates or have effective dates after June 27,

2011, may require further inquiry or discussion with Successor Agency staff, including enforceable obligations entered into by the Successor Agency.

We note the following items as the Oversight Board reviews ROPS 17-18:

- Item No. 164 is reflected as retired.
- Successor Agency has added Item Nos. 296, 297 and 298, each of which we briefly discuss below:
 - Item No. 296: The Successor Agency has indicated the debt service for the ROPS 16-17 period equaled \$81,022,086, but the Successor Agency only received \$25,365,624 of RPTTF for this period, resulting in a shortfall of \$54,423,374. The Successor Agency requests approval of an additional \$54,423,374 in ROPS 17-18 which represents the shortfall from previously approved ROPS Items Nos. 283-288 on ROPS 16-17. The DOF approved the ROPS 16-17 requested amount, but the RPTTF distribution did not cover the requisite amount. The Successor Agency made early bond payments that reduced the originally requested amount by \$942,250. Successor Agency has discussed this matter with the DOF and the Successor Agency indicates the DOF recommended the current presentation of this matter. .
 - Item No. 297: ROPS identifies this item as excess costs owed to the City of Industry for in the amount of \$65,100 relating to the maintenance of slopes as set forth in Item No. 276. The additional amount relates to a change order for the westerly slope which will be completed in January. The DOF denied this item in the previous ROPS period. We suggest the Oversight Board request the Successor Agency staff to provide additional detail on this item at the Oversight Board meeting.
 - Item No. 298: ROPS identifies this item as a right of way for in Walnut as part of the Industry Business Center. Successor Agency has requested approval for \$1,002,000 for the Item. This Item relates to the estimated cost for the right of way acquisition required by the Traffic Mitigation Agreement approved by the Oversight Board at the September 29, 2016 meeting.
- Item Nos. 8, 9, 20, 26, 27, 164, 185, 206, 217, 218, 254, 262, 281 and 291, each highlighted in red, reflect Department of Finance's denial of these items. Some of these items may be reinstated once contracts for the expenditures are signed and approved as enforceable obligations.

- The total enforceable obligation amount for the ROPS 17-18 period equals \$235,767,971.00, compared to the total enforceable obligation amount for the current ROPS 16-17 period of \$273,412,892.00. A few of the Total Outstanding Obligations/Debts have shifted, but the overall amount requested on ROPS 17-18 is less than the previous ROPS period. This is primarily due to consolidations of items and adjusted cost estimates for various construction projects.

The Successor Agency's Administrative Budget for the ROPS 17-18 period (July 1, 2017 to June 30, 2018) is \$1,631,000.00, as compared to the current ROPS period budget of \$1,555,500.00, reflecting an increase in the Administrative Budget year over year. The increases occur in legal and litigation services and in auditing and consulting fees, as well and additional budget line item for general insurance and bonding.

END OF MEMO



SUCCESSOR AGENCY TO 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: Paul J. Philips, Executive Director *Paul J. Philips*

Staff: Susan Paragas, Director of Finance
Dean Yamagata, Frazer, LLP
Joshua Nelson, Deputy Agency Engineer, CNC Engineering

Date: January 23, 2017

SUBJECT: Consideration of Resolution No. SA 2017-03 – A Resolution of the Agency to adopt the Administrative Budget for the Twelve Month Period of July 1, 2017 to June 30, 2018 and Resolution No. SA 2017-04 - A Resolution of the Successor Agency to the Industry Urban-Development Agency (“Agency”) to Adopt the Recognized Obligation Payment Schedule 17-18

BACKGROUND

The Successor Agency to the former Industry Urban-Development Agency (“Agency”) is required to adopt a recognized obligation payment schedule (“ROPS”) setting forth the nature and amount of all existing Agency recognized obligations (as defined by law). Each ROPS previously reflected a six-month interval of obligations. However, effective for Fiscal Year 2016-17, the new procedure requires the Successor Agencies to prepare a ROPS for a 12-month interval, for the full fiscal year. In addition, the Agency is required to prepare a proposed administrative budget and submit to the Oversight Board (“Board”) for approval.

Pursuant to California Health and Safety Code (“HSC”) 34177.7 (o) (1), the Agency shall submit an oversight board approved annual ROPS to the State Department of Finance (“DOF”) and the County Auditor-Controller by February 1.

The obligations of the Agency may include the following:

- a. Bonds;
- b. Loans legally required to be repaid pursuant to a payment schedule with mandatory repayment terms;

- c. Payments required by the federal government, pre-existing obligations to the state or obligations imposed by state law;
- d. Judgments, settlements or binding arbitration decisions that bind the agency;
- e. Legally binding and enforceable agreements or contracts; and
- f. Contracts or agreements necessary for the continued administration or operation of the agency, including agreements to purchase or rent office space, equipment and supplies.
- g. Administrative Cost Allocation of 3% of the total Redevelopment Property Tax Trust Fund ("RPTTF") received by the Agency.

DISCUSSION

The Agency is entitled to receive 3% of the total RPTTF as an administrative cost allocation. Resolution SA 2017-03 adopts the proposed administrative budget reflecting the estimated costs to perform the administrative functions for the purpose of winding down the Industry Urban-Development Agency's affairs for the ROPS 17-18 period.

The following is a summary of the major enforceable obligations listed in ROPS 17-18:

1. Administrative Costs
 - Auditing and Consulting
 - Legal Services
 - Personnel
2. Bond Debt Service:
 - 2015A Tax Allocation Revenue Refunding Bonds – Project #1
 - 2015A Tax Allocation Revenue Refunding Bonds – Project #2
 - 2015B Tax Allocation Revenue Refunding Bonds – Project #2
 - 2015A Subordinate Tax Allocation Revenue Refunding Bonds – Project #2
 - 2015A Tax Allocation Revenue Refunding Bonds – Project #3
 - 2015B Tax Allocation Revenue Refunding Bonds – Project #3
3. Projects:
 - 57/60 Confluence (Grand Ave.)
 - Diamond Bar Creek
 - Industry Business Center
 - Lemon Ave/60 Freeway Interchange
 - West Bound Slip On Ramp 57/60

The attached resolution, SA 2017-04, ("Resolution") approves ROPS 17-18, setting forth the recognized obligations of the Agency and the amount of payments to be made for each obligation from July 1, 2017 to June 30, 2018 and the administrative budget (Attachment 3). Upon the approval by the SA Board, it is presented to the Oversight Board of the Agency

for its approval and forwarded to the DOF, by February 1, 2017, for its review and determination. The Resolution also authorizes Staff to amend ROPS 17-18 to revise line items as requested by the Oversight Board and/or DOF.

FISCAL IMPACT

Approval of ROPS 17-18 will facilitate the ability of the Agency to continue payment of the enforceable obligations of the former Industry Urban-Development Agency for the next twelve-month period. Failure to approve and submit ROPS 17-18 to the DOF by the February 1, 2017 deadline, per HSC 34177 (m) (1). The total request funding on ROPS 17-18 is \$235,767,971 and is to be funded from RPTTF, bond proceeds, and other funds such as property sale proceeds and rental income. The total requested amount includes \$1,631,000 allocated for Agency administrative costs.

RECOMMENDED ACTION:

Staff recommends that the Successor Agency Board adopt Resolution No. SA 2017-03, approving ROPS 17-18 and Resolution No. SA 2017-04, approving the administrative budget for the period of July 1, 2017 through June 30, 2018 pursuant to AB x1 26 as amended by AB 1484.

ATTACHMENTS:

1. Resolution No. SA 2017-03: Approving SA Administrative Budget for the Period from July 1, 2017 to June 30, 2018
2. Resolution No. SA 2017-04: Approving ROPS 17-18 for the Period from July 1, 2017 to June 30, 2018
3. Exhibit A: ROPS 17-18

RESOLUTION NO. OB 2017- 02

RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE FORMER INDUSTRY URBAN-DEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 FOR THE PERIOD JULY 1, 2017 TO JUNE 30, 2018

WHEREAS, pursuant to Health and Safety Code Section 34173(d), the City of Industry serves as the successor agency to the dissolved Industry Urban-Development Agency (“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, Health and Safety Code Section 34177(o)(1), requires that the Successor Agency submit to the Oversight Board for its approval the “recognized obligation payment schedule for the period July 1, 2017 to June 30, 2018 (“ROPS 17-18”). The ROPS 17-18 is also required to be submitted to the Department of Finance, the State Controller, and the County Auditor-Controller no later than February 1, 2017; and

WHEREAS, the Successor Agency has prepared a ROPS 17-18 covering the period July 1, 2017 to June 30, 2018. A copy of the ROPS 17-18 is attached hereto and incorporated herein as Exhibit “A;” 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, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE FORMER INDUSTRY URBAN-DEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Recitals. The recitals set forth above are true and correct and are incorporated into this resolution (“Resolution”) by this reference.

SECTION 2. Approval of the ROPS. The Oversight Board hereby approves and adopts the ROPS 17-18, as set forth in the form attached to this Resolution as Exhibit “A,” pursuant to Health and Safety Code Section 34177.

SECTION 3. Implementation. The Oversight Board hereby directs Successor Agency staff to submit copies of the approved ROPS to the County of Los Angeles Administrative Officer, the County of Los Angeles Auditor-Controller and the State of California Department of Finance, and to post the approved ROPS on the Successor Agency’s website. The Oversight Board further authorizes and directs the Secretary of the Oversight Board to electronically deliver a copy of this Resolution to the California Department of Finance promptly in accordance with California Health and Safety Code Section 34179(h).

SECTION 4. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Successor Agency declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

SECTION 5. Certification. The Oversight Board Secretary shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions.

SECTION 6. Effective Date. This Resolution shall take effect in accordance with 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 January 23, 2017, 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 Schlichting, Secretary
Oversight Board of the Successor Agency to the
Industry Urban-Development Agency

I hereby certify that the foregoing is a true and correct copy of the Resolution duly adopted by the Oversight Board of the Successor Agency of the Industry Urban-Development Agency, at a Regularly Scheduled Meeting of the Oversight Board duly called and held at 3:30 p.m. on the 23rd day of January, 2017.

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

RESOLUTION NO. OB 2017-02

EXHIBIT "A"

RECOGNIZED OBLIGATION PAYMENT SCHEDULE

JULY, 2017 THROUGH JUNE 30, 2018

Recognized Obligation Payment Schedule (ROPS 17-18) - Summary

Filed for the July 1, 2017 through June 30, 2018 Period

Successor Agency: Industry City
 County: Los Angeles

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	17-18A Total (July - December)	17-18B Total (January - June)	ROPS 17-18 Total
A Enforceable Obligations Funded as Follows (B+C+D):	\$ 70,415,566	\$ 31,130,401	\$ 101,545,967
B Bond Proceeds	12,594,045	8,393,658	20,987,703
C Reserve Balance	-	-	-
D Other Funds	57,821,521	22,736,743	80,558,264
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 54,423,374	\$ 79,798,630	\$ 134,222,004
F RPTTF	54,423,374	79,798,630	134,222,004
G Administrative RPTTF	-	-	-
H Current Period Enforceable Obligations (A+E):	\$ 124,838,940	\$ 110,929,031	\$ 235,767,971

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 Recognized Obligation Payment Schedule (ROPS 17-18) - ROPS Detail

July 1, 2017 through June 30, 2018

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	17-18A (July - December)					17-18B (January - June)					W		
											Fund Sources					Fund Sources							
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF			
											17-18A Total	17-18B Total	17-18A Total	17-18B Total	17-18A Total	17-18B Total							
								\$ 667,657,415		\$ 235,767,971	\$ 12,594,045	\$ -	\$ 57,821,521	\$ 54,423,374	\$ -	\$ 124,838,940	\$ 8,353,658	\$ -	\$ 22,735,744	\$ 79,789,630	\$ -	\$ 110,929,031	
5	2009 Sub Inv Tax Adm Note	City County Leases Cover	6/1/2009	6/1/2024	Trustee/Bond Holder	Note Issue to fund public			N														
6	2009 Sub Inv Tax Adm Note	City County Leases Cover	6/1/2009	6/1/2024	Trustee/Bond Holder	Note Issue to fund public			N														
21	Fiscal Agent Fees	Fees	7/1/2017	6/30/2018	US Bank	Administrative Fees		2,000	N	\$ 2,000			2,000		\$ 2,000								
22	Arbitrage Fees	Fees	7/1/2017	6/30/2018	Bank of NY	Professional Services			N	\$ -					\$ -								
23	Fiscal Agent Fees	Fees	7/1/2017	6/30/2018	US Bank	Administrative Fees		5,000	N	\$ 5,000			5,000		\$ 5,000								
24	Fiscal Agent Fees	Fees	7/1/2017	6/30/2018	Bank of NY	Administrative Fees			N	\$ -					\$ -								
25	Fiscal Agent Fees	Fees	7/1/2017	6/30/2018	US Bank	Administrative Fees		2,000	N	\$ 2,000			2,000		\$ 2,000								
26	20 % Hazard - All Project Areas FY 2011-13	OPRBDN/Construction	6/22/2011	6/30/2018	LA County	20 % Hazard - red shade			N														
27	20 % Hazard - All Project Areas FY 2012-13	OPRBDN/Construction	6/22/2011	6/30/2018	LA County	20 % Hazard - red shade			N														
99	Landscaping Baker Slopes (MP 91-31 #61)	Bond Funded Project - Pre-2011	6/12/2006	6/30/2018	CNC Engineering	Engineering Consulting		18,000	N	\$ 18,000			9,000		\$ 9,000			9,000				\$ 9,000	
100	Landscaping Baker Slopes (MP 91-31 #61)	Bond Funded Project - Pre-2011	6/12/2006	6/30/2018	Environs Landscape Arch	Landscape Architect		14,000	N	\$ 14,000			7,000		\$ 7,000			7,000				\$ 7,000	
116	Lemon Ave Int 60 (MP 03-10)	Bond Funded Project - Pre-2011	6/22/2011	6/30/2018	CNC Engineering	Engineering Consulting		30,000	N	\$ 30,000	25,000				\$ 25,000	5,000						\$ 5,000	
117	Lemon Ave Int 60 (MP 03-10)	Bond Funded Project - Pre-2011	8/10/2005	12/31/2017	Jacobs Civil	Engineering Consulting		250,000	N	\$ 250,000	200,000				\$ 200,000	50,000						\$ 50,000	
118	Lemon Ave Int 60 (MP 03-10)	Bond Funded Project - Pre-2011	7/26/2005	6/30/2018	Avant-Garde	Program Funds/Contract Administration		65,000	N	\$ 65,000	35,000				\$ 35,000	30,000						\$ 30,000	
120	Lemon Ave Int 60 (MP 03-10)	Bond Funded Project - Pre-2011	7/1/2017	6/30/2018	Alameda Corridor-East Construction Authority	Construction		7,258,526	N	\$ 7,258,526	7,258,526				\$ 7,258,526							\$ -	
121	Lemon Ave Int 60 (MP 03-10)	Bond Funded Project - Pre-2011	7/1/2017	6/30/2018	Caltrans	Construction administration			N	\$ -					\$ -							\$ -	
122	Lemon Ave Int 60 (MP 03-10)	Bond Funded Project - Pre-2011	7/1/2017	6/30/2018	County Dept Public Works	Plan check inspection		12,000	N	\$ 12,000	12,000				\$ 12,000							\$ -	
123	Route 57/60 Confluence (MP99-31 #22)	Bond Funded Project - Pre-2011	6/22/2011	6/30/2018	CNC Engineering	Engineering Consulting		80,000	N	\$ 80,000	40,000				\$ 40,000	40,000						\$ 40,000	
126	Route 57/60 Confluence (MP99-31 #22)	Bond Funded Project - Pre-2011	1/13/2010	6/30/2018	Casey O'Callaghan Golf Design	Golf course architect		38,000	N	\$ 38,000	38,000				\$ 38,000							\$ -	
127	Route 57/60 Confluence (MP99-31 #22)	Bond Funded Project - Pre-2011	7/1/2017	6/30/2018	Caltrans	Right of way		977,000	N	\$ 977,000	977,000				\$ 977,000							\$ -	
128	Route 57/60 Confluence (MP99-31 #22)	Bond Funded Project - Pre-2011	7/1/2017	6/30/2018	Caltrans - by public bidding	Contractor		11,194,897	N	\$ 6,637,723	917,889				\$ 917,889	5,719,834							\$ 5,719,834
132	Route 57/60 Confluence (MP99-31 #22)	Bond Funded Project - Pre-2011	7/1/2017	6/30/2018	MX Graphics	Blueprints		10,000	N	\$ 10,000	5,000				\$ 5,000	5,000						\$ 5,000	
133	Route 57/60 Confluence (MP99-31 #22)	Bond Funded Project - Pre-2011	11/1/2007	6/30/2018	WKE, Inc	Engineering Consulting		3,600,000	N	\$ 2,200,000	-1,200,000				\$ 1,200,000	1,000,000							\$ 1,000,000
134	Route 57/60 Confluence (MP99-31 #22)	Bond Funded Project - Pre-2011	7/23/2008	6/30/2018	Prince Global	Federal Grant		160,000	N	\$ 140,000	70,000				\$ 70,000	70,000							\$ 70,000
148	Diamond Bar Creek (MP 99-31 #26)	Professional Services	6/22/2011	6/30/2018	CNC Engineering	Engineering Consulting		400,000	N	\$ 400,000			300,000		\$ 300,000			100,000					\$ 100,000
149	Diamond Bar Creek (MP 99-31 #26)	Professional Services	4/24/2013	6/30/2018	Thomsen Engineering	Engineering Consulting geotechnical		184,000	N	\$ 184,000			125,000		\$ 125,000			59,000					\$ 59,000
150	Diamond Bar Creek (MP 99-31 #26)	Professional Services	4/24/2013	6/30/2018	Leighton Consulting	Engineering Consulting geotechnical		183,000	N	\$ 183,000			125,000		\$ 125,000			58,000					\$ 58,000
151	Diamond Bar Creek (MP 99-31 #26)	Fees	6/29/2011	6/30/2018	Regional Wtr Quality Control	Permit		20,000	N	\$ 20,000			10,000		\$ 10,000			10,000					\$ 10,000
152	Diamond Bar Creek (MP 99-31 #26)	Fees	4/5/2007	6/30/2018	Army Corps Engineers	Permit		1,000	N	\$ 1,000			1,000		\$ 1,000								\$ -
153	Diamond Bar Creek (MP 99-31 #26)	Fees	1/19/2010	6/30/2018	CA Dept Fish & Game	Permit		10,000	N	\$ 10,000			10,000		\$ 10,000								\$ -
154	Diamond Bar Creek (MP 99-31 #26)	Fees	7/1/2017	6/30/2018	St Wtr Resources Cont Board	Permit - Storm water Drains		12,000	N	\$ 12,000			12,000		\$ 12,000								\$ -
155	Diamond Bar Creek (MP 99-31 #26)	Miscellaneous	7/1/2017	6/30/2018	MX Graphics	Blueprints		6,500	N	\$ 6,500			6,500		\$ 6,500								\$ -
156	Diamond Bar Creek (MP 99-31 #26)	Fees	10/13/2011	6/30/2018	SureTec Insurance Co.	Bonding Insurance		25,000	N	\$ 25,000			13,000		\$ 13,000			12,000					\$ 12,000
158	Diamond Bar Creek (MP 99-31 #26)	Miscellaneous	7/1/2017	6/30/2018	San Gabriel Valley Newspaper	Advertisement for bids		1,800	N	\$ 1,800			1,200		\$ 1,200			600					\$ 600
159	Diamond Bar Creek (MP 99-31 #26)	Fees	7/1/2017	6/30/2018	LA County Health Department	Permit for use of reclaimed water		3,500	N	\$ 3,000			1,500		\$ 1,500			1,500					\$ 1,500
160	Diamond Bar Creek (MP 99-31 #26)	Improvement/Infrastructure	7/1/2017	6/30/2018	So Calif Edison	Modifications of facilities		50,000	N	\$ 50,000			50,000		\$ 50,000								\$ -
161	Diamond Bar Creek (MP 99-31 #26)	Improvement/Infrastructure	7/1/2017	6/30/2018	Wainut Valley Water District	Extension of water mains and new meters		30,000	N	\$ 30,000			30,000		\$ 30,000								\$ -
162	Diamond Bar Creek (MP 99-31 #26)	Fees	7/1/2017	6/30/2018	LA City Sewer Maint District	New sewer annexation fees		20,000	N	\$ 20,000			20,000		\$ 20,000								\$ -
164	Diamond Bar Creek (MP 99-31 #26)	Improvement/Infrastructure	7/1/2017	6/30/2018	Water-Great Western	Mitigant Supplier			N														\$ -
165	Diamond Bar Creek (MP 99-31 #26)	Improvement/Infrastructure	7/1/2017	6/30/2018	Contractor - by public bidding	Contractor		1,085,921	N	\$ 1,085,921			300,000		\$ 300,000			785,921					\$ 785,921
166	Diamond Bar Creek (MP 99-31 #26)	Professional Services	4/24/2013	6/30/2018	Sage Environmental	Consultant for environmental clearance		25,000	N	\$ 25,000			25,000		\$ 25,000								\$ -
167	Diamond Bar Creek (MP 99-31 #26)	Professional Services	4/24/2013	6/30/2018	WKE, Inc	Engineering Consulting (Permit coordination Cal-Trans)		56,000	N	\$ 56,000			50,000		\$ 50,000			6,000					\$ 6,000
192	Industry Business Center (MP 99-31 #16)	Professional Services	7/18/2013	12/31/2020	The Planning Center	Consulting for EIR review and mitigation monitoring		20,000	N	\$ 20,000			20,000		\$ 20,000								\$ -
193	Industry Business Center (MP 99-31 #16)	Professional Services	7/18/2013	12/31/2020	PBLA Engineering	Consulting for Storm drain design and SWPP preparation		500,000	N	\$ 500,000			250,000		\$ 250,000			250,000					\$ 250,000
194	Industry Business Center (MP 99-31 #16)	Professional Services	7/18/2013	12/31/2020	Leighton Consulting	Consulting for geotechnical svcs for improvements		2,100,000	N	\$ 1,500,000			750,000		\$ 750,000			750,000					\$ 750,000
195	Industry Business Center (MP 99-31 #16)	Professional Services	7/1/2017	6/30/2018	Leighton Consulting	Consulting for geotechnical svcs for traffic mitigation		315,304	N	\$ 315,304			200,000		\$ 200,000			115,304					\$ 115,304
196	Industry Business Center (MP 99-31 #16)	Professional Services	6/22/2011	6/30/2017	CNC Engineering	Engineering consulting for on-site improvements		2,400,000	N	\$ 2,400,000			1,200,000		\$ 1,200,000			1,200,000					\$ 1,200,000
197	Industry Business Center (MP 99-31 #16)	Professional Services	6/22/2011	6/30/2017	CNC Engineering	Engineering consulting for traffic mitigation		1,282,016	N	\$ 300,000			150,000		\$ 150,000			150,000					\$ 150,000
198	Industry Business Center (MP 99-31 #16)	Professional Services	7/18/2013	12/31/2020	Thomsen Engineering	Engineering consulting		39,000	N	\$ 39,000			20,000		\$ 20,000			19,000					\$ 19,000
199	Industry Business Center (MP 99-31 #16)	Professional Services	7/18/2013	12/31/2020	Sage Environmental	Consulting for environmental clearance		85,000	N	\$ 85,000			50,000		\$ 50,000			35,000					\$ 35,000

