



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

## **SPECIAL MEETING AGENDA SEPTEMBER 8, 2016 8:00 A.M.**

(Following the conclusion of the Industry Public Utilities Commission Meeting)  
Location: City Council Chamber, 15651 East Stafford Street, City of Industry, California

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### **Addressing the Agency:**

- ▶ **Agenda Items:** *Members of the public may address the Successor Agency 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 Successor Agency is asked to complete a Speaker's Card which can be found at the back of the room and at each 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 Successor Agency.*
- ▶ **Public Comments (Agenda Items Only):** *During oral communications, if you wish to address the Agency Board during this Special Meeting, under Government Code Section 54954.3(a), you may only address the Agency 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 Successor Agency (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 Hall, 15625 East Stafford Street, Suite 100, City of Industry, California, at the office of the Secretary of the Successor Agency during regular business hours, Monday through Friday, 9:00 a.m. to 5:00 p.m.*

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1. Call to Order
  2. Flag Salute
  3. Roll Call
  4. Public Comments
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5. **BOARD MATTERS**

- 5.1 Consideration of the minutes of the May 26, 2016 regular meeting of the Successor Agency to the Industry Urban-Development Agency.

*RECOMMENDED ACTION: Approve the minutes.*

- 5.2 Consideration of the minutes of the June 9, 2016 special meeting of the Successor Agency to the Industry Urban-Development Agency.

*RECOMMENDED ACTION: Approve the minutes, with Board Member Haber abstaining.*

- 5.3 Consideration of Resolution No. SA 2016-15 - A RESOLUTION OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY APPROVING THE PURCHASE AND SALE AGREEMENT BETWEEN THE AGENCY AND THE CITY OF INDUSTRY FOR THE TRES HERMANOS RANCH AND MAKING THE REQUISITE CEQA FINDINGS.

*RECOMMENDED ACTION: Adopt Resolution No. SA 2016-15.*

- 5.4 Consideration of a Contract for an Extension of Electrical Distribution Line at the Industry Business Center between the Successor Agency to the Industry Urban-Development Agency and the Industry Public Utilities Commission for an amount not to exceed \$10,750,000.00.

*RECOMMENDED ACTION: Approve the Contract.*

- 5.5 Consideration of Resolution No. SA 2016-16 - A RESOLUTION OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY OF THE CITY OF INDUSTRY ADOPTING THE AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JANUARY 1, 2017 THROUGH JUNE 30, 2017 (ROPS 16-17B) PURSUANT TO AB x1 26 AS AMENDED BY AB 1484.

*RECOMMENDED ACTION: Adopt Resolution No. SA 2016-16.*

- 5.6 Consideration of Resolution No. SA 2016-17 - A RESOLUTION OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY OF THE CITY OF INDUSTRY APPROVING THE COST ESTIMATE AND AUTHORIZING PAYMENT OF \$3,558,314.94 (PHASE I) FOR WALNUT VALLEY WATER DISTRICT INDUSTRY BUSINESS-EAST WATER DISTRIBUTION SYSTEM (MP 99-31 #16) – ROPS LINE ITEM NO. 205.

*RECOMMENDED ACTION: Adopt Resolution No. SA 2016-17.*

- 5.7 Consideration of a Grant of Easement to the City of Industry from the Successor Agency for a street easement on the northwest corner of Railroad Street and Fullerton Road.

*RECOMMENDED ACTION: Approve the Grant of Easement.*

- 5.8 Consideration of an Agreement between the Successor Agency to the Industry Urban-Development Agency and the City of Walnut for traffic mitigations in the City of Walnut that are required in the Environmental Impact Reports for the Grand Crossing Development (Industry East) and the Industry Business Center.

*RECOMMENDED ACTION: Approve the Agreement.*

- 5.9 Consideration of Change Order No. 60 to C.A. Rasmussen, Inc., in the credit amount of (\$230,151.40) for Bid Quantity Adjustment in conjunction with the Industry Business Center Phase 1 Mass Grading Far