Industry City Recognized Obligation Payment Schedule (ROPS 17-18) - ROPS Detail

July 1, 2017 through June 30, 2018

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	17-18A (July - December)					17-18B (January - June)					W	
											Fund Sources					Fund Sources						
											L	M	N	O	P	Q	R	S	T	U		V
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 17-18 Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	17-18A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	17-18B Total
200	Industry Business Center (MP 99-31 #16)	Miscellaneous	7/1/2017	6/30/2018	MX Graphics	Blueprints		11,000	N	\$ 10,000			5,000			\$ 5,000			5,000			\$ 5,000
201	Industry Business Center (MP 99-31 #16)	Improvement/Infrastructure	12/13/2011	6/30/2018	So Cal Sandbags	Replace damaged BMPS		175,000	N	\$ 175,000			100,000			\$ 100,000			75,000			\$ 75,000
202	Industry Business Center (MP 99-31 #16)	Improvement/Infrastructure	7/1/2017	6/30/2018	So Calif Edison	Relocation of existing transmissions & distribution facilities		2,000,000	N	\$ 2,000,000			2,000,000			\$ 2,000,000						\$ -
203	Industry Business Center (MP 99-31 #16)	Improvement/Infrastructure	7/1/2017	6/30/2018	Frontier	Relocation of existing & installation of new utilities		694,080	N	\$ 694,080			694,080			\$ 694,080						\$ -
204	Industry Business Center (MP 99-31 #16)	Improvement/Infrastructure	7/1/2017	6/30/2018	So Calif Gas Co	Relocation of existing & installation of new utilities		1,041,420	N	\$ 1,041,420			1,041,420			\$ 1,041,420						\$ -
205	Industry Business Center (MP 99-31 #16)	Improvement/Infrastructure	7/1/2017	6/30/2018	Walnut Valley Water District	Relocation of existing & installation of new utilities		12,613,000	N	\$ 12,613,000			6,000,000			\$ 6,000,000			6,613,000			\$ 6,613,000
206	Industry Business Center (MP 99-31 #16)	Improvement/Infrastructure	7/1/2017	6/30/2018	Ind Public Utilities	Installation of new utility system		11,829,820	N	\$ 11,829,820			11,829,820			\$ 11,829,820						\$ -
208	Industry Business Center (MP 99-31 #16)	Miscellaneous	7/1/2017	6/30/2018	San Gabriel Valley Newspaper	Advertisement for bids		6,000	N	\$ 4,000			2,000			\$ 2,000			2,000			\$ 2,000
209	Industry Business Center (MP 99-31 #16)	Professional Services	7/1/2017	6/30/2018	First American Title Co	Title reports & subdivision guarantees		14,000	N	\$ 10,000			5,000			\$ 5,000			5,000			\$ 5,000
210	Industry Business Center (MP 99-31 #16)	Fees	7/1/2017	6/30/2018	St Wtr Resources Cont Board	Storm water permit		25,000	N	\$ 24,000			12,000			\$ 12,000			12,000			\$ 12,000
211	Industry Business Center (MP 99-31 #16)	Fees	7/1/2017	6/30/2018	LA County Health Department	Permits for use of reclaimed water		4,000	N	\$ 2,600			1,300			\$ 1,300			1,300			\$ 1,300
212	Industry Business Center (MP 99-31 #16)	Fees	7/1/2017	6/30/2018	LA County Dept Public Works	Plan checks, permits, inspections of signals/markings		85,000	N	\$ 80,000			40,000			\$ 40,000			40,000			\$ 40,000
213	Industry Business Center (MP 99-31 #16)	Fees	7/1/2017	6/30/2018	LA City Sewer Maint District	New sewer annexation fees		217,921	N	\$ 217,921			217,921			\$ 217,921						\$ -
214	Industry Business Center (MP 99-31 #16)	Improvement/Infrastructure	7/1/2017	6/30/2018	International Line Builders	Electrical contractor		50,000	N	\$ 50,000			50,000			\$ 50,000						\$ -
215	Industry Business Center (MP 99-31 #16)	Improvement/Infrastructure	7/1/2017	6/30/2018	Mc Cain	Traffic signal poles & mast arms		40,000	N	\$ 40,000			40,000			\$ 40,000						\$ -
216	Industry Business Center (MP 99-31 #16)	Professional Services	7/18/2013	12/31/2020	Enviro Landscape Arch	Consulting for landscaping design		1,150,000	N	\$ 600,000			300,000			\$ 300,000			300,000			\$ 300,000
217	Industry Business Center (MP 99-31 #16)	Improvement/Infrastructure	7/1/2017	6/30/2018	Contractor - by public bidding	Mass grading, infrastructure and landscaping		15,000,000	N	\$ -						\$ -						\$ -
218	Industry Business Center (MP 99-31 #16)	Improvement/Infrastructure	7/1/2017	6/30/2018	Contractor - by public bidding	Construction of intersections 9-08, 30, 25, 61-89		10,512,830	N	\$ -						\$ -						\$ -
219	Industry Business Center (MP 99-31 #16)	Professional Services	11/3/2014	12/31/2020	Kimley Horn & Assoc	Traffic signal design for improvements		140,000	N	\$ 100,000			50,000			\$ 50,000			50,000			\$ 50,000
220	Industry Business Center (MP 99-31 #16)	Professional Services	11/3/2014	12/31/2020	Kimley Horn & Assoc	Traffic signal design for traffic mitigation		1,040,000	N	\$ 600,000			300,000			\$ 300,000			300,000			\$ 300,000
221	Industry Business Center (MP 99-31 #16)	Professional Services	12/19/2013	12/31/2020	SCS Engineers	Landfill consultant		275,000	N	\$ 240,000			120,000			\$ 120,000			120,000			\$ 120,000
222	Industry Business Center (MP 99-31 #16)	Professional Services	8/27/2015	12/31/2020	WKE, Inc	Structural engineer		69,000	N	\$ 69,000			50,000			\$ 50,000			19,000			\$ 19,000
223	Industry Business Center (MP 99-31 #16)	Professional Services	7/18/2013	12/31/2020	Butsko Engineering	Electrical engineer		330,000	N	\$ 330,000			250,000			\$ 250,000			80,000			\$ 80,000
226	W Bd Slip On Ramp 57/60 (MP 99-31 22a)	Bond Funded Project - Pre-2011	6/9/2009	6/30/2018	Caltrans	Right of way acquisition, construction, administration		3,207,454	N	\$ 3,207,454	1,769,630					\$ 1,769,630	1,437,824					\$ 1,437,824
229	W Bd Slip On Ramp 57/60 (MP 99-31 22a)	Bond Funded Project - Pre-2011	7/1/2017	6/30/2018	MX Graphics	Blueprints		2,200	N	\$ 2,000	1,000					\$ 1,000	1,000					\$ 1,000
251	Industry East Traffic Mitigation Improvements	Professional Services	6/22/2011	6/30/2018	CNC Engineering	Engineering Consultant Intersection 7-9-11-9, 21,22,24		475,000	N	\$ 300,000			150,000			\$ 150,000			150,000			\$ 150,000
252	Industry East Traffic Mitigation Improvements	Professional Services	7/1/2017	6/30/2018	Geotechnical Consultant	Engineering Consultant Intersection 7-9-11-9, 21,22,24		174,888	N	\$ 174,888			150,000			\$ 150,000			24,888			\$ 24,888
253	Industry East Traffic Mitigation Improvements	Professional Services	7/1/2017	6/30/2018	RKA Consulting Group	Engineering Consultant Intersection 7-9-11-9, 21,22,24		900,000	N	\$ 900,000			750,000			\$ 750,000			150,000			\$ 150,000
254	Industry East Traffic Mitigation Improvements	Improvement/Infrastructure	7/1/2017	6/30/2018	Contractor - by public bidding	Engineering Consultant Intersection 7-9-11-9, 21,22,24		1,822,000	N	\$ -						\$ -						\$ -
255	SA Employer Costs	Admin Costs	7/1/2017	6/30/2018	Reimburse City of Industry	Employee Costs, salaries, taxes, insurance, retirement		593,730	N	\$ 593,730			296,865			\$ 296,865			296,865			\$ 296,865
256	Office/Delivery/ phone and overhead	Admin Costs	7/1/2017	6/30/2018	Various Vendor	Overhead and administrative Costs		4,000	N	\$ 4,000			2,000			\$ 2,000			2,000			\$ 2,000
257	Property Management	Property Maintenance	7/1/2017	6/30/2018	Various Vendor	Manager to oversee SA owned properties		10,800	N	\$ 10,800			5,400			\$ 5,400			5,400			\$ 5,400
258	Legal Services	Admin Costs	7/1/2017	6/30/2018	Various Vendor	Legal services attributable for the SA		696,000	N	\$ 696,000			348,000			\$ 348,000			348,000			\$ 348,000
259	Accounting and consulting fees	Admin Costs	7/1/2017	6/30/2018	Various Vendor	Accounting and consulting fees for the SA		-	N	\$ -			-			\$ -			-			\$ -
260	Auditing and review services	Dissolution Audits	7/1/2017	6/30/2018	Various Vendor	Required audit and review of the SA by the State		268,470	N	\$ 268,470			134,235			\$ 134,235			134,235			\$ 134,235
262	Property Tax	Admin Costs	7/1/2017	6/30/2018	Reimburse City of Industry	Property Tax		-	N	\$ -			-			\$ -			-			\$ -
263	General Insurance and Bonding	Miscellaneous	7/1/2017	6/30/2018	Brown & Brown Ins	General Insurance		49,000	N	\$ 49,000			49,000			\$ 49,000						\$ -
269	City/Agency Reimbursement Agreement for Property Maintenance and other costs	Property Maintenance	7/1/2017	6/30/2018	City of Industry	Obligation created pursuant to HSC Sections 34171(b) and 34171(d)(1)(F)		637,000	N	\$ 637,000			367,000			\$ 367,000			270,000			\$ 270,000
275	Industry East Traffic Mitigation Improvements	Improvement/Infrastructure	7/1/2017	6/30/2018	City of Diamond Bar	Traffic improvements per Industry East EIR for intersection 9		713,400	N	\$ 713,400			713,400			\$ 713,400						\$ -
276	Landscaping Baker Slopes (MP 91-31 #61)	Property Maintenance	7/1/2017	6/30/2018	Marina Landscape, INC.	Maintenance of the asset created in ROPS line items 99-110		940,000	N	\$ 470,000			235,000			\$ 235,000			235,000			\$ 235,000
277	City/Agency Reimbursement Agreement	Improvement/Infrastructure	8/27/2014	6/30/2016	City of Industry	Obligation created pursuant to HSC Sections 34178(a) and 34180(h) - Advance & reimbursement of costs for construction contracts		-	N	\$ -			-			\$ -			-			\$ -
281	Industry Business Center (MP 99-31 #16)	Improvement/Infrastructure	7/1/2017	6/30/2018	International Line Builders (re/contractor - by public bidding)	Demolition work associated with the EIR		2,100,000	N	\$ -						\$ -						\$ -
282	Appraisal Fees	Property Dispositions	7/1/2017	6/30/2018	City Of Industry	Reimburse Appraisal Fees paid by City		-	N	\$ -			-			\$ -			-			\$ -
283	Tax Allocation Revenue Refunding Bonds, Series 2015A Proj#1-Taxable	Refunding Bonds Issued After 6/27/12	7/1/2015	1/1/2025	Trustee/Bond Holder	Refinancing of previous issued IUDA bonds Project #1		189,990,490	N	\$ 42,815,490			-			\$ -			42,815,490			\$ 42,815,490

Industry City Recognized Obligation Payment Schedule (ROPS 17-18) - ROPS Detail

July 1, 2017 through June 30, 2018

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	17-18A (July - December)					Q	17-18B (January - June)					W	
											Fund Sources						Fund Sources						
											L	M	N	O	P		R	S	T	U	V		
																							Bond Proceeds
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 17-18 Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	17-18A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	17-18B Total	
284	Tax Allocation Revenue Refunding Bonds, Series 2015A Prj#2-Tax Exempt	Refunding Bonds Issued After 6/27/12	7/1/2015	1/1/2025	Trustee/Bond Holder	Refinancing of previous issued IUDA bonds Project #2		7,190,000	N	\$ 1,032,250						\$ -				1,032,250		\$ 1,032,250	
285	Tax Allocation Revenue Refunding Bonds, Series 2015B-Prj#2 Taxable	Refunding Bonds Issued After 6/27/12	7/1/2015	1/1/2027	Trustee/Bond Holder	Refinancing of previous issued IUDA bonds Project #2		276,131,633	N	\$ 26,362,603						\$ -				26,362,603		\$ 26,362,603	
286	Subordinate Tax Allocation Revenue Refunding Bonds Series 2015A-Prj#2-Taxable	Refunding Bonds Issued After 6/27/12	7/1/2015	1/1/2021	Trustee/Bond Holder	Refinancing of previous issued IUDA bonds Project #2		7,779,975	N	\$ 3,760,550						\$ -				3,760,550		\$ 3,760,550	
287	Tax Allocation Revenue Refunding Bonds, Series 2015A-Prj#3-Tax Exempt	Refunding Bonds Issued After 6/27/12	7/1/2015	1/1/2025	Trustee/Bond Holder	Refinancing of previous issued IUDA bonds Project #3		7,275,000	N	\$ 1,040,750						\$ -				1,040,750		\$ 1,040,750	
288	Tax Allocation Revenue Refunding Bonds, Series 2015B-Prj#3-Taxable	Refunding Bonds Issued After 6/27/12	7/1/2015	1/1/2027	Trustee/Bond Holder	Refinancing of previous issued IUDA bonds Project #3		39,556,194	N	\$ 4,786,987						\$ -				4,786,987		\$ 4,786,987	
289	Industry Business Center (MP 99-31 #15)	Improvement/Infrastructure	9/24/2015	12/31/2017	Contractor - by public bidding	IBC-0381 mass grading phase II west side a portion of line 217		23,000,000	N	\$ 23,000,000			16,000,000			\$ 16,000,000			7,000,000			\$ 7,000,000	
290	Industry Business Center (MP 99-31 #15)	Improvement/Infrastructure	9/24/2015	6/30/2018	All American Asphalt	IBC-0384 east side streets, landscaping, sewer lines, & electrical substructures a portion of line 217		12,000,000	N	\$ 11,925,000			10,500,000			\$ 10,500,000			1,425,000			\$ 1,425,000	
291	Industry Business Center (MP 99-31 #15)	Improvement/Infrastructure	7/1/2017	6/30/2018	City of Walnut	Right of way & construction		1,304,840	N	\$ 1,304,840			299,000			\$ 299,000			1,005,840			\$ 1,005,840	
294	W Bd Slip On Ramp 57/60 (MP 99-31 22a)	Bond Funded Project - Pre-2011	3/10/2016	3/31/2019	TBD - Request for Qualifications	Project Funding/Contract Administration		20,000	N	\$ 20,000	15,000					\$ 15,000	5,000					\$ 5,000	
295	Route 57/60 Confluence (MP99-31 #22)	Bond Funded Project - Pre-2011	3/10/2016	3/31/2019	TBD - Request for Qualifications	Project Funding/Contract Administration		70,000	N	\$ 60,000	30,000					\$ 30,000	30,000					\$ 30,000	
296	Tax Allocation Revenue Refunding Bonds Carryover	RPTTF Shortfall	7/1/2017	6/30/2018	Trustee/Bond Holder	Per 2015 Bond Indenture			N	\$ 54,423,374				54,423,374		\$ 54,423,374						\$ -	
297	City Agency Reimbursement Agreement for Property Maintenance	Property Maintenance	7/1/2017	6/30/2018	City of Industry	Maintenance of the asset created in ROPS line items 99-110, excess costs beyond what was approved in ROPS Line 276		65,100	N	\$ 65,100			65,100			\$ 65,100							\$ -
298	Industry Business Center (MP 99-31 #15)	Improvement/Infrastructure	7/1/2017	6/30/2018	To be determined	Right-of-way in Walnut		1,002,000	N	\$ 1,002,000			1,002,000			\$ 1,002,000						\$ -	

Industry City Recognized Obligation Payment Schedule (ROPS 17-18) - Report of Cash Balances
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (I), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [Cash Balance Tips Sheet](#).

A	B	C	D	E	F	G	H	I
		Fund Sources						
		Bond Proceeds		Reserve Balance		Other	RPTTF	
	Cash Balance Information by ROPS Period	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments
ROPS 15-16B Actuals (01/01/16 - 06/30/16)								
1	Beginning Available Cash Balance (Actual 01/01/16)							
		27,144,466	-	-	1,750	40,785,080	-	
2	Revenue/Income (Actual 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during June 2016							C2 Represents interest income earned on bond reserves. G2: The \$13,024,951 represents- \$3,701,150 Lease Income, \$629,403 Note Receivable payments, \$2,119 Investment Interest and \$8,692,279 of Proceeds from Property Sales. H2: Consists of January and June 2016 RPTTF receipts
		56,324				13,024,951	55,906,358	
3	Expenditures for ROPS 15-16B Enforceable Obligations (Actual 06/30/16)							C3: Consists of project costs. G3: Amount consists of \$34,139,469 loan payments to the City and \$9,072,656 of project costs. H3: Consists of January 2016 RPTTF funds used in bond refunding.
						43,212,125	24,898,467	
4	Retention of Available Cash Balance (Actual 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)							C4: Represents monies held by US Bank as bond trustee. G4: The \$7,811,355 consists of \$413,834 cash held in escrow accounts to pay for line item #'s 270 and 271 and project costs and line #277 and \$7,417,913 cash from property sales. H4: Consists of June 2016 RPTTF funds retained for debt service payments in FY2017
		25,710,074				7,811,355	31,007,891	
5	ROPS 15-16B RPTTF Balances Remaining	No entry required						
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)							
		\$ -	\$ -	\$ -	\$ 1,750	\$ 2,786,551	\$ -	

*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 JANUARY 23, 2017 OVERSIGHT BOARD MEETING AGENDA ITEM # 5.4
DATE: JANUARY 18, 2017

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: **Consideration of a Resolution Approving a Purchase and Sale Agreement for the Property Located at 333 Turnbull Canyon Road.** Approval of the Successor Agency’s execution of a purchase and sale agreement (“Purchase Agreement”) with 333 Turnbull LLC, a California limited liability company (the “Purchaser”).

Request by Successor Agency: Successor Agency requests that the Oversight Board approve the execution of a purchase and sale agreement with the Purchaser concerning the sale and disposition of certain real property located at 333 Turnbull Canyon Road, City of Industry (the “Property”) and identified as Asset No. 2 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 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 LRPMP identifies the Property as a "For Sale" property. 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))

The Property is identified as Property No. 2 on the LRPMP and consists of approximately 6.63 acres, including an approximate 131,000 square foot industrial building in poor condition. The Property is located in an industrial area and currently zoned as industrial, which allows a wide range of permitted uses, including manufacturing, storage/warehousing and distribution.

The Successor Agency retained Stephen G. White, MAI ("Appraiser") to determine the value of the Property. An appraisal was conducted on or about July 24, 2014 and a corresponding appraisal report prepared by the Appraiser. A copy of the appraisal report was previously provided to each member of the Oversight Board as well as Jim Rabe of Keyser Marston. The Appraiser determined the market value of the Property to be in a range between \$6,945,000.00 and \$7,375,000.00.

The Successor Agency staff posted the Property for sale on its website on November 2, 2015 and accepted bids for thirty days thereafter. The Successor Agency received 5 bids for the Property. The Purchaser has offered \$8,250,000.00, \$875,000.00 over the previous appraisal in July of 2014. We requested additional information regarding this bid from the Successor Agency and received some initial information. Based on date of the appraisal, the Oversight Board members may consider discussing and/or requesting an update from Successor Agency staff and/or Jim Rabe regarding the purchase price, if the Purchaser is the highest bidder, and if any changes in the market for industrial property warrant an updated appraisal. The Oversight Board may also consider requesting additional information from Successor Agency staff concerning the selection of the Purchaser's bid.

The Purchaser submitted an initial \$100,000.00 deposit with its bid for the Property. The proposed Purchase Agreement provides that within 10 days of opening escrow the Purchaser must deposit an additional \$725,000.00 into escrow. Upon the opening of escrow, the Purchaser has a 45 day due diligence period, within which it may cancel the Purchase Agreement for any reason and receive a full refund of the deposits. The closing must occur within 30 days after the end of the due diligence period. If Purchaser proceeds to close the purchase of the Property, Purchaser has an obligation to either renovate the existing building on the Property or building a new building on the Property within 24 months from the closing of the purchase. If development does not occur within the 24 month period, the City of Industry has the right to purchase the Property. The sale of the Property is made on an "AS IS" basis and includes a full release of claims and indemnity naming the Successor Agency and the Oversight Board. The Purchase Agreement requires the Purchaser to reimburse the Successor Agency for the costs associated with the appraisal and the Successor Agency's legal fees, not to exceed \$15,000.00. The Property has previously had environmental issues, which were remediated and the Los Angeles Regional Water Quality Control Board issued a No Further Action Letter on December 3, 2010.

END OF MEMO



SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY

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

FROM: James M. Casso, Successor Agency Counsel

DATE: January 13, 2017

SUBJECT: Consideration of a Resolution Approving an Agreement for the Purchase of 333 Turnbull Canyon Road, City of Industry by 333 Turnbull LLC and making Requisite CEQA Findings

BACKGROUND: Under the provisions of ABX1 26 (the “Dissolution Act”), redevelopment agencies, including the Industry Urban-Development Agency (the “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 the Industry Urban-Development Agency (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 agreement (the “Agreement”) with 333 Turnbull LLC (the “Developer”) for the property located at 333 Turnbull Canyon Road, Industry, California 91745 (the “Property”).

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

DISCUSSION: The Developer intends to use the Property to expand the operations of Snak King Corporation (“Snak King”). Snak King is a manufacturer of snack foods, employing over 550 people and operating more than 260,000 square-feet of manufacturing and warehouse space in the City. The Developer’s purchase of the Property will assist Snak King in expanding its operations, as it has outgrown its current facility.

The Developer will purchase the Property from the Successor Agency for \$8,250,000.00, which is an amount within the range of the appraised fair market value. Further, at the close of escrow, the Developer will reimburse the City for the cost of the appraisal and for its legal costs, in an amount not to exceed \$15,000.00. The Agreement requires an \$825,000.00 refundable deposit at the opening of escrow, which will become non-refundable upon the expiration of the Due Diligence Period (as that term is defined in the Agreement).

The Property is approximately 6.63 acres with a 128,000 square-foot industrial building. The Developer proposes to make improvements to the building, including possibly reconfiguring the building to facilitate the distribution of Snak King’s products.

Close of escrow will occur within 75 days after opening escrow. However, the close of escrow may be extended upon written consent of the Developer and the Executive Director of the Successor Agency.

The Developer's proposed development of the Property will comply with the City's General Plan and Zoning Code.

BUDGET IMPACT: Based on an appraisal by Stephen G. White, MAI, the Property is valued between \$6,945,000.00 and \$7,375,000.00. The value of the Property is based on the approximately 289,000 square feet of land area zoned for industrial use minus the estimated cost of demolishing the 128,000 square-foot industrial building. The cost of demolition is estimated to be \$1,000,000.00. The Developer has agreed to pay \$8,250,000.00, an amount within the range of the appraised fair market value of the Property without the demolition.

RECOMMENDATION: Staff recommends that the Board adopt the attached Resolution, approving the Agreement between the Successor Agency and the Developer for the Property.

Attachments:

Resolution
Purchase Agreement

PUBLIC NOTICE

NOTICE IS HEREBY GIVEN that Pursuant to Health and Safety Code Section 34181(f), the Oversight Board of the Successor Agency to the Industry Urban-Development Agency will hold a special meeting to consider the Purchase Agreement for the sale and disposition of certain real property located at 333 Turnbull Canyon Road, City of Industry, California

The time, date, and place of such special meeting shall be as follows:

Time: 3:30 p.m.
Date: January 23, 2017, or as soon as possible thereafter
Place: City Council Chamber
15651 East Stafford Street
City of Industry, CA 91744

A copy of all relevant materials, including the Purchase Agreement, are on file with the Secretary to the Oversight Board of the Successor Agency to the Industry Urban-development Agency at the City Administrative Offices, 15625 East Stafford Street, Suite 100, City of Industry, California 91744.

Any person interested in this matter may appear at the above time and place and be heard with respect thereto.

Dated: January 13, 2017

RESOLUTION NO. OB 2017-03
ATTACHMENT A
PURCHASE AGREEMENT
[ATTACHED BEHIND THIS PAGE]

RESOLUTION NO. OB 2017-03

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 333 TURNBULL CANYON ROAD, CITY OF INDUSTRY, CALIFORNIA

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 located at 333 Turnbull Canyon Road,, City of Industry, which property is identified on the LRPMP as Property No. 2 as a “for sale” property (the “Property”); and

WHEREAS, the Successor Agency intends to sell the Property to 333 Turnbull LLC, a California limited liability company (“Purchaser”) for a purchase price of \$8,250,000.00, which is \$875,000.00 more than the fair market value of the Property, as determined by an appraisal performed by Stephen G. White, MAI, on July 22, 2014; and

WHEREAS, the sale of the Property by Successor Agency to the Purchaser is 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 January 23, 2017, 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 Schlichting, Secretary
Oversight Board of the Successor Agency to the
Industry Urban-Development Agency

I hereby certify that the foregoing is a true and correct copy of the Resolution duly adopted by the Oversight Board of the Successor Agency of the Industry Urban-Development Agency, at a Regularly Scheduled Meeting of the Oversight Board duly called and held at 3:30 p.m. on the 23rd day of January, 2017.

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

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS
333 TURNBULL CANYON ROAD, CITY OF INDUSTRY

**SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT AGENCY,**
a public body, corporate and politic
“Agency”

333 TURNBULL LLC,
a California limited liability company
“Buyer”

January 13, 2017

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**PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS
333 TURNBULL CANYON ROAD, CITY OF INDUSTRY**

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS 333 TURNBULL CANYON ROAD, CITY OF INDUSTRY (this “**Agreement**”), dated as of January 13, 2017 (the “**Effective Date**”), is entered into by and between the **SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY** (the “**Agency**”), and **333 TURNBULL LLC**, a California limited liability company (the “**Buyer**”). The Agency and the Buyer are hereinafter sometimes individually referred to as a “**party**” and collectively referred to as the “**parties**”. The Effective Date shall be, and be inserted above as, the date of final approval of this fully signed Agreement by the Oversight Board to the Successor Agency.

RECITALS

This Agreement is entered into with reference to the following facts:

- A. The Agency owns the fee simple absolute interest in that certain real property located at 333 Turnbull Canyon Road, City of Industry, County of Los Angeles, State of California, consisting of an approximately 6.63-acre site and a 128,000 square-foot improvement, as more particularly described in Exhibit “A” attached hereto and incorporated herein by this reference (such real property is referred to herein as the “**Property**”).
- B. The Buyer wishes to acquire fee title to the Property from the Agency to enable the Buyer to construct the Improvements (as such term is defined in Section 1.1.19) on the Property (the “**Project**”).
- C. Improvement of the Project will assist in the renovation, rehabilitation, construction, or development (collectively “**rehabilitation**”) of the Property, elimination of blight, provide jobs, and substantially improve the economic and physical conditions in the City, and is in the best interests of the Agency and City, and the health, safety and welfare of the residents and taxpayers of the City.
- D. A material inducement to the Agency to enter into this Agreement is the agreement by the Buyer to rehabilitate the Property within a limited period of time, and the Agency would be unwilling to enter into this Agreement in the absence of an enforceable commitment by the Buyer to rehabilitate the Property within such period of time.

NOW, THEREFORE, in reliance upon the foregoing Recitals, in consideration of the mutual covenants in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**ARTICLE 1
DEFINITIONS**

1.1 Definitions. The following terms as used in this Agreement shall have the meanings given unless expressly provided to the contrary:

1.1.1 Agency means the Successor Agency to the Industry Urban-Development Agency. The principal office of the Agency is located at 15625 East Stafford Street, Suite 100, City of Industry, California 91744.

1.1.2 Agreement means this Purchase and Sale Agreement and Joint Escrow Instructions.

1.1.3 Approved Exceptions is defined in Section 2.5.1.

1.1.4 Breach Notice is defined in Section 5.6.

1.1.5 Certificate of Completion means a certificate described in Section 3.6, to be provided by the Agency to the Buyer upon completion of construction of the Improvements.

1.1.6 Final Certificate of Occupancy means a final certificate of occupancy issued by the County for all of the Improvements.

1.1.7 City means the City of Industry, a municipal corporation, exercising governmental functions and powers, and organized and existing under the laws of the State of California. The principal office of the City is located at 15625 East Stafford Street, City of Industry, California 91744.

1.1.8 Close of Escrow and Closing are defined in Section 2.3.2.

1.1.9 Commencement Date is defined in Section 3.1.1.

1.1.10 Completion Date is defined in Section 3.1.1.

1.1.11 Default is defined in Section 6.2.

1.1.12 Deposit is defined in Section 2.2.1.

1.1.13 Buyer means 333 Turnbull LLC, a California limited liability company. The principal office of the Buyer for purposes of this Agreement is 16150 East Stephens Street, Industry, California 91745-1718.

1.1.14 Escrow is defined in Section 2.3.1.

1.1.15 Escrow Holder means First American Title Insurance Company. 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.

1.1.16 Grant Deed is defined in Section 2.5.2.

1.1.17 Hazardous Materials means any chemical, material or substance now or hereafter defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous waste,” “restricted hazardous waste,” “toxic substances,” “pollutant or contaminant,” “imminently hazardous chemical substance or mixture,”

“hazardous air pollutant,” “toxic pollutant,” or words of similar import under any local, state or federal law or under the regulations adopted or publications promulgated pursuant thereto applicable to the Property, including, without limitation: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, et seq. (“**CERCLA**”); the Hazardous Materials Transportation Act, as amended, 49 U.S.C. § 1801, et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251, et seq.; and the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901, et seq. The term “**Hazardous Materials**” shall also include any of the following: any and all toxic or hazardous substances, materials or wastes listed in the United States Department of Transportation Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302) and in any and all amendments thereto in effect as of the date of the close of any escrow; oil, petroleum, petroleum products (including, without limitation, crude oil or any fraction thereof), natural gas, natural gas liquids, liquefied natural gas or synthetic gas usable for fuel, not otherwise designated as a hazardous substance under CERCLA; any substance which is toxic, explosive, corrosive, reactive, flammable, infectious or radioactive (including any source, special nuclear or by-product material as defined at 42 U.S.C. § 2012, et seq.), carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority; asbestos in any form; urea formaldehyde foam insulation; transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyl’s; radon gas; or any other chemical, material or substance (i) which poses a hazard to the Property, to adjacent properties, or to persons on or about the Property, (ii) which causes the Property to be in violation of any of the aforementioned laws or regulations, or (iii) the presence of which on or in the Property requires investigation, reporting or remediation under any such laws or regulations.

1.1.18 Holder is defined in Section 4.2.2.

1.1.19 Improvements means the improvements described in Section 3.1.1.

1.1.20 Outside Date is defined in Section 2.3.2.

1.1.21 Oversight Board means the Oversight Board of the Successor Agency to the Industry Urban-Development Agency.

1.1.22 Plans and Specifications means the plans and specifications submitted by the Buyer to either the City or County of Los Angeles for construction of the Improvements.

1.1.23 Project is defined in Recital B.

1.1.24 Property is defined in Recital A.

1.1.25 Purchase Price is defined in Section 2.1.

1.1.26 Released Parties is defined in Section 2.7.

1.1.27 Schedule of Performance means the schedule attached hereto as Exhibit “B” and incorporated herein by this reference.

1.1.28 Title Company is defined in Section 2.5.1.

1.1.29 Title Policy is defined in Section 2.5.3.

1.1.30 Title Report is defined in Section 2.5.1.

1.1.31 Transaction Costs means all costs incurred by either party in entering into this transaction and closing Escrow, including but not limited to escrow fees and costs, attorney's fees, staff time, appraisal costs, and costs of financial advisors and other consultants.

ARTICLE 2 PURCHASE AND SALE OF THE PROPERTY

2.1 Purchase and Sale. The Agency agrees to sell the Property to the Buyer, and the Buyer agrees to purchase the Property from the Agency, for the sum of Eight Million Two Hundred Fifty Thousand Dollars (\$8,250,000.00) (the "**Purchase Price**"). In addition, Buyer shall reimburse the Agency for the Agency's costs of obtaining an appraisal of the Property and the Agency's legal costs in connection with this Agreement and the disposition of the Property under this Agreement, all in a total amount not to exceed Fifteen Thousand Dollars (\$15,000.00) (the "**Disposition Costs**"), and will be paid by Buyer to Agency at the Closing through the Escrow (as hereinafter defined).

2.2 Payment of Purchase Price. The Purchase Price shall be payable by Buyer as follows:

2.2.1 Deposit. The Agency acknowledges that Buyer has submitted with its bid One Hundred Thousand Dollars (\$100,000.00). Within ten (10) days after the opening of Escrow, Buyer shall deposit with Escrow Holder a sum of Seven Hundred Twenty-Five Thousand Dollars (\$725,000.00), in the form of certified or bank cashier's checks made payable to Escrow Holder or by confirmed wire transfers of funds (with the \$825,000.00 being collectively, referred to as the "**Deposit**"), so that the total amount on deposit shall equal ten percent (10%) of the Purchase Price. If before the end of the Due Diligence Period (defined in Section 17.16[c]) Buyer delivers written notice to Escrow Holder canceling this Agreement, as determined in Buyer's sole and absolute discretion, then this Agreement shall terminate and Escrow Holder shall, within three (3) business days from Buyer's request, return to Buyer all of the \$825,000 Deposit less Buyer's escrow expenses. Buyer shall not have any liability to Agency for any reason for such cancellation.

If Buyer did not cancel this transaction before the end of the Due Diligence Period and if thereafter the Closing (defined below) does not occur because of Buyer's uncured default, then the Deposit shall be non-refundable. Upon delivery to the Escrow Holder, the Deposit shall be invested by Escrow Holder in an interest-bearing account acceptable to Buyer and Agency with the Deposit and all interest accruing thereon to be credited to the Purchase Price upon the Close of Escrow.

2.2.2 Closing Funds. Prior to the Close of Escrow, Buyer shall deposit or cause to be deposited with Escrow Holder, by a certified or bank cashier's check made payable to Escrow Holder or by a confirmed wire transfer of funds, the balance of the Purchase Price, plus the Disposition Costs, plus an amount equal to all other costs, expense and proration payable by Buyer hereunder.

2.3 Escrow.

2.3.1 Opening of Escrow. Within five (5) business days after the end of the Due Diligence Period, the Buyer and the Agency shall open an escrow (the “**Escrow**”) with the Escrow Holder for the transfer of the Property to the Buyer. The parties shall deposit with the Escrow Holder a fully executed duplicate original of this Agreement, which shall serve as the escrow instructions (which may be supplemented in writing by signed mutual agreement of the parties) for the Escrow. The Escrow Holder is authorized to act under this Agreement, and to carry out its duties as the Escrow Holder hereunder.

2.3.2 Close of Escrow. “**Close of Escrow**” or “**Closing**” means the date Escrow Holder causes the Grant Deed (as hereinafter defined) to be recorded in the Official Records of the County of Los Angeles and delivers the Purchase Price and Disposition Costs (less any costs, expenses and prorations payable by the Agency) to the Agency. Possession of the Property shall be delivered to the Buyer on the Close of Escrow. Close of Escrow shall occur within thirty (30) days after the end of the Due Diligence Period (the “**Outside Date**”); provided, however, the Outside Date may be extended upon written consent of the Buyer and the Executive Director of the Agency, which consent may be given or withheld in the exercise of their sole discretion. If the Closing does not occur on or before the Outside Date due to a default by either party and if the Escrow is cancelled, then the defaulting party shall pay all Escrow cancellation fees, and if the defaulting party is the Agency then Buyer shall not pay nor owe any Disposition Costs. If Buyer did not cancel this transaction during the Due Diligence Period and if thereafter the Closing does not occur on or before the Outside Date, as may be extended, because of Buyer’s uncured default then the Agency shall be entitled to the Deposit under Section 6.3.2. If the Closing does not occur due to a termination by Buyer following the opening of Escrow without Agency’s breach of this Agreement, Buyer shall pay all Escrow cancellation fees and all Disposition Costs to date shall be paid by Buyer to Agency.

2.3.3 Delivery of Closing Documents.

(a) The Agency and Buyer agree to deliver to Escrow Holder, at least two (2) days prior to the Close of Escrow, the following instruments and documents, the delivery of each of which shall be a condition precedent to the Close of Escrow:

(i) The Grant Deed, duly executed and acknowledged by the Agency, conveying a fee simple absolute interest in the Property to Buyer;

(ii) The Agency’s affidavit as contemplated by California Revenue and Taxation Code Section 18662;

(iii) A Certification of Non-Foreign Status signed by Agency in accordance with Internal Revenue Code Section 1445; and

(iv) Such proof of the Agency’s and Buyer’s authority and authorization to enter into this transaction as the Title Company may reasonably require in order to issue the Title Policy.

The Agency and the Buyer further agree to execute such reasonable and customary additional documents, and such additional escrow instructions, as may be reasonably required to close the transaction which is the subject of this Agreement pursuant to the terms hereof.

2.4 Conditions to Close of Escrow. The obligations of the Agency and Buyer to close the transaction which is the subject of this Agreement shall be subject to the satisfaction, or waiver in writing by the party benefited thereby, of each of the following conditions:

2.4.1 For the benefit of the Agency, the Buyer shall have deposited the balance of the Purchase Price, together with such funds as are necessary to pay for costs, expenses and prorations payable by Buyer hereunder (including the Disposition Costs).

2.4.2 For the benefit of the Buyer, the Property is generally in the same condition at the Closing as it is in as of January 13, 2017.

2.4.3 For the benefit of the Buyer, all actions and deliveries to be undertaken or made by the Agency on or prior to the Close of Escrow shall have occurred, as reasonably determined by the Buyer.

2.4.4 For the benefit of the Buyer, all Agency approvals required by the Schedule of Performance to be obtained prior to the Close of Escrow shall have been so obtained.

2.4.5 For the benefit of the Agency, the Buyer shall have executed and delivered to Escrow Holder all documents and funds required to be delivered to Escrow Holder under the terms of this Agreement and the Buyer shall otherwise have satisfactorily complied with its obligations hereunder.

2.4.6 For the benefit of the Buyer, the Agency shall have executed and delivered to Escrow Holder all documents and funds required to be delivered to Escrow Holder under the terms of this Agreement and the Agency shall otherwise have satisfactorily complied with its obligations hereunder.

2.4.7 For the benefit of the Agency, the representations and warranties of the Buyer contained in this Agreement shall be true and correct in all material respects as of the Close of Escrow.

2.4.8 For the benefit of the Buyer, the representations and warranties of the Agency contained in this Agreement shall be true and correct in all material respects as of the Close of Escrow.

2.4.9 For the benefit of the Buyer, Title Company shall be irrevocably committed to issuing in favor of the Buyer the Title Policy, in form and substance, and with endorsements reasonably acceptable to the Buyer, as provided in Section 2.5.3.

If all the foregoing conditions have not been met to the benefitted party's sole satisfaction or expressly waived in writing by the benefitted party on or before the respective dates set forth therein, or if no date is set forth therein then as of the Outside Date, then this Agreement shall, at

the option of the benefitted party, become null and void; and if the benefitted party chooses to make this Agreement null and void, except as expressly set forth in this Agreement, neither party shall have any further rights, duties or obligations hereunder, and all of the \$825,000 deposited by Buyer shall be immediately returned to Buyer if Buyer is the benefitted party.

2.5 Condition of Title; Title Insurance.

2.5.1 Buyer acknowledges receipt of the current preliminary title report (“**Title Report**”) prepared by Chicago Title Company or such other title company as Buyer chooses (“**Title Company**”). Buyer shall acquire the Property subject to all exceptions described in the Title Report, unless removed before the Closing, together with all non-delinquent real property taxes and assessments to be assessed against the Property (“**Approved Exceptions**”). At the Closing, Seller shall deliver title to the Property to Buyer subject only to the Approved Exceptions.

2.5.2 At the Close of Escrow, the Buyer shall receive title to the Property by grant deed substantially in the form attached hereto as Exhibit “C” and incorporated herein by this reference (the “**Grant Deed**”).

2.5.3 At Closing, the Buyer may obtain an ALTA Owner’s Extended Coverage Policy of Title Insurance or such other title insurance selected by the Buyer (the “**Title Policy**”), issued by the Title Company in the amount of the Purchase Price, insuring title to the Property in the name of Buyer, subject only to the Approved Exceptions and standard printed exclusions from coverage (if any) of an ALTA extended title policy and containing the additional endorsements selected by Buyer.

2.6 Escrow and Title Charges; Prorations.

2.6.1 The Agency shall pay all documentary transfer taxes and the coverage premiums for a standard CLTA Title Policy. The Buyer shall pay the costs of any title insurance premiums for any coverage over and above the standard policy coverage on a CLTA Title Policy to be paid by the Agency. In addition, the Buyer and the Agency shall each pay one-half of any and all other usual and customary costs, expense and charges relating to the escrow and conveyance of title to the Property, including without limitation, recording fees, document preparation charges and escrow fees. Each party shall be responsible for its own Transaction Costs, with the exception of the Disposition Costs set forth in Section 2.1.

2.6.2 All non-delinquent and current installments of real estate and personal property taxes and any other governmental charges, regular assessments, or impositions against the Property on the basis of the current fiscal year or calendar year shall be prorated as of the Close of Escrow based on the actual current tax bill. If the Close of Escrow shall occur before the tax rate is fixed, the apportionment of taxes on the Close of Escrow shall be based on the tax rate for the next preceding year applied to the latest assessed valuation after the tax rate is fixed, which assessed valuation shall be based on the Property’s assessed value prior to the Close of Escrow and the Agency and Buyer shall, when the tax rate is fixed, make any necessary adjustment. All prorations shall be determined on the basis of a 365-day year. The provisions of

this Section 2.6.2 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.

2.6.3 Any Escrow cancellation charges shall be allocated and paid as described in Section 2.3.2 above.

2.7 Condition of the Property. The Property shall be conveyed from the Agency to the Buyer on an "AS IS" condition and basis with all faults and the Buyer agrees that the Agency has no obligation to make modifications, replacements or improvements thereto, with the condition that the Property be generally in the same condition at the Closing as it is in as of January 13, 2017. Except as expressly and specifically provided in this Agreement, the Buyer and anyone claiming by, through or under the Buyer hereby waives its right to recover from and fully and irrevocably releases the Agency, the City 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, City's or Oversight Board's behalf (collectively, the "**Released Parties**") from any and all claims, responsibility and/or liability that the Buyer 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 2.7. This release includes claims of which the Buyer is presently unaware or which the Buyer does not presently suspect to exist which, if known by the Buyer, would materially affect the Buyer'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 Buyer to take such action as may be necessary to place the Property in a condition suitable for rehabilitation 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 EXCEPT AS SET FORTH IN SECTION 2.7; (vii) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS AT, ON, UNDER OR ADJACENT TO THE PROPERTY EXCEPT AS SET FORTH IN SECTION 2.7; (viii) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE; AND (ix) WITH RESPECT TO ANY OTHER MATTER, THE BUYER FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY AND REVIEW INFORMATION AND DOCUMENTATION AFFECTING THE PROPERTY, THE BUYER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND REVIEW OF SUCH INFORMATION AND DOCUMENTATION AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY THE AGENCY.

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

Buyer's Initials

The waivers and releases by the Buyer 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.

2.8 Environmental Condition of the Property

California Health & Safety Code section 25359.7 requires owners of non-residential real property who know, or have reasonable cause to believe, that any release of Hazardous Substances has come to be located on or beneath the real property to provide written notice of same to the buyer of real property. The Agency hereby discloses the information contained in the list of environmental documents, attached hereto as Exhibit “F”, accessible at <http://www.cityofindustry.org/?p=city-hall&s=for-sale>, and incorporated herein by reference. The Agency also discloses the following information:

From the early 1960s through 2003, the Property was occupied by Calmar, Inc. (“Calmar”), a plastic bottle manufacturer. From 2007 through early 2009, ARC International, Inc. (“ARC”) occupied the Property and used the site to disassemble computers and electronics for recycling purposes. The Industry Urban-Development Agency (“IUDA”) acquired the Property in or about 2010 from Zions First National Bank (“Zions”).

During the acquisition of the Property, a Phase I Environmental Assessment revealed that the Property is located within the Puente Valley Operable Unit (“PVOU”). Portions of the PVOU are contaminated with volatile organic compounds, namely the chlorinated solvents trichloroethene (“TCE”) and tetrachloroethylene (“PCE”). Earlier studies demonstrated that both the soil and groundwater were impacted with PCE.

Calmar used PCE in its operations. In 1987, Calmar received a notification from the Los Angeles Regional Water Quality Control Board (“RWQCB”) that an inspection determined a release had occurred to soil and possibly groundwater and requested a site investigation and

remediation. The impacted soil was assessed to be limited to the southwest corner of the Property.

In 1995, the RWQCB requested and received a remediation work plan discussing the remediation of contaminated soils. Vapor extraction and soil excavation were deemed to be ineffective or impractical techniques to mitigate the soil contamination. Ultimately, the RWQCB determined natural attenuation to be the best course for soil remediation. On December 3, 2010, the RWQCB issued a No Further Action letter for soil closure.

The Property is located within the San Gabriel Valley Groundwater Basin, portions of which have been included in the National Priority List. 17 groundwater wells were installed on the Property, all of which were abandoned in 2005 with approval from the RWQCB. Groundwater testing results reveal elevated concentrations of PCE and to a lesser extent TCE. However, elevated concentrations of TCE have also been detected in upgradient wells, suggesting that an off-site source may also be present. Consultant Ardent Environmental Group, Inc., in their Soil Management Plan dated December 5, 2011, reported that an order for groundwater closure by the RWQCB is not expected in the near future.

The Parties acknowledge that the Agency will not be conducting a public records search of any regulatory agency files regarding the environmental condition of the Property. By execution of this Agreement, Buyer (i) acknowledges its receipt of the foregoing notice given pursuant to Cal. Health & Safety Code section 25359.7; (ii) acknowledges that it is taking the Property as-is, subject to all information contained in Exhibit "F"; and (iii) waives any and all rights Buyer may have to assert that the Agency has not complied with the requirements of Health & Safety Code section 25359.7.

2.9 Escrow Holder.

2.9.1 Escrow Holder is authorized and instructed to:

(a) Pay and charge the Buyer for any fees, charges and costs payable by the Buyer under this Article. Before such payments are made, the Escrow Holder shall notify the Agency and the Buyer of the fees, charges, and costs necessary to close the Escrow;

(b) Pay and charge the Agency for any fees, charges and costs payable by the Agency under this Article. Before such payments are made, the Escrow Holder shall notify the Agency and the Buyer of the fees, charges, and costs necessary to close the Escrow;

(c) Disburse funds and deliver the Grant Deed and other documents to the parties entitled thereto when the conditions of the Escrow and this Agreement have been fulfilled by the Agency and the Buyer; and

(d) Record the Grant Deed and any other instruments delivered through the Escrow, if necessary or proper, to vest title in the Buyer in accordance with the terms and provisions of this Agreement.

2.9.2 Any amendment of these escrow instructions shall be in writing and signed by both the Agency and the Buyer; any amendment not signed by both Agency and Buyer shall not be operative nor effective.

2.9.3 All communications from the Escrow Holder to the Agency or the Buyer shall be directed to the addresses and in the manner established in Section 7.3 of this Agreement for notices, demands and communications between the Agency and the Buyer.

2.9.4 The responsibility of the Escrow Holder under this Agreement is limited to performance of the obligations imposed upon it under this Article, any amendments hereto. This Agreement shall control over and be binding upon any escrow instructions regarding the Property unless such escrow instructions are in writing, signed by both the Agency and Buyer, expressly refer to this Agreement, and expressly modify, alter, or supplement this Agreement. The Parties shall instruct Escrow Holder to comply with, and the Escrow Holder shall comply with, this Agreement.

ARTICLE 3 REHABILITATION OF THE PROPERTY

3.1 Scope of Rehabilitation.

3.1.1 The “**Improvements**” required to be completed by Buyer shall be those stated in Exhibit “D” attached hereto and incorporated herein by this reference. The Buyer shall submit its initial Plans and Specifications for the Improvements within twelve (12) months of the Close of Escrow (“**Commencement Date**”). However, the 12 month period shall not include and shall be extended by, and the Commencement Date shall be extended by, each of the following: (i) the reasonable time needed, but not more than an additional nine (9) months, by Buyer to obtain any and all entitlements, approvals, certificates, and issuances sought by Buyer for the Improvements; (ii) any and all force majeure delays, as provided in Section 7.9 below; and (iii) without limiting Section 3.1.1(ii), any and all delays caused by events unexpected by Buyer, including, but not limited to, death of any person associated with the Project, bankruptcy or related events concerning any person or entity associated with the Project, and any unknown condition on or related to the Property.

The Completion of Construction (defined in Section 3.6.1 below) shall occur no later than twenty-four (24) months after Buyer receives all entitlements, permits, and approvals sought by Buyer from each applicable government body, including but not limited to the City, to begin and complete construction of the Improvements planned by Buyer (“**Completion Date**”). However, the 24 month period shall not include and shall be extended by, and the Completion Date shall be extended by, each of the following: (a) the reasonable time needed, but not more than an additional twelve (12) months, by Buyer to obtain any and all further or additional entitlements sought by Buyer for the Improvements; (b) the reasonable time needed, but not more than an additional twelve (12) months, by Buyer to remove or remediate any and all Hazardous Materials relating to the Property, including, but not limited to, Buyer receiving all permits and approvals from each applicable government body for such removal or remediation; (c) the reasonable time needed, but not more than an additional twelve (12) months, by Buyer to obtain any and all governmental approvals, certificates, and issuances required to complete the

construction and occupy the Property; (d) any and all force majeure delays, as provided in Section 7.9 below; and (e) without limiting Section 3.1.1(d), any and all delays caused by events unexpected by Buyer, including, but not limited to, death of any person associated with the Project, bankruptcy or related events concerning any person or entity associated with the Project, and any unknown condition on or related to the Property.

If Buyer submits its initial Plans and Specifications before the Commencement Date (with the Commencement Date being 12 months after Close of Escrow), then the Completion Date shall be extended by the number of days such initial Plans and Specifications were submitted before the Commencement Date. For example, if Buyer submits its initial Plans and Specifications 270 days before the Commencement Date, then the Completion Date would be extended by 95 days (365-270=95), in addition to the other extensions provided for in this Section 3.1.1.

Further, in addition to the other provisions of this Section 3.1.1 and this Agreement, each of the Commencement Date and Completion Date shall be extended to reasonably accommodate, assist, help, and cooperate with Buyer. To the extent of any inconsistency between the Schedule of Performance and this Section 3.1.1, this Section 3.1.1 shall control.

3.1.2 The Buyer shall submit all appropriate Plans and Specifications pertaining to the Improvements to the City, and shall construct the Improvements, and all associated normal and customary public infrastructure improvements reasonably required by the City related to the Project, pursuant to the City's reasonable conditions of approval, if any, and all parking areas and landscaping, in accordance with and within the limitations established therefore in this Agreement and as required by the City. The Buyer shall also comply with any and all applicable federal, state and local laws, rules and regulations, and any applicable mitigation measures adopted pursuant to the California Environmental Quality Act. The Agency shall cooperate in all reasonable respects, at no out-of-pocket cost to the Agency, with the Buyer's pursuit and acquisition of permits and approvals for the Project from all applicable governmental and quasi-governmental agencies and public utilities.

3.2 Cost of Construction. The cost of constructing all Improvements and all associated normal and customary public infrastructure improvements reasonably required by the City relating to the Project shall be borne by the Buyer.

3.3 Rights of Access. The Agency and the City shall have rights of access to and across the Property to which the Agency and the City may be entitled by law. Additionally, at reasonable times during regular construction business hours Monday through Fridays members of the staff of the Agency and the City shall have a reasonable right of access to the Property, without charge or fee, to inspect the work being performed at the Property.

3.4 Local, State and Federal Laws. The Buyer shall carry out the construction of the Improvements in conformity with all applicable laws, including all applicable federal, state and local prevailing wage laws, occupation, safety and health laws, rules, regulations and standards.

3.5 Nondiscrimination During Construction. The Buyer, for itself and its successors and assigns, agrees that it shall not discriminate against any employee or applicant for employment because of age, sex, marital status, race, handicap, color, religion, creed, ancestry, or national origin in the construction of the Improvements.

3.6 Certificate of Completion.

3.6.1 After Completion of Construction, the Agency shall, following written request by the Buyer, furnish the Buyer with a Certificate of Completion for the Improvements within ten (10) business days of such request. The Certificate of Completion shall be in the form attached hereto as Exhibit "E" and incorporated herein by this reference. The Agency shall not unreasonably withhold, condition or delay the issuance of the Certificate of Completion. The Certificate of Completion shall be, and shall so state that it is, a conclusive determination of satisfactory completion by the Buyer of all of its construction obligations under this Agreement as to the Improvements. ("**Completion of Construction**" means for the Improvements the earliest to occur of: (a) actual completion of the construction work except for punch list items; (b) the contractor notifies the Buyer that the construction is complete; (c) the Improvements are safe and convenient for use; (d) the Project passes final governmental inspection; (e) issuance of a temporary certificate of occupancy; (f) issuance of a permanent certificate of occupancy; or (g) any other event constituting completion of work under California law.) To the extent of any inconsistency between the Schedule of Performance and this Section 3.6.1, this Section 3.6.1 shall control.

3.6.2 If the Agency refuses or fails within ten (10) business days after receipt of a written request from the Buyer to issue a Certificate of Completion, the Agency shall deliver to the Buyer with a written statement of the reasons the Agency refused or failed to furnish a Certificate of Completion with that same ten (10) day period. If the Agency does not deliver such written statement of reasons to Buyer within the ten (10) day period, then the Certificate of Completion shall be deemed to have been irrevocably issued by the Agency to Buyer. The statement shall also specify the actions the Buyer must take to obtain a Certificate of Completion for the Improvements.

3.6.3 The Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of the Buyer to any holder of a mortgage, trust deed or other security instrument. Such Certificate of Completion shall not be construed as a notice of completion as described in California Civil Code Section 8182.

ARTICLE 4 LIMITATIONS ON TRANSFERS AND SECURITY INTERESTS

4.1 Limitation As To Transfer of the Property and Assignment of Agreement. Prior to, but only prior to Completion of Construction, the Buyer shall not transfer its rights and obligations, in whole or in part, under this Agreement, or sell, assign, transfer, encumber (except as provided in Section 4.2), pledge or lease the Property (except for a lease to Snak-King Corp. or a related entity or any sublease by such tenant), nor cause or suffer a change of more than 49% of the Ownership interests in Buyer, directly or indirectly, in one or a series of transactions, without the Agency's prior written consent, which consent shall not be unreasonably withheld or

delayed. However, this Section 4.1 does not apply to assignments and transfers for estate planning purposes nor does it apply to assignments and transfers to an entity directly or indirectly controlled by, or under common control with, the party who directly or indirectly controls the Buyer.

The Buyer acknowledges that the identity of the Buyer is of particular concern to the Agency, and it is because of the Buyer's identity that the Agency has entered into this Agreement with the Buyer. No voluntary or involuntary successor in interest of the Buyer shall acquire any rights or powers under this Agreement in violation of the terms hereof. Notwithstanding any provision contained herein to the contrary, this prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the development or rehabilitation of the Project, or any mortgage or deed of trust permitted by this Agreement. Upon the Agency's issuance of a Certificate of Completion, the Buyer may transfer the Property to a transferee without restriction so long as the transferee agrees to all of the applicable covenants and conditions set forth in Article 5 of this Agreement.

Upon providing ten (10) days prior written notice to Buyer, the Agency may assign its rights and obligations, in whole or in part, under this Agreement to the City without the prior consent of the Buyer. Provided however that as conditions of the assignment, the City must first agree to assume and honor in a writing delivered to the Buyer all of the duties and obligations of the Agency under this Agreement arising at any and all times, and no assignment or transfer shall relieve the Agency of any or all of its obligations and responsibilities under this Agreement.

4.2 Security Financing; Right of Holders.

4.2.1 No Encumbrances Except Mortgages, Deeds of Trust, Conveyances or Other Conveyance for Financing for Development or Rehabilitation.

(a) Notwithstanding Section 4.1 or any other provision herein to the contrary, only mortgages, deeds of trust, sales and leasebacks, or any other form of encumbrance, conveyance, security interest or assignment required for any reasonable method of construction and permanent financing are permitted prior to the issuance of a Certificate of Completion for the Property, but only for the purpose of securing loans of funds to be used for the purchase of the Property or financing the direct and indirect costs of the development or rehabilitation of the Project or long-term financing 'take out' loans (including reasonable and customary Buyer fees, loan fees and costs, and other normal and customary project costs), and each such loan secured by the Property shall expressly allow for its prepayment (upon payment of a prepayment fee required by the lender) by and at the option of the City upon completing purchasing the Property pursuant to the City's exercise of its option to purchase provided in Section 5.6. Without limiting what is a reasonable method of construction and permanent financing, financing obtained from any federally regulated bank or state chartered bank or any of their subsidiaries, affiliates, or related companies shall be deemed a reasonable method of construction and permanent financing.

(b) The words "mortgage" and "deed of trust" as used herein include all other appropriate modes of financing commonly used in real estate acquisition, construction

and land development. Any reference herein to the “holder” of a mortgage or deed of trust shall be deemed also to refer to a lessor under a sale and leaseback.

4.2.2 Notice of Default to Mortgage, Deed of Trust or Other Security Interest Holders; Right to Cure. Whenever the Agency shall deliver a notice or demand to the Buyer with respect to any Default by the Buyer in completion of rehabilitation of the Project, the Agency shall at the same time deliver a copy of such notice or demand to each holder of record of any mortgage, deed of trust or other security interest on the Property (a “**Holder**”) authorized by this Agreement who has previously made a written request to the Agency for special notice hereunder. No notice of Default to the Buyer shall be effective against any such Holder unless given to such Holder as aforesaid. Such Holder shall (insofar as the rights of the Agency are concerned) have the right, at such Holder’s option, within sixty (60) days after receipt of the notice, to cure or remedy any such Default and to add the cost thereof to the security interest debt and the lien of its security interest; provided, however, that if longer than sixty (60) days is required to cure such Default, such longer period shall be granted to Holder, provided that Holder diligently pursues such cure during such longer period. If such Default shall be a default which can only be remedied or cured by such Holder upon obtaining possession of the Property, such Holder shall seek to obtain possession of the Property with diligence and continuity through a receiver or otherwise, and shall remedy or cure such Default within a reasonable period of time as necessary to remedy or cure such Default of the Buyer. If such Default shall be a default as to or by Buyer which cannot be cured, Agency shall not seek to enforce the same against Holder and Holder shall not be subject thereto.

4.2.3 Noninterference with Holders. The provisions of this Agreement do not limit the right of Holders to foreclose or otherwise enforce any mortgage, deed of trust, or other security instrument encumbering the Property and the improvements thereon, or the right of Holders to pursue any remedies for the enforcement of any pledge or lien encumbering the Property; provided, however, that in the event of a foreclosure sale under any such mortgage, deed of trust or other lien or encumbrance, or sale pursuant to any power of sale contained in any such mortgage or deed of trust, the purchaser or purchasers and their successors and assigns, and the Property, shall be, and shall continue to be, subject to all of the conditions, restrictions and covenants of this Agreement and all documents and instruments recorded pursuant hereto.

ARTICLE 5 USE OF THE PROPERTY

5.1 Use. The Buyer covenants and agrees for itself, and its successors and its assigns, that the Buyer, such successors, and such assignees shall use the Property, and every part thereof, only for the construction of the Improvements thereon, and thereafter for any use permitted by applicable laws. Notwithstanding the foregoing, if and when the Buyer conveys the Property to a third party after completion of the Improvements thereon or assigns the Agreement in accordance with this Agreement, the Buyer shall be relieved of any further responsibility under this Section 5.1 as to the Property so conveyed.

5.2 Maintenance of the Property. After completion of the Project, Buyer shall maintain the Property and the Project (including landscaping) in a commercially reasonable condition and repair to the extent practicable and as may be required by state or local law or

regulation. Notwithstanding the foregoing, if and when the Buyer conveys the Property to a third party after completion of the Improvements thereon in accordance with the Agreement, the Buyer shall be relieved of any further responsibility under this Section 5.2 as to the Property so conveyed.

5.3 Obligation to Refrain from Discrimination. The Buyer 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 Buyer (itself or any person claiming under or through the Buyer) 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 Buyer conveys the Property to a third party after completion of the Improvements thereon in accordance with the Agreement, the Buyer shall be relieved of any further responsibility under this Section 5.3 as to the Property so conveyed. Further, this Section 5.3 and Section 5.4 are included only because of California Health and Safety Code Section 33436, and this Section 5.3 and Section 5.4 shall automatically terminate if the content of this this Section 5.3 and Section 5.4 are no longer required by California Health and Safety Code Section 33436, or any other statutory, regulatory, or other governmental provision or court decision allows for its removal.

5.4 Form of Nondiscrimination and Nonsegregation Clauses. Pursuant to California Health and Safety Code Section 33436, all deeds, leases or contracts for sale shall contain the following nondiscrimination or nonsegregation clauses:

5.4.1 In deeds for the Property: “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 California Government Code sections 12955(a) or (d), as those bases are defined in California Government Code sections 12926, 12926.1, 12955(m), 12955(p)(1), and 12955.2, 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 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 immediately paragraph shall not be construed to apply to housing for older persons, as defined in California Government Code section 12955.9. With respect to familial status, nothing in said immediately paragraph shall be construed to affect California Civil Code sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5, relating to housing for senior citizens. California Civil Code sections 51(d), 4760, and 6714, and California Government Code sections 12955(n), (o), and (p) shall apply to said immediately paragraph.”

5.4.2 In leases for the Property: “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 immediately preceding 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 immediately preceding 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 immediately preceding paragraph.”

5.4.3 In contracts for sale of the Property: “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 immediately preceding 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 immediately preceding 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 immediately preceding paragraph.”

5.5 Effect and Duration of Covenants. The following covenant shall be binding upon the Property and Buyer and its successors and assigns and shall remain in effect for the following periods, and each of which shall be set forth with particularity in any document of transfer or conveyance by the Buyer:

(1) The maintenance requirements set forth in Section 5.2 shall remain in effect for the period described therein,

(2) Easements to the Agency, City or other public agencies for utilities existing as of the execution of this Agreement and shown in the Title Policy, if any, which shall remain in effect according to their terms. and;

(3) The use requirement regarding using the Property only for the construction of the Improvements set forth in Section 5.1 shall remain in effect until the earlier of the Completion of Construction or one (1) year after Close of Escrow if the reason for the failure to complete the Improvements is not due to a default by Buyer. The use requirement regarding using the Property for any lawful purpose shall remain in effect in perpetuity.

5.6 Option to Purchase for Failure to Complete Construction. If the Buyer shall fail to submit the initial Plans and Specifications for the Improvements on or prior to the Commencement Date or complete the construction of the Improvements on or prior to the Completion Date, both as stated and as extended as provided in Section 3.1.1 (including, but not limited to, as stated in Sections 3.1.1(i) through 3.1.1(iii) and Sections 3.1.1(a) through 3.1.1(e), and as extended to reasonably accommodate, assist, help, and cooperate with Buyer), the Agency may give written notice (a "**Breach Notice**") of such breach to the Buyer and, if applicable, to any Holder. The Buyer shall have a period of sixty (60) days after the date of the Breach Notice to cure said breach, or if a cure cannot be reasonably completed within such sixty (60) day period, to commence such cure and diligently prosecute the same to completion, which shall in any event not exceed one hundred eighty (180) days from the date of the Breach Notice. In the event that the Buyer shall fail to cure such breach within such period, the City shall have the right, at its option, to purchase and take possession of the Property with all improvements thereon. To exercise its option to purchase and take possession of the Property, the City shall pay to the Buyer, in cash, an amount equal to the greater of: (a) the fair market value of the Property as of the date the Purchase Notice (defined below) is sent; or (b) the following:

1. the Purchase Price paid to Agency for the Property; plus
2. the amount, if any, of the costs incurred by Buyer for all construction at the Property, including, but not limited to, labor and materials for the construction of the Improvements, amounts paid to each general contractor, and all fees and commissions paid to architects, designers, engineers, other design professionals, consultants, supervisors, lawyers, accountants, and brokers ("**Construction Amounts**"), provided such costs are reasonably documented by reasonable evidence delivered to the City within thirty (30) days after the Purchase Notice (defined below); less
3. any and all sums outstanding under any Holder's mortgage or deed of trust encumbering the Property or the Improvements and any prepayment premium and expenses related thereto, all of which the Agency shall timely pay in full to the Holder when requested by the Holder but in no event later than the City's completion of the purchase of the Property. The City shall have no right to purchase the Property without first fully paying all Holders all amounts due to fully pay, cancel, and extinguish all loans secured in any manner by the Property.

The City's option to purchase and take possession of the Property pursuant to this Section 5.6 must be exercised by City, if at all, by giving ninety (90) days written notice to Buyer ("**Purchase Notice**") within, but not before, ten (10) days after expiration of the last cure period referred to in the first paragraph of this Section 5.6. If the timely Purchase Notice is given by the City, then the City must purchase and take possession of the Property, and close escrow for the purchase, within six (6) months after the date the Purchase Notice is sent. Escrow shall be opened for the City's purchase of the Property pursuant to this Section 5.6. The City's right to purchase and take possession of the Property shall irrevocably terminate if Buyer cures the breach stated in the Breach Notice at any time prior to the 5.6 Closing. At the close of such escrow ("**5.6 Closing**"), the City shall pay all amounts owed to Buyer pursuant to this Section 5.6 in cash concurrently with, and as a condition of, the City's purchase of the Property.

The Property shall be purchased by the Agency from Buyer on an "AS IS" condition and basis with all faults and the Agency agrees that the Buyer has no obligation to make modifications, replacements or improvements thereto. The City shall pay for all title insurance, documentary transfer tax, escrow fees, and all other closing and related costs. Upon the Agency's purchase of the Property, Section 2.7 shall apply to such purchase with "Buyer" replacing "Agency", "Buyer" replacing "Agency, the City and the Oversight Board", and "Buyer's" replacing "Agency's, City's or Oversight Board's" in each current place in Section 2.7 and "Agency" replacing "Buyer" in each current place in Section 2.7. Upon the 5.6 Closing, the City can be the assignee of any warranties that may pass through to the City from the construction contracts entered into by Buyer regarding the Improvements, if any such warranties exist, but with Buyer having no obligation to obtain, negotiate for, or receive any such or other warranty or have the City receive any such or other warranty, and Buyer shall have no liability of any kind on any basis whatsoever arising therefrom.

Agency's Initials

City's Initials

If the City fails to timely provide the Purchase Notice or fails to timely close escrow for the City's purchase of the Property, then the option to purchase shall irrevocably terminate. The City and Buyer agree to cooperate in good faith, and to promptly execute and record all documents necessary to effect the timely and properly exercised option to purchase described in this Section 5.6. City is a third-party beneficiary of this Article 5.

5.6.1 The fair market value of the Property to be established pursuant to Section 5.6 shall be determined collectively by three (3) certified real estate appraisers, each who have at least twenty (20) years experience as a certified real estate appraiser in valuing industrial property. The three (3) appraisers shall be comprised of an appraiser hired by Buyer, an appraiser hired by the City, and an appraiser jointly selected by such two (2) appraisers. Buyer and the City shall each hire their respective single appraiser within five (5) business days after the date the Purchase Notice is received by Buyer. The third appraiser shall be selected and hired within ten (10) business days after the date the Purchase Notice is received by Buyer. If the two (2) appraisers do not mutually agree on the third appraiser within such ten (10) business day period, then either Buyer or the City may petition the California Superior Court for Los

Angeles County to have such Court select the third appraiser, and upon such selection the person selected shall be hired and serve as the third appraiser.

As mentioned above, the valuation date used to determine the fair market value of the Property shall be the date the Purchase Notice is sent. Buyer shall pay the fees and costs of its selected appraiser, the City shall pay the fees and costs of its selected appraiser, and the City and Buyer shall each pay one-half (½) of the fees and costs of such third appraiser.

If the three (3) appraisers cannot reach a jointly determined fair market value of the Property within forty-five (45) days after the third appraiser is hired, then within sixty (60) days after the third appraiser is hired each of the three (3) appraisers shall provide their valuation and all appraisal information in written form to the Buyer and the City. If each such appraisal is within ten percent (10%) of both of the other two (2) appraisals, then the average of the three (3) fair market value appraisals by the three (3) appraisers shall be the fair market value of the Property.

If two (2) of the three (3) appraisals are within ten percent (10%) of each other but the third appraisal is different than either of the other two (2) appraisals by more than ten percent (10%), then such third appraisal shall be adjusted so it is not more or less than such ten percent (10%) difference; then the three (3) appraisals shall be averaged and this average shall be the fair market value of the Property. If each of the three (3) appraisals are different from both other appraisals by more than ten percent (10%), then either Buyer or the City may seek to have the California Superior Court for Los Angeles County determine the fair market value of the Property.

ARTICLE 6 EVENTS OF DEFAULT, REMEDIES AND TERMINATION

6.1 Buyer Events of Defaults. Occurrence of any or all of the following, if uncured after the expiration of the applicable cure period, shall constitute a default (“**Buyer Event of Default**”) under this Agreement:

6.1.1 The Buyer’s failure to submit the initial Plans and Specifications for the Improvements or to complete construction of the Improvements, all as provided in Section 3.1.1, and the Buyer’s failure to cure such breach, as provided in Section 5.6, provided that such failure is not due to causes beyond the Buyer’s control as provided in Section 7.9 and further with said time periods to be extended by any and all periods of time needed by Buyer to obtain building and other permits and governmental approvals, certificates, entitlements, and issuances required to complete the construction and occupy the Property; or

6.1.2 The Buyer’s sale, lease (except for a lease to Snak-King Corp. or a related entity or any sublease by such tenant), or other transfer, or the occurrence of any involuntary transfer, of the Property or any part thereof or interest therein in violation of this Agreement, and Buyer fails to cure such breach within thirty (30) days after receipt of written notice from the Agency of the Buyer’s breach or within one hundred eighty (180) days from receipt of such written notice if the cure cannot be reasonably completed within the 30 day period if Buyer

commences such cure and diligently prosecutes the same to completion within the 180 days. However, this Section 6.1.2 does not apply to assignments and transfers for estate planning purposes nor does it apply to assignments and transfers to an entity directly or indirectly controlled by, or under common control with, the party who directly or indirectly controls the Buyer; or

6.1.3 Filing of a petition in bankruptcy by or against the Buyer or appointment of a receiver or trustee of any property of the Buyer, or an assignment by the Buyer for the benefit of creditors, or adjudication that the Buyer is insolvent by a court, and the failure of the Buyer to cause such petition, appointment, or assignment to be removed or discharged within ninety (90) days; or

6.1.4 The Buyer's failure to deposit with Escrow Holder the Deposit or the balance of the Purchase Price as required by Section 2.2, and Buyer fails to cure such breach within ten (10) business days after receipt by Buyer of written notice from the Agency of Buyer's breach.

6.2 Agency Events of Default. Occurrence of any or all of the following, if uncured after the expiration of the applicable cure period, shall constitute a default ("**Agency Event of Default**", and together with the Buyer Event of Default, a "**Default**") under this Agreement:

6.2.1 The Agency, in violation of the applicable provision of this Agreement, fails to convey the Property to Buyer at the Close of Escrow; or

6.2.2 The Agency breaches any other material provision of this Agreement.

Upon the occurrence of any of the above-described events, the Buyer shall first notify the Agency in writing of its purported breach or failure, giving the Agency thirty (30) days from receipt of such notice to cure such breach or failure (other than a failure by the Agency to convey the Property at the Close of Escrow, for which there shall be no cure period) or if a cure is not possible within the thirty (30) day period, to begin such cure and diligently prosecute the same to completion, which shall, in any event, not exceed one hundred eighty (180) days from the date of receipt of the notice to cure.

6.3 Remedies in the Event of Default.

6.3.1 Remedies General. In the event of a breach or a default under this Agreement by either Buyer or Agency after the end of the Due Diligence Period and prior to the Close of Escrow, the non-defaulting party shall have the right to terminate this Agreement by providing ten (10) business days written notice thereof to the defaulting party. If such breach or default is not cured within such ten (10) business day period (other than a failure by the Agency to convey the Property at the Close of Escrow, for which there shall be no cure period), this Agreement and the Escrow for the purchase and sale of the Property shall terminate. Except as herein otherwise expressly provided, such termination of the Escrow by a non-defaulting party shall be without prejudice to the non-defaulting party's rights and remedies against the defaulting party at law or equity, except any and all rights, remedies, and claims of any kind or type against Buyer or anyone associated with Buyer are irrevocably waived pursuant to Section 6.3.2.

In the event of a Default under this Agreement after the Close of Escrow, the non-defaulting party may seek against the defaulting party any available remedies at law or equity, including but not limited to the right to receive reimbursement for its documented out-of-pocket costs relating to this purchase transaction or to pursue an action for specific performance, but in no event shall such non-defaulting party be entitled to receive any consequential or special damages.

6.3.2 IF THE BUYER DOES NOT CANCEL THIS TRANSACTION BEFORE THE END OF THE DUE DILIGENCE PERIOD AND THEN IF AFTER THE END OF THE DUE DILIGENCE PERIOD THE BUYER FAILS TO COMPLETE THE ACQUISITION OF THE PROPERTY AS PROVIDED IN THIS AGREEMENT BY REASON OF ANY UNCURED DEFAULT OF THE BUYER, IT IS AGREED THAT THE DEPOSIT SHALL BE NON-REFUNDABLE AND THE AGENCY SHALL BE ENTITLED TO SUCH DEPOSIT, WHICH AMOUNT SHALL BE ACCEPTED BY THE AGENCY AS LIQUIDATED DAMAGES AND NOT AS A PENALTY AND AS THE AGENCY'S SOLE AND EXCLUSIVE REMEDY. IT IS AGREED THAT SAID AMOUNT CONSTITUTES A REASONABLE ESTIMATE OF THE DAMAGES TO THE AGENCY PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1671 ET SEQ. THE AGENCY AND BUYER AGREE THAT IT WOULD BE IMPRACTICAL OR IMPOSSIBLE TO PRESENTLY PREDICT WHAT MONETARY DAMAGES THE AGENCY WOULD SUFFER UPON THE BUYER'S FAILURE TO COMPLETE ITS ACQUISITION OF THE PROPERTY. THE BUYER DESIRES TO LIMIT THE MONETARY DAMAGES FOR WHICH IT MIGHT BE LIABLE HEREUNDER AND THE BUYER AND AGENCY DESIRE TO AVOID THE COSTS AND DELAYS THEY WOULD INCUR IF A LAWSUIT WERE COMMENCED TO RECOVER DAMAGES OR OTHERWISE ENFORCE THE AGENCY'S RIGHTS. UPON PAYMENT OF THE DEPOSIT TO THE AGENCY AS STATED IN THIS SECTION 6.3.2, THE AGENCY AND THE CITY EACH IRREVOCABLY AND UNCONDITIONALLY FULLY RELEASES AND DISCHARGES BUYER AND EACH PERSON AND ENTITY ASSOCIATED WITH BUYER, AND ALL PERSONS ACTING IN CONCERT WITH, FOR, OR ON BEHALF OF EACH OF THEM, FROM ANY AND ALL CAUSES OF ACTION, SUITS, CONTROVERSIES, CONFLICTS, DEBTS, OBLIGATIONS, CONTRACTS, AGREEMENTS, PROMISES, WARRANTIES, COVENANTS, DEFICIENCIES, TRESPASSES, DAMAGES, LIABILITIES, LOSSES, COSTS, EXPENSES, ATTORNEYS' FEES, AND CLAIMS OF ANY AND EVERY NATURE WHATSOEVER, WHETHER KNOWN OR UNKNOWN, WHETHER SUSPECTED OR UNSUSPECTED, WHETHER MATURED OR UNMATURED, AND WHETHER FIXED OR CONTINGENT CONCERNING IN ANY MANNER EACH OF THE PROPERTY, THE PROJECT, AND THIS TRANSACTION. IF FURTHER INSTRUCTIONS ARE REQUIRED BY ESCROW HOLDER TO EFFECTUATE THE TERMS OF THIS PARAGRAPH, THE BUYER AND AGENCY AGREE TO EXECUTE THE SAME. THE PARTIES ACKNOWLEDGE THIS PROVISION BY PLACING THEIR INITIALS BELOW:

Agency

Buyer

6.3.3 Liberal Construction. The rights established in this Agreement are to be interpreted in light of the fact that the Agency will convey the Property to the Buyer for

rehabilitation and operation of the Project thereon and not for speculation in undeveloped land or for construction of different improvements except as referred to in Exhibit "D". The Buyer acknowledges that it is of the essence of this Agreement that the Buyer is obligated to complete all Improvements comprising the Project.

6.3.4 No Personal Liability. Except as specifically provided herein to the contrary, no representative, employee, attorney, agent or consultant of the Agency, City or Oversight Board shall personally be liable to the Buyer, or any successor in interest of the Buyer, in the event of any Default or breach by the Agency, or for any amount which may become due to the Buyer, or any successor in interest, on any obligation under the terms of this Agreement.

6.4 Legal Actions.

6.4.1 Institution of Legal Actions. Any legal actions brought pursuant to this Agreement must be instituted in either the Superior Court of the County of Los Angeles, State of California, or in an appropriate municipal court in that County.

6.4.2 Applicable Law. The substantive and procedural laws of the State of California shall govern the interpretation and enforcement of this Agreement, without giving effect to any conflict of law provisions.

6.4.3 Acceptance of Service of Process. If any legal action is commenced by the Buyer against the Agency, service of process on the Agency shall be made by personal service upon the Executive Director or Secretary of the Agency, or in such other manner as may be provided by law. If any legal action is commenced by the Agency against the Buyer, service of process on the Buyer shall be made by personal service upon the Buyer, or in such other manner as may be provided by law, whether made within or without the State of California.

6.5 Rights and Remedies are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same Default or any other Default by the other party.

6.6 Inaction Not a Waiver of Default. Except as expressly provided in this Agreement to the contrary, any failure or delay by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies, or deprive either such party of its rights to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

ARTICLE 7 GENERAL PROVISIONS

7.1 Insurance.

7.1.1 Prior to commencement of any demolition or construction work on the Property by the Buyer, the Buyer shall obtain, at the Buyer's sole cost and expense, and shall

maintain in force until Completion of Construction, with a reputable and financially responsible insurance company reasonably acceptable to the Agency, broad form commercial general public liability insurance, insuring the Buyer and the Agency (as an additional insured) against claims and liability for bodily injury, death, or property damage arising from the use, occupancy, condition, or operation of the Property and the Improvements thereon, which insurance shall provide combined single limit protection of at least Two Million Dollars (\$2,000,000.00). Such insurance shall name the City, the Agency and the Oversight Board and their respective council members, board members, officers, employees, consultants, independent contractors, and attorneys as additional insureds.

7.1.2 Prior to commencement of any demolition or construction work on the Property by the Buyer and until Completion of Construction, the Buyer shall also obtain, or cause to be obtained, at the Buyer's sole cost and expense, and shall maintain in force until Completion of Construction, with a reputable and financially responsible insurance company reasonably acceptable to the Agency (i) "all risk" builder's risk insurance, including coverage for vandalism and malicious mischief, in a form and amount and with a reputable and financially responsible insurance company regarding the Improvements, and (ii) workers' compensation insurance covering all persons employed by Buyer in connection with work for the Improvements. The builder's risk insurance shall cover improvements in place and all material and equipment at the job site furnished under contract, but shall exclude contractors', subcontractors', and construction managers' tools and equipment and property owned by contractors' and subcontractors' employees.

7.1.3 Prior to the commencement of any demolition or construction work on the Property by the Buyer and until Completion of Construction, the Buyer shall also furnish or cause to be furnished to the Agency evidence satisfactory to the Agency that any contractor with whom it has contracted for the performance of work for the Improvements on the Property carries workers' compensation insurance as required by law.

7.1.4 With respect to each policy of insurance required above, the Buyer shall furnish a certificate of insurance on the insurance carrier's form setting forth the general provisions of the insurance coverage. The required certificate shall be furnished by the Buyer prior to commencement of any demolition or construction work on the Property.

7.1.5 All such policies required by this Section shall be nonassessable and shall contain language to the effect that (i) the policies cannot be canceled or materially changed except after thirty (30) days' written notice by the insurer to the Agency, and (ii) the Agency shall not be liable for any premiums or assessments. All such insurance shall have deductibility limits reasonably satisfactory to the Agency and Buyer. The provisions of this Section 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.

7.2 Indemnity.

7.2.1 The Buyer shall indemnify, defend, protect, and hold harmless the Agency, the City and the Oversight Board and any and all agents, employees, attorneys and representatives of the Agency, the City and the Oversight Board, from and against all losses,

liabilities, claims, damages, penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) of any nature whatsoever, only to the extent the claims are brought by, and only to the extent of any amounts awarded against an indemnified party to, a third party (unrelated to an indemnified party) related directly or indirectly to, or arising out of or in connection with:

(a) the Buyer's use, ownership, management, occupancy, or possession of the Property limited and pertaining only to construction of the Improvements on the Property;

(b) any breach or Default of the Buyer hereunder limited and pertaining only to construction of the Improvements on the Property;

(c) any of the Buyer's activities on the Property (or the activities of the Buyer's agents, employees, lessees, representatives, licensees, guests, invitees, contractors, subcontractors, or independent contractors on the Property) limited and pertaining only to the construction of the Improvements on the Property;

(d) release, spill, leak or discharge of Hazardous Materials at the Property caused by or directly attributable to the acts or omissions of Buyer, its agents, employees, contractors or licensees following the Closing Date. Notwithstanding the foregoing, this indemnity, defense, protection, and hold harmless shall not apply to, and expressly excludes, any obligations to the City with respect to Existing Contamination or any claims which arise, in whole or in part, as a result of any acts or omissions by the City or any third party. The term "Existing Contamination" means all Hazardous Materials which exist on, in, at or under the Property as of the Closing Date, including without limitation any degradation compounds and any migration of Hazardous Materials in the subsurface, whether to or from the Property; or,

(e) any other fact, circumstance or event related to the Buyer's performance hereunder, or which may otherwise arise from the Buyer's ownership, use, possession, improvement, operation or disposition of the Property, regardless of whether such damages, losses and liabilities shall accrue or are discovered before or after termination or expiration of this Agreement, or before or after the conveyance of the Property, but limited and pertaining only to construction of the Improvements on the Property.

The Buyer's obligations to indemnify, defend, protect, and hold any indemnified party harmless shall be limited to the extent of the Buyer's comparative fault. The indemnified party shall promptly notify the Buyer in writing if it receives a claim referred to in this Section 7.2.1. The Buyer shall retain and pay for counsel reasonably acceptable to indemnified party. The Buyer shall control the defense. Regarding a claim under this Section 7.2.1, the Buyer shall not make any admission in litigation or settle or compromise any such claim or consent to entry of any such judgment without the indemnified party's prior written consent if such action would materially affect the indemnified party. The indemnified party's acceptance or consent shall not be unreasonably withheld or delayed. The indemnified party may participate with its own attorneys at the indemnified party's expense.

7.2.2 All of the obligations of Buyer stated or described in this Section 7.2 shall survive only for a period of, and shall permanently terminate (unless earlier terminated) upon, four (4) years from the earlier of (i) the termination of this Agreement, or (ii) Completion of Construction, and shall not be deemed merged into the Grant Deed upon the recordation.

7.3 Notices. All notices and demands shall be given in writing by certified mail, postage prepaid, and return receipt requested, by nationally recognized overnight courier or by personal delivery. Notices shall be considered given upon the earlier of (a) personal delivery, (b) three (3) business days following deposit in the United States mail, postage prepaid, certified or registered, return receipt requested, (c) the next business day after deposit with a nationally reorganized overnight courier, in each instance addressed to the recipients as set forth below. Notices shall be addressed as provided below for the respective party; provided that if any party gives notice in writing of a change of name or address, notices to such party shall thereafter be given as demanded in that notice:

Agency: Paul J. Philips, Executive Director
Successor Agency to the
Industry Urban-Development Agency
15625 East Stafford Street, Suite 100
City of Industry, CA 91744
Phone: (626) 333-2211
Email: pphilips@cityofindustry.org

with a copy to: James M. Casso, City Attorney
Casso & Sparks, LLP
13200 Crossroads Parkway North
Suite 345
City of Industry, CA 91746
Phone: (626) 269-2980
Email: jcasso@cassosparks.com

Buyer: Barry C. Levin, Manager
333 Turnbull LLC
16150 East Stephens Street
City of Industry, CA 91746
Phone: (626) 363-7777
Email: bclevin@snakking.com

with a copy to: Lee S. Smith
Law Office of Smith & Smith
501 South Beverly Drive, Third Floor
Beverly Hills, CA 90212
Phone: (310) 277-1991
Email: lee@smithandsmith.us

7.4 Construction. The parties agree that each party and its counsel have reviewed and revised this Agreement and that any rule of construction to the effect that ambiguities are to be

resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or exhibits thereto.

7.5 Buyer's Warranties. The Buyer warrants and represents to the City and the Agency as follows:

7.5.1 The Buyer has full power and authority to execute and enter into this Agreement and to consummate the transaction contemplated hereunder. This Agreement constitutes the valid and binding agreement of the Buyer, enforceable in accordance with its terms subject to bankruptcy, insolvency of other creditors' rights laws of general application. Neither the execution nor delivery of this Agreement, nor the consummation of the transactions covered hereby, nor compliance with the terms and provisions hereof, shall conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any agreement or instrument to which the Buyer is a party.

7.5.2 As of the Close of Escrow, the Buyer will have inspected the Property and will be familiar with all aspects of the Property and its condition, and will accept such condition.

7.5.3 The Buyer has not paid or given, and will not pay or give, to any third person, any money or other consideration for obtaining this Agreement, other than normal costs of conducting business and costs of professional services such as architects, engineers and attorneys.

7.6 Interpretation. In this Agreement, the neuter gender includes the feminine and masculine, and singular number includes the plural, and the words "person" and "party" include corporation, partnership, firm, trust, or association where ever the context so requires.

7.7 Time of the Essence. Time is of the essence of this Agreement.

7.8 Attorneys' Fees. If any party brings an action to enforce the terms hereof or declare its rights hereunder, the prevailing party in any such action shall be entitled to its reasonable attorneys' fees to be paid by the losing party as fixed by the court.

7.9 Enforced Delay: Extension of Times of Performance. Notwithstanding anything to the contrary in this Agreement, unexcused failure to commence construction of the Improvements on or prior to the Commencement Date or to complete construction of the Improvements on or prior to the Completion Date shall constitute a Default hereunder as herein set forth; provided, however, nonperformance of such obligations or any other obligations to be performed hereunder shall be excused when performance is prevented or delayed by reason of forces reasonably beyond the control of the party responsible for such performance, including, but not limited to: (i) war, insurrection, terrorist attack, riot, flood, severe weather, earthquake, fire, casualty, property destruction, acts of public enemy, governmental restriction, litigation, acts or failures to act of any governmental or quasi-governmental agency or entity, including the Agency, or public utility, or any declarant under any applicable conditions, covenants, and restrictions affecting the Property, or (ii) inability to secure or shortages of necessary labor, materials or tools, strikes, lockouts, delays of any contractor, subcontractor or supplier or (iii) other matters generally constituting a force majeure event in circumstances similar to those contemplated by this Agreement (but which shall not in any event include the availability of

financing to construct the Improvements). In the event of an occurrence described in clauses (i), (ii) or (iii) above, such nonperformance shall be excused and the time of performance shall be extended by the number of days the matters described in clauses (i), (ii) or (iii) above prevent or delay performance.

7.10 Approvals by the Agency and the Buyer. Unless otherwise specifically provided herein, wherever this Agreement requires the Agency or the Buyer to approve any contract, document, plan, proposal, specification, drawing or other matter, such approval shall not unreasonably be withheld, conditioned or delayed.

7.11 Buyer's Private Undertaking. The rehabilitation covered by this Agreement is a private undertaking, and the Buyer shall have full power over and exclusive control of the Property while the Buyer holds title to the Property; subject only to the limitations and obligations of the Buyer under this Agreement and the Redevelopment Plan.

7.12 Entire Agreement, Waivers and Amendments. This Agreement is executed in duplicate originals, each of which is deemed to be an original. This Agreement, together with all attachments and exhibits hereto, constitutes the entire understanding and agreement of the parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to the subject matter hereof. No subsequent agreement, representation or promise made by either party hereto, or by or to any employee, officer, agent or representative of either party, shall be of any effect unless it is in writing and executed by the party to be bound thereby. No person is authorized to make, and by execution hereof the Buyer and the Agency acknowledge that no person has made, any representation, warranty, guaranty or promise except as set forth herein; and no agreement, statement, representation or promise made by any such person which is not contained herein shall be valid or binding on the Buyer or the Agency.

7.13 Counterparts. This Agreement 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.

7.14 Severability. Each and every provision of this Agreement is, and shall be construed to be, a separate and independent covenant and agreement. If any term or provision of this Agreement or the application thereof shall to any extent be held to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected hereby, and each term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by law.

7.15 Survival. The provisions hereof shall not terminate but rather shall survive any conveyance hereunder and the delivery of all consideration.

7.16 Representations of Agency. The Agency warrants and represents to the Buyer as follows:

(a) The Agency has full power and authority to execute and enter into this Agreement and to consummate the transactions contemplated hereunder. This Agreement

constitutes the valid and binding agreement of the Agency, enforceable in accordance with its terms subject to bankruptcy, insolvency and other creditors' rights laws of general application. Neither the execution nor delivery of this Agreement, nor the consummation of the transactions covered hereby, nor compliance with the terms and provisions hereof, shall conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any agreement or instrument to which the Agency is a party.

(b) As of the Effective Date, the Agency states and represents it has made available to Buyer, by online link entitled <http://www.cityofindustry.org/?p=city-hall&s=for-sale>, complete copies of all studies, reports, agreements, documents, instruments, environmental assessments, surveys, soils reports, documents, plans, maps, permits and entitlements at any time in Agency's possession or received by Agency (excluding only appraisals) (listed on Exhibit "F" attached hereto) concerning the Property.

(c) Buyer shall have forty-five (45) calendar days after the Buyer receives written notice from Agency of the Effective Date of this Agreement (the "**Due Diligence Period**") to examine the materials in Section 7.16(b), perform any and all other inspections, investigations, and testing (including, but not limited to, sampling, drilling holes into the slab or ground for environmental testing, and other invasive testing) in, on, or regarding the Property that Buyer wishes to perform or conduct, perform a survey, and approve or disapprove the title exceptions in the Title Report, all at Buyer's sole cost and expense. If Buyer terminates this Agreement, Buyer shall provide copies of all non-privileged due diligence reports, surveys, studies, etc. prepared by or at the direction of Buyer or Agency within five (5) business days after the termination and upon Agency's reimbursing Buyer for the costs of such items.

(d) As of the Effective Date and the Close of Escrow, the Property is not presently the subject of any condemnation or similar proceeding, and to the Agency's knowledge, no such condemnation or similar proceeding is currently threatened or pending.

(e) As of the Close of Escrow, there are no management, service, supply or maintenance contracts affecting the Property which shall affect the Property on or following the Close of Escrow.

(f) The Agency has not authorized any broker or finder to act on its behalf in connection with the sale and purchase hereunder and the Agency has not dealt with any broker or finder purporting to act on behalf of the Agency or otherwise.

(g) As of the Close of Escrow, there are no leases or other occupancy agreements affecting the Property which shall affect the Property on or following the Close of Escrow.

(h) As of the Close of Escrow and to the actual knowledge of the Agency, the Agency has not received any written notice from any governmental entity regarding the violation of any law or governmental regulation with respect to the Property, except as may be set forth in Exhibit "F".

7.17 Buyer's Broker(s). Buyer shall pay all commissions and fees that may be payable to any broker, finder or salesperson engaged by Buyer relating to purchase of the Property, if

any, and shall defend, indemnify and hold Agency and City harmless from and against any and all claims, liabilities, losses, damages, costs and expenses relating thereto.

7.18 No Third-Party Beneficiaries other than City. City is a third-party beneficiary of this Agreement, with the right to enforce the provisions hereof. This Agreement is made and entered into for the sole protection and benefit of the Parties and City and their successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the day and year first above written.

AGENCY

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT
AGENCY

BUYER

333 TURNBULL LLC,
a California limited liability company

By: _____
Mark D. Radecki, Chairman

By: _____
Barry C. Levin, Manager

ATTEST:

Diane M. Schlichting, Assistant Secretary

APPROVED AS TO FORM:

James M. Casso, Agency General Counsel

LIST OF EXHIBITS

Exhibit "A" Legal Description of the Property

Exhibit "B" Schedule of Performance

Exhibit "C" Form of Grant Deed

Exhibit "D" Improvements

Exhibit "E" Form of Certificate of Completion

Exhibit "F" List of Environmental Documents

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES, DESCRIBED AS FOLLOWS:

PARCEL 1, OF PARCEL MAP NO. 147, IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 120 PAGES 64 AND 65 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL AND MINERAL RIGHTS, BELOW A DEPTH OF 500 FEET BELOW THE NATURAL SURFACE THEREOF, BUT WITHOUT RIGHT OF SURFACE ENTRY ABOVE SAID 500 FOOT DEPTH, AS RESERVED IN THE DEED RECORDED JUNE 27, 1983 AS INSTRUMENT NO. 83-717532.

APN: 8208-014-900

EXHIBIT "B"

SCHEDULE OF PERFORMANCE

<u>Activity</u>	<u>Time Frame</u>
<u>Initial Deposit</u>	Concurrently with Letter of Intent
<u>Additional Deposit</u>	Within 10 days after the opening of Escrow
<u>Close of Escrow</u>	Within 30 days after the end of the Due Diligence Period
<u>Buyer Submits Plans and Specifications for Improvements</u>	Within 12 months after the Close of Escrow, all as more fully stated in Section 3.1.1
<u>Buyer Completes Construction of Improvements</u>	Completion of Construction within 24 months after Buyer receives all entitlements, permits, and approvals sought by Buyer from each applicable government body, including but not limited to the City, to begin and complete construction of the Improvements planned by Buyer, all as more fully stated in Section 3.1.1.
<u>Issuance of Certificate of Completion.</u> Upon Completion of Construction in conformance with Agreement, the Agency Executive Director or designee shall issue a Certificate of Completion for the Improvements.	After Completion of Construction, all as more fully stated in Section 3.6.1.

EXHIBIT "C"

FORM OF GRANT DEED

RECORDING REQUESTED BY:

CHICAGO TITLE INSURANCE COMPANY

AND WHEN RECORDED RETURN TO:

333 Turnbull LLC
16150 East Stephens Street
City of Industry, California 91745-1718
Attention: Barry C. Levin

GRANT DEED

Documentary Transfer Tax: \$ _____

- computed on full value of property conveyed.
- computed on full value less value of liens and encumbrances remaining.
- Unincorporated area: City of Industry

City Transfer Tax is \$ _____

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 **333 TURNBULL LLC**, a California limited liability company (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.

1. After completion of improvements on the Property, the Grantee and the Grantee's transferees, successors and assigns, shall maintain the Site (including landscaping) in a commercially reasonable condition and repair for a period of fifteen (15) years after the recordation date of this Grant Deed.

2. The Site is conveyed subject to the condition that:

A. 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 California Government Code sections 12955(a) or (d), as those bases are defined in California Government Code sections 12926, 12926.1, 12955(m), 12955(p)(1), and 12955.2, 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 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, the immediately preceding paragraph shall not be construed to apply to housing for older persons, as defined in California Government Code section 12955.9. With respect to familial status, nothing in Paragraph 2(A) shall be construed to affect California Civil Code sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5, relating to housing for senior citizens. California Civil Code sections 51(d), 4760, and 6714, and California Government Code sections 12955(n), (o), and (p) shall apply to the immediately preceding paragraph. The paragraphs in this Paragraph 2.A shall be included in deeds for the Property.

B. In leases for the Property: “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 immediately preceding 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 immediately preceding paragraph.”

C. In contracts for sale of the Property: “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 immediately preceding 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 immediately preceding paragraph.”

3. Paragraph 2 is included only because of California Health and Safety Code Section 33436. Notwithstanding anything else regarding Paragraph 2, Paragraph 2, and all covenants and agreements in this Paragraph 2, shall irrevocably terminate, shall not be covenants running with the land, and may be removed from any deed or document regarding the Property if the content of Paragraph 2 is no longer required by California Health and Safety Code Section 33436, or any other statutory, regulatory, or other governmental provision or court decision allows for its removal.

4. The covenants and agreements contained in Paragraphs 1 and 2 above 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 under the law, and to maintain any legally permitted 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.

5. The Site is subject to a Covenant and Environmental Restriction dated as of November 23, 2010, and recorded on December 2, 2010 in the Official Records of Los Angeles County, California, as Instrument No. 20101768606, which Covenant and Environmental Restriction is attached as Exhibit B hereto.

6. 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.

[Signatures appear on next page.]

IN WITNESS WHEREOF, Grantor and Grantee have caused this Grant Deed to be executed and notarized as of this ____ day of _____, 20__.

GRANTOR

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT
AGENCY

GRANTEE

333 TURNBULL LLC,
a California limited liability company

By: _____
Mark D. Radecki, Chairman

By: _____
Barry C. Levin, Manager

ATTEST:

Diane M. Schlichting, Assistant Secretary

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

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES, DESCRIBED AS FOLLOWS:

PARCEL 1, OF PARCEL MAP NO. 147, IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 120 PAGES 64 AND 65 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL AND MINERAL RIGHTS, BELOW A DEPTH OF 500 FEET BELOW THE NATURAL SURFACE THEREOF, BUT WITHOUT RIGHT OF SURFACE ENTRY ABOVE SAID 500 FOOT DEPTH, AS RESERVED IN THE DEED RECORDED JUNE 27, 1983 AS INSTRUMENT NO. 83-717532.

APN: 8208-014-900

Exhibit B

**COVENANT AND ENVIRONMENTAL RESTRICTION
DATED AS OF NOVEMBER 23, 2010**

RECORDER MEMO: This COPY is NOT an OFFICIAL RECORD.

PAGE 10
7

This page is part of your document



20101768606



Pages:
0817

Recorded/Filed in Official Records
Recorder's Office, Los Angeles County,
California

12/02/10 AT 02:50PM

FEES:	63.00
TAXES:	0.00
OTHER:	0.00
PALD:	63.00

LEADSHEET



201012020070069

00003373230



003022106

SEQ:
02

DAR - Counter (Hard Copy)



THIS FORM IS

RECORDER MEMO: This COPY is NOT an OFFICIAL RECORD

Description: Los Angeles, CA Document-Year.DocID 2010.1768606 Page: 1 of 17
Order: 21 Comment:

RECORDED MEMO: This COPY is NOT an OFFICIAL RECORD.

8

X

Recording Requested By:

Zions First National Bank, A National Banking Association
Attn: Zac Nelson
OREO Manager
Zions First National Bank
1 South Main Street, Ste 500
Salt Lake City, Utah 84133



When Recorded, Mail To:

Samuel Unger, Executive Officer
California Regional Water Quality Control Board
Los Angeles Region
320 W. 4th Street, Suite 200
Los Angeles, California 90013

COVENANT AND ENVIRONMENTAL RESTRICTION
ON PROPERTY

CALMAR
333 TURNBULL CANYON ROAD, CITY OF INDUSTRY, 91745
APN: 8208-014-034
LARWQCB SLIC CASE 102.0055

RECORDED MEMO: This COPY is NOT an OFFICIAL RECORD

This Covenant and Environmental Restriction on Property ("Covenant") is made as of the 23 day of ~~November~~, 2010 by Zions First National Bank, A National Banking Association ("Covenantor") who is the Owner of record of that certain property situated at 333 TURNBULL CANYON ROAD, in the City of INDUSTRY, County of LOS ANGELES, State of California, which is more particularly described in Exhibits A and B attached hereto and incorporated herein by this reference (hereinafter referred to as the "Burdened Property"), for the benefit of the California Regional Water Quality Control Board, Los Angeles Region ("Board"), with reference to the following facts:

A. Nature of Covenant. This Covenant is an environmental covenant provided for by Civil Code section 1471 and required by the Board pursuant to Water Code section [13304 or 13307.1] because the Burdened Property is contaminated by hazardous materials as defined in section 25260 of the Health and Safety Code.

B. Contamination of the Burdened Property. The soil at the Burdened Property was contaminated by exterior waste storage activities conducted by Saint-Gobain Calmar, Inc., a prior owner/operator. The known contamination originally consisted of organic chemicals including tetrachloroethylene, trichloroethylene, benzene and toluene which constitute hazardous materials. By means of site characterization and this covenant, the known contamination has been reduced

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to levels protective for industrial/commercial land use.

C. Exposure Pathways. The contaminants addressed in this Covenant are present in the soil and groundwater at the Burdened Property. Without the mitigation measures which have been performed on the Burdened Property, exposure to these contaminants could take place via in-place contact resulting in inhalation or ingestion. The risk of public exposure to the contaminants has been substantially lessened by the remediation and controls described herein.

D. Land Uses and Population Potentially Affected. The Burdened Property is used for industrial/commercial purposes and is adjacent to industrial/commercial land uses.

E. Disclosure and Sampling. Disclosure of the presence of hazardous materials on the Burdened Property has been made to the Board and extensive sampling of the Burdened Property has been conducted.

F. Use of Burdened Property. Covenantor desires and intends that in order to benefit the Board, and to protect the present and future public health and safety, the Burdened Property shall be used in such a manner as to avoid potential harm to persons or property that might result from any hazardous materials that might remain deposited on portions of the Burdened Property.

ARTICLE I
GENERAL PROVISIONS

1.1 Provisions to Run with the Land. This Covenant sets forth protective provisions, covenants, conditions and restrictions (collectively referred to as "Restrictions") upon and subject to which the Burdened Property and every portion thereof shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed. These Restrictions are reasonably necessary to protect present and future human health and safety or the environment as a result of the presence on the land of hazardous materials. Each and all of the Restrictions shall run with the land and pass with each and every portion of the Burdened Property, and shall apply to, inure to the benefit of, and bind the respective successors, assigns, and lessees thereof for the benefit of the Board and all Owners and Occupants. Each and all of the Restrictions: (a) are imposed upon the entire Burdened Property, unless expressly stated as applicable to a specific portion of the Burdened Property; (b) run with the land pursuant to section 1471 of the Civil Code; and (c) are enforceable by the Board.

1.2 Concurrence of Owners and Lessees Presumed. All purchasers, lessees, and possessors of all or any portion of the Burdened Property shall become Owners or Occupants as defined herein and shall be deemed by their purchase, leasing, or possession of the Burdened Property to be bound by the Restrictions and to agree for and among themselves, their heirs, successors, and assignees, and the agents, employees, and lessees of such owners, heirs, successors, and assignees, that the Restrictions herein established must be adhered to for the benefit of the Board and all Owners and Occupants, and that the interest of all Owners and Occupants of the Burdened Property shall be subject to the Restrictions.

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1.3 Incorporation into Deeds and Leases. Covenantor desires and covenants that the Restrictions shall be incorporated in and attached to each and all deeds and leases of all or any portion of the Burdened Property. Recordation of this Covenant shall be deemed binding on all successors, assigns, and lessees, regardless of whether a copy of this Covenant has been attached to or incorporated into any given deed or lease.

1.4 Purpose. It is the purpose of this instrument to convey to the Board real property rights, which will run with the land, to facilitate the remediation of past environmental contamination and to protect human health and the environment by reducing the risk of exposure to residual hazardous materials.

ARTICLE II
DEFINITIONS

2.1 Board. "Board" shall mean the California Regional Water Quality Control Board, Los Angeles Region and shall include its successor agencies, if any.

2.2 Improvements. "Improvements" shall mean all buildings, structures, roads, driveways, gradings, re-gradings, and paved areas, constructed or placed upon any portion of the Burdened Property.

2.3 Occupant or Occupants. "Occupant" or "Occupants" shall mean Owners and those persons entitled by ownership, leasehold, or other legal relationship to the right to use and/or occupy all or any portion of the Burdened Property.

2.4 Owner or Owners. "Owner" or "Owners" shall mean the Covenantor and Covenantor's successors in interest who hold title to all or any portion of the Burdened Property.

ARTICLE III
DEVELOPMENT, USE AND CONVEYANCE OF THE BURDENED PROPERTY

3.1 Restrictions on Development and Use. Covenantor promises to restrict the use of the Burdened Property as follows:

- a. Development and use of the Burdened Property shall be restricted to industrial, commercial, and/or office space;
- b. No residence for human habitation shall be permitted on the Burdened Property;
- c. No hospitals shall be permitted on the Burdened Property;
- d. No public or private schools for persons under 21 years of age shall be permitted on the Burdened Property;
- e. No care or community centers for children or senior citizens, or other uses that would

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involve the regular congregation of children or senior citizens, shall be authorized on the Burdened Property;

f. No Owner or Occupant shall conduct or permit any excavation work within the area of residual contamination shown on Exhibit B on the Burdened Property, unless expressly permitted in writing by the Board. Any contaminated soils brought to the surface by grading, excavation, trenching, or backfilling shall be managed by the Owner, Owner's agent, Occupant or Occupant's agent in accordance with all applicable provisions of local, state and federal law;

g. Any excavation conducted within the area of residual contamination shown on Exhibit B on the Burdened Property shall be performed pursuant to an appropriate and fully implemented Health and Safety Plan approved by the Board;

h. All uses and development within the area of residual contamination shown on Exhibit B of the Burdened Property shall be consistent with any applicable Board Order or Risk Management Plan, each of which is hereby incorporated herein by reference, and including future amendments thereto. All uses and development shall preserve the integrity of any cap, any remedial measures taken or remedial equipment installed, and any groundwater monitoring system installed on the Burdened Property pursuant to the requirements of the Board, unless otherwise expressly permitted in writing by the Board;

i. No Owner or Occupant shall drill, bore, otherwise construct, or use a well for the purpose of extracting water for any use, including but not limited to, domestic, potable, or industrial uses, unless expressly permitted in writing by the Board; nor shall the Owner or Occupant permit or engage any third party to do such acts;

j. The Owner and Occupant shall notify the Board of each of the following: (1) the type, cause, location and date of any disturbance to any cap, any remedial measures taken or remedial equipment installed, and of the groundwater monitoring system installed on the Burdened Property pursuant to the requirements of the Board, which could affect the ability of such cap or remedial measures, remedial equipment, or monitoring system to perform their respective functions and (2) the type and date of repair of such disturbance. Notifications to the Board shall be made by registered mail within ten (10) working days of both the date of discovery of such disturbance and the date of completion of repairs;

k. The Covenantor agrees that the Board, and any persons acting pursuant to Board orders, shall have reasonable access to the Burdened Property for the purposes of inspection, surveillance, maintenance, or monitoring as provided in Division 7 of the Water Code; and

l. No Owner or Occupant shall act in any manner that threatens or is likely to aggravate or contribute to the existing contaminated conditions of the Burdened Property. All use and development within the area of residual contamination shown on Exhibit B of the Burdened Property shall preserve the integrity of any capped areas.

3.2 Enforcement. Failure of an Owner or Occupant to comply with any of the Restrictions

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b

set forth in Paragraph 3.1 shall be grounds for the Board, by the authority of this Covenant, to require that the Owner or Occupant modify or remove, or cause to be modified or removed, any Improvements constructed in violation of that Paragraph. Violation of this Covenant shall also be grounds for the Board to file civil actions against the Owner or Occupant as provided by law.

3.3 Notice in Agreements. After the date of recordation hereof, all Owners and Occupants shall execute a written instrument which shall accompany all purchase agreements or leases relating to all or any portion of the Burdened Property. Any such instrument shall contain the following statement:

The land described herein contains hazardous materials in soils and in the groundwater under the property, and is subject to a Covenant and Environmental Restriction dated as of November 23, 2010, and recorded on December 2, 2010 in the Official Records of Los Angeles County, California, as Document 20101768606 which Covenant and Environmental Restriction imposes certain covenants, conditions, and restrictions on usage of the property described herein. This statement is not a declaration that a hazard exists.

ARTICLE IV
VARIANCE AND TERMINATION

4.1 Variance. Any Owner or, with the Owner's written consent, any Occupant may apply to the Board for a written variance from the provisions of this Covenant.

4.2 Termination. Any Owner or, with the Owner's written consent, any Occupant may apply to the Board for a termination of the Restrictions as they apply to all or any portion of the Burdened Property.

4.3 Term. Unless terminated in accordance with Paragraph 4.2 above, by law or otherwise, this Covenant shall continue in effect in perpetuity.

ARTICLE V
MISCELLANEOUS

5.1 No Dedication Intended. Nothing set forth herein shall be construed to be a gift or dedication, or offer of a gift or dedication, of the Burdened Property or any portion thereof to the general public.

5.2 Notices. Whenever any person gives or serves any notice, demand, or other communication with respect to this Covenant, each such notice, demand, or other communication shall be in writing and shall be deemed effective (a) when delivered, if personally delivered to the person being served or an official of a government agency being served, or (b) three (3) business days after deposit in the mail if mailed by United States mail, postage paid certified, return receipt requested, addressed:

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If To: "Covenantor"
Zions First National Bank, A National Banking Association
Attn: Zac Nelson
OREO Manager
Zions First National Bank
1 South Main Street, Ste 500
Salt Lake City, Utah 84133

If To: "Board"
Regional Water Quality Control Board
Los Angeles Region
Attention: Executive Officer
320 W. 4th Street, Suite 200
Los Angeles, California 90013

5.3 Partial Invalidity. If any portion of the Restrictions or terms set forth herein is determined by a court having jurisdiction to be invalid for any reason, the remaining portion shall remain in full force and effect as if such portion had not been included herein.

5.4 Recordation. This instrument shall be executed by the Covenantor and by the Executive Officer of the Board. This instrument shall be recorded by the Covenantor in the County of Los Angeles within ten (10) days of the date of execution.

5.5 References. All references to Code sections include successor provisions.

5.6 Construction. Any general rule of construction to the contrary notwithstanding, this instrument shall be liberally construed in favor of the Covenant to preserve and implement the purpose of this instrument and the policies and purposes of the Water Code. If any provision of this instrument is found to be ambiguous, an interpretation consistent with the purpose of this instrument that would render the provision valid shall be favored over any interpretation that would render it invalid.

IN WITNESS WHEREOF, the parties execute this Covenant as of the date set forth above.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURES ON FOLLOWING PAGES]

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Covenantor: Zions First National Bank, A National Banking Association

Print Name: KEVIN H. SHURTLEFF

Signature: [Handwritten Signature]

Title: SENIOR VICE PRESIDENT

Date: 11/23/2010

CERTIFICATE OF ACKNOWLEDGMENT

State of Utah

County of Salt Lake

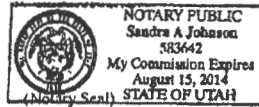
On 11/23, 2010 before me, Sandra A Johnson, Notary Public, personally appeared Kevin H. Shurtluff,

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.

[Handwritten Signature]
Signature of Notary Public



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X

California Regional Water Quality Control Board, Los Angeles Region

Print Name: Samuel Unger

Signature: Samuel Unger

Title: Executive Officer

Date: Dec. 1, 2010

CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of LOS ANGELES

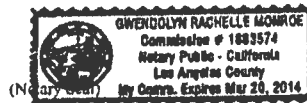
On 12/01, 2010 before me, GWENDOLYN RACHELLE MONROE, Notary Public, personally appeared SAMUEL UNGER,

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.

Gwendolyn Rachelle Monroe
Signature of Notary Public



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EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

PARCEL 1, IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP NO. 147 FILED IN BOOK 120 PAGES 64 AND 65 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL AND MINERAL RIGHTS, BELOW A DEPTH OF 500 FEET BELOW THE NATURAL SURFACE THEREOF, BUT WITHOUT RIGHT OF SURFACE ENTRY ABOVE SAID 500 FOOT DEPTH, AS RESERVED IN THE DEED RECORDED JUNE 27, 1983 AS INSTRUMENT NO. 83-717532.

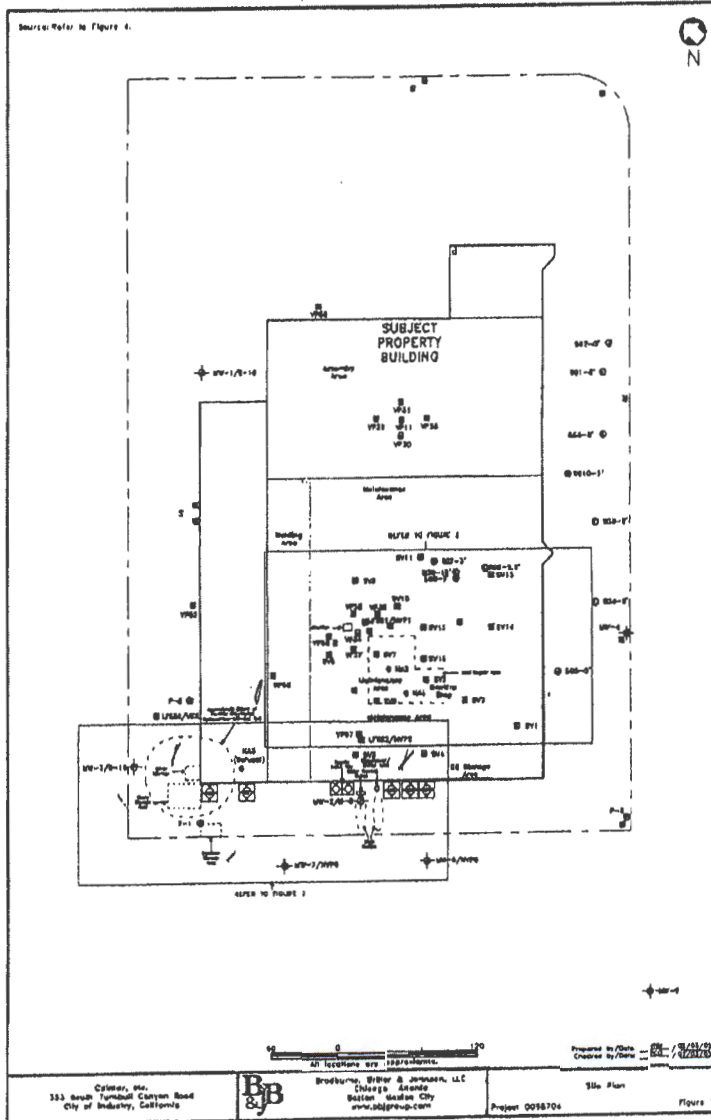
Assessor's Parcel No.: 8208-014-034

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EXHIBIT B

SITE PLAN SHOWING AREA OF RESIDUAL CONTAMINATION



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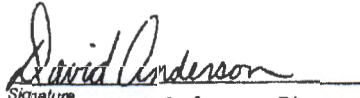
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The attached five (5) pages are attached to clarify the portion of the language on Exhibit 'B' that is not photo-legible for the purposes of recording.

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I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Date 12-2-2010



Signature David Anderson-First Legal Support Services

Norwalk, California
Place of Execution

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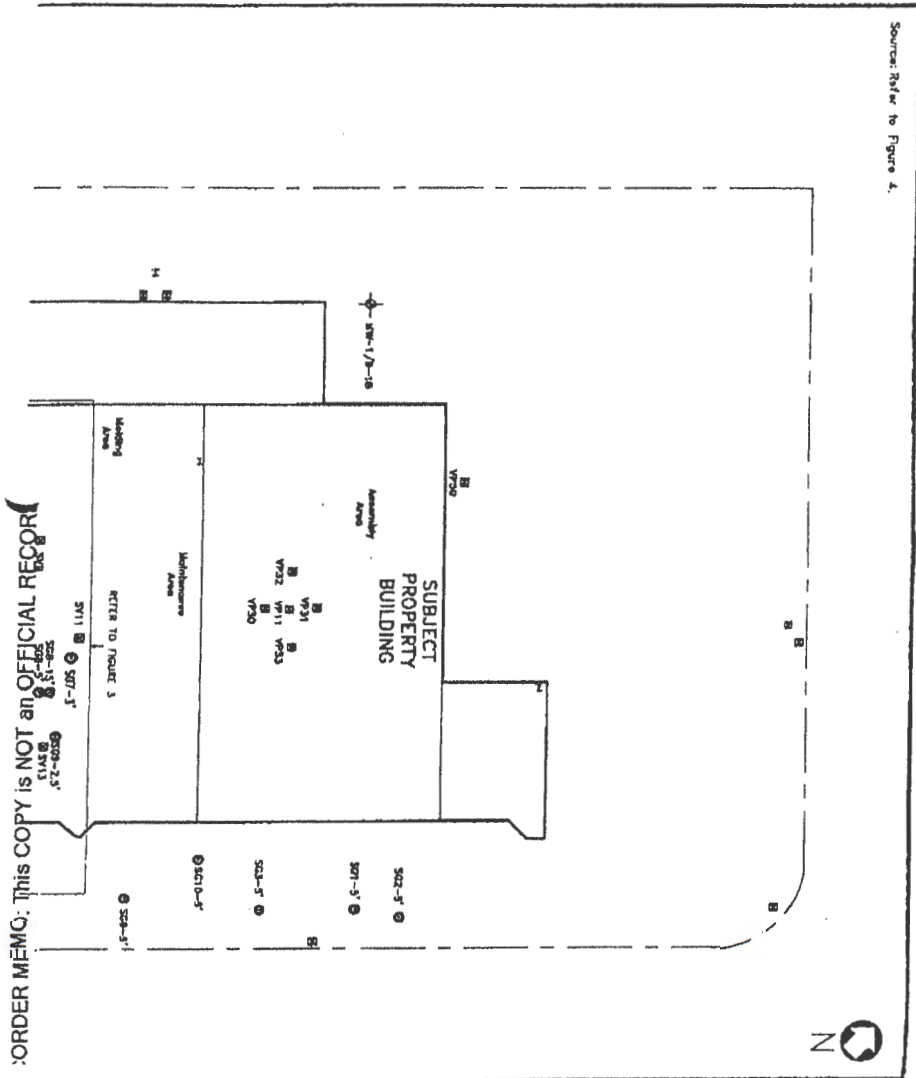
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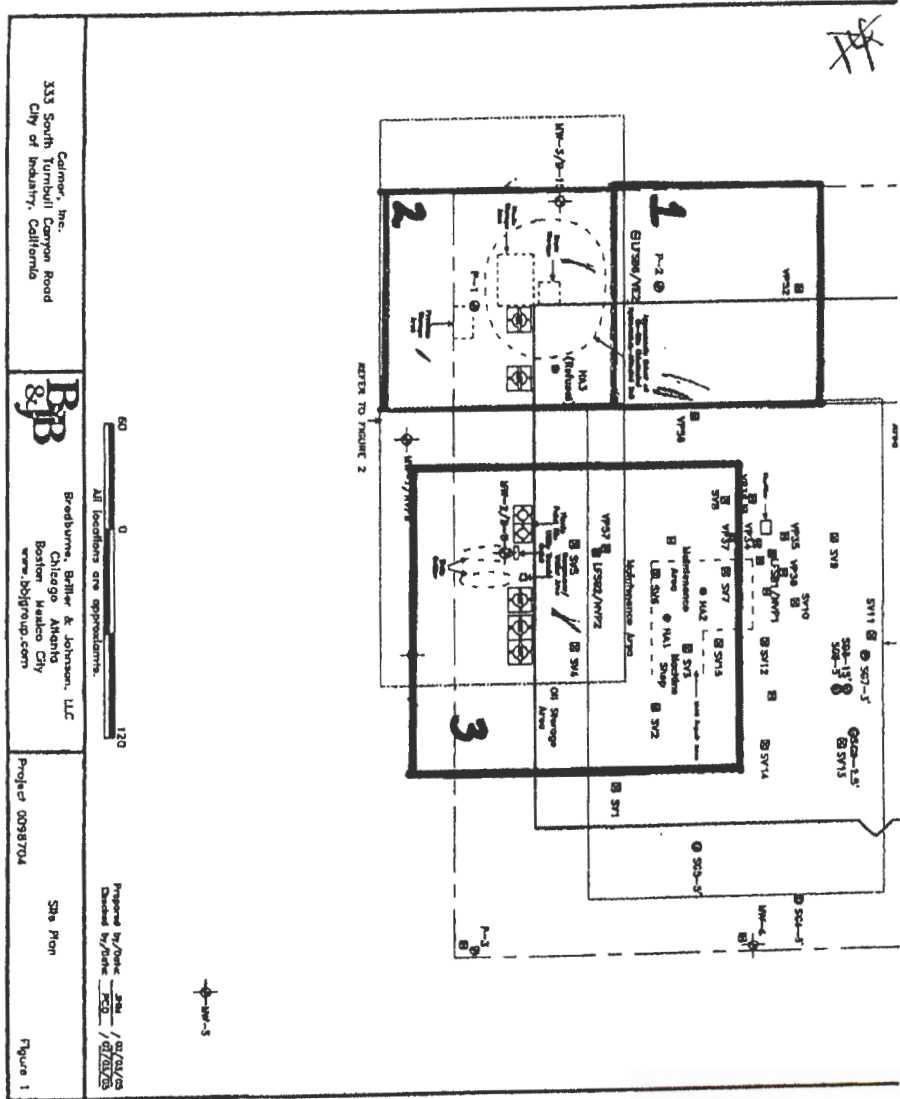
EXHIBIT B

SITE PLAN SHOWING AREA OF RESIDUAL CONTAMINATION



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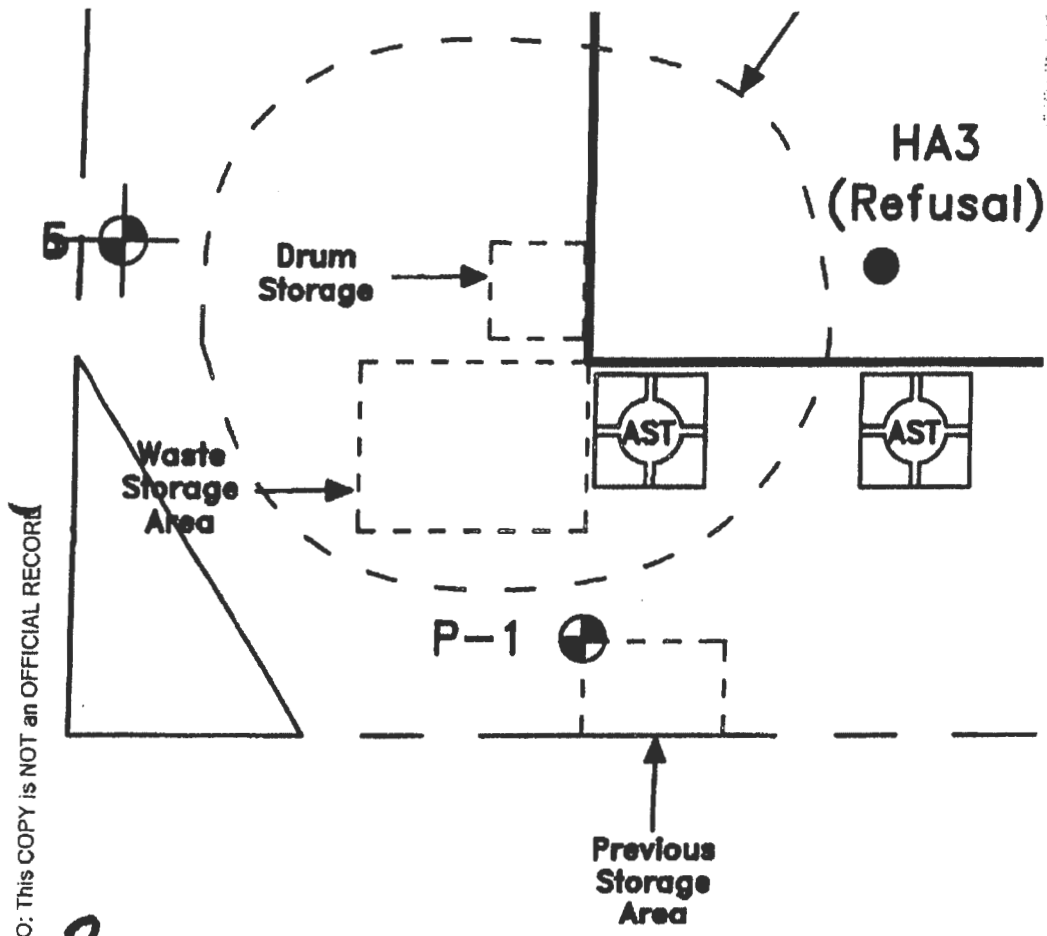
LFSB6/VE2

Approximate Extent of
On-Site Chlorinated
Hydrocarbon-Affected Soil

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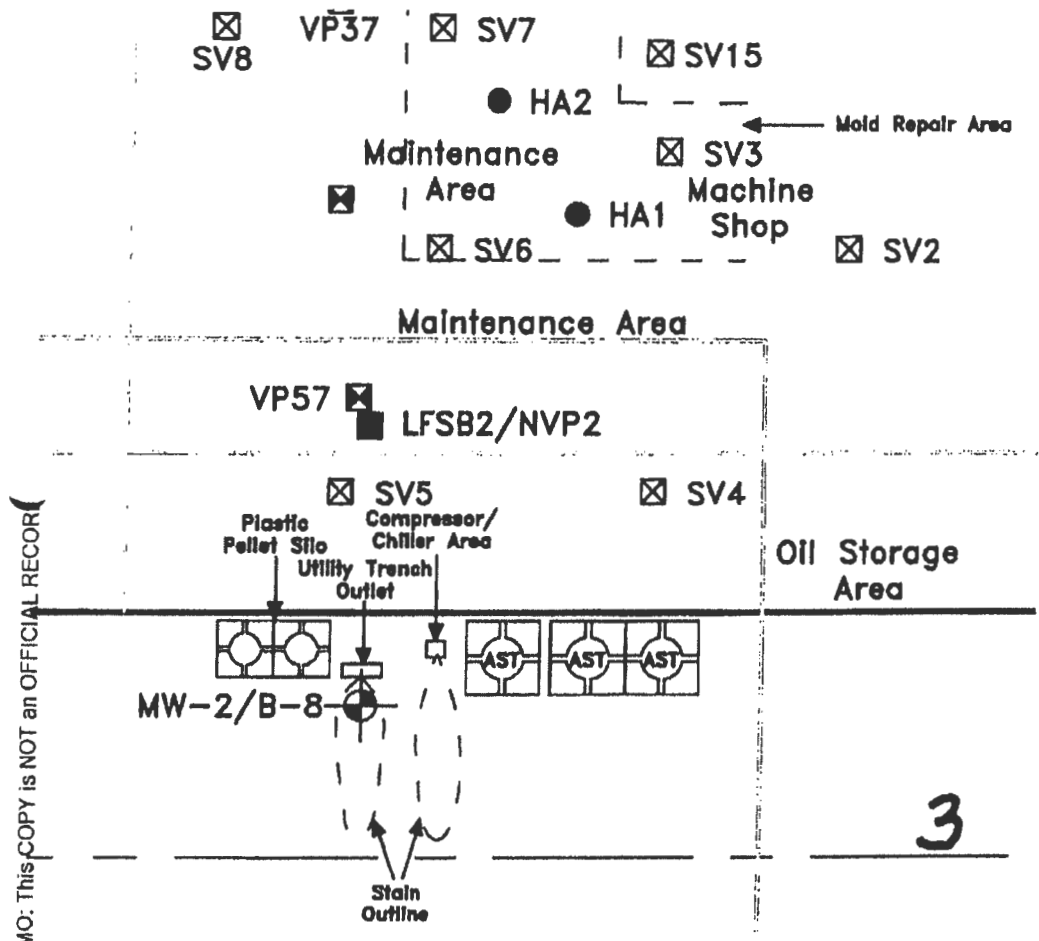
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EXHIBIT "D"

IMPROVEMENTS

Renovate the existing building on the Property or tear down the existing building and construct a new building, all as determined in Buyer's sole and absolute discretion.

EXHIBIT "E"

FORM OF CERTIFICATE OF COMPLETION

RECORDING REQUESTED BY:

333 Turnbull LLC

AND WHEN RECORDED RETURN TO:

333 Turnbull LLC
16150 East Stephens Street
City of Industry, California 91745-1718
Attention: Barry C. Levin

CERTIFICATE OF COMPLETION

This Certificate of Completion is given this ____ day of _____, 20__, with reference to the following matters:

A. The **SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY**, a public body corporate and politic (the "**Agency**") and **333 TURNBULL LLC**, a California limited liability company (the "**Buyer**") entered into that certain Purchase and Sale Agreement and Joint Escrow Instructions 333 Turnbull Canyon Road, City of Industry, dated as of January 13, 2017 (the "**Agreement**"), which Agreement provides, in Section 3.6 thereof, that the Agency shall furnish the Buyer with a Certificate of Completion upon satisfactory completion of the Improvements (as described in the Agreement) on the real property described therein as the Property (the "**Site**"), which certificate shall be in such form as to permit it to be recorded in the Recorder's Office of Los Angeles County; and

B. The Certificate of Completion shall be conclusive determination of satisfactory completion of the construction of Improvements required with respect to the Site; and

C. The Agency has determined that the construction of the Improvements has been satisfactorily performed; and

NOW, THEREFORE, the parties to this instrument hereby provide as follows:

1. As provided in the Agreement, the Agency does hereby certify that the construction of the Improvements on the Site has been satisfactorily performed and completed.

2. This Certificate shall not constitute evidence of compliance with or satisfaction of any obligation of the Buyer to any holder of a mortgage, or deed of trust or any insurer of a mortgage, or deed of trust securing money loaned to finance the improvements or any part thereof.

IN WITNESS WHEREOF, the Agency has executed this Certificate of Completion as of the day and year first above written.

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT AGENCY

By: _____
Name: _____
Title: _____

ATTEST:

Agency Secretary

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 "F"

LIST OF ENVIRONMENTAL DOCUMENTS

2008-2009 Annual Estimation Letter for the Site Cleanup Cost Recovery Program

Soil Gas Monitoring prepared by Levine Fricke

Site Cleanup Program File Review Form

Lead Clean Up and Residual Substance Removal Final Report prepared by Earth Touch

Hazardous Materials Removal Work Plan Building Demolition prepared by Ardent Environmental

2008-2009 Annual Estimation Letter for the Site Cleanup Cost Recovery Program

Additional Information Letter prepared by Bradburne Brillier & Johnson

Response Letter prepared by the United States Environmental Protection Agency

Soil Gas Monitoring prepared by Levine Fricke

Soil Gas Monitoring prepared by Levine Fricke

Semi Annual Data Report for July 1997 Groundwater Sampling and Analysis prepared by Levine Fricke

Data Report for January and July 1996 Groundwater Sampling and Analysis prepared by Levine Fricke

Ground Water Monitoring Report prepared by Levine Fricke

Data Report for Ground Water Sampling and Analysis prepared by Levine Fricke

Work Plan Phase I Soil and Ground Water Investigation prepared by Levine Fricke

Groundwater Study Report prepared by Camp Dresser and McKee

Site Safety Plan for Installation of Gas Probes prepared by The Earth Technology Corporation

Work Plan for Phase II Subsurface Soils Investigation prepared by The Earth Technology Corporation

Soil Management Plan prepared by Ardent Environmental

Waste Storage Area Soil Vapor Study Data Report prepared by Bradburne Brillier & Johnson

Site Investigation Work Plan prepared by Bradburne Brillier & Johnson

Soil and Ground Water Data Summary prepared by Forensic Environmental Services

Annual Data Report for 1999 Groundwater Sampling and Analysis prepared by Levine Fricke

Annual Data Report for 1999 Groundwater Sampling and Analysis prepared by Levine Fricke

Semi Annual Data Report for January 1997 Groundwater Sampling and Analysis prepared by Levine Fricke

Proposed Work Plan for Evaluation for a Soil Cleanup Level Concentration prepared by Levine Fricke

Data Report for Third Quarter Ground Water Sampling and Analysis prepared by Levine Fricke

Revised Work Plan for Conducting Additional Soil and Ground Water Investigation prepared by Levine Fricke

Ground Water Monitoring Report prepared by Levine Fricke

Soil Vapor Study Report prepared by Camp Dresser and McKee

Groundwater Study Report prepared by Camp Dresser and McKee

Preliminary Environmental Assessment prepared by BCL Associates

Environmental Site Audit prepared by BCL Associates

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

ITEM NO. 5.5

RESOLUTION NO. OB 2017-04

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 January 23, 2017, 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 Schlichting, Secretary
Oversight Board of the Successor Agency to the
Industry Urban-Development Agency

I hereby certify that the foregoing is a true and correct copy of the Resolution duly adopted by the Oversight Board of the Successor Agency of the Industry Urban-Development Agency, at a Regularly Scheduled Meeting of the Oversight Board duly called and held at _____ on the 29th day of September, 2016.

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



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: 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

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



Attachment A

DOF Determination Letter, Dated April 12, 2016



April 12, 2016

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

Dear Mr. Phillips:

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

Mr. Paul Philips
April 12, 2016
Page 3

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:

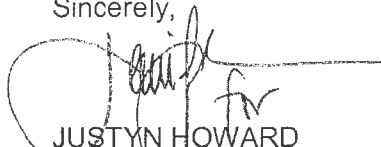
<http://www.dof.ca.gov/redevelopment/ROPS>

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.

Mr. Paul Philips
May 17, 2016
Page 4

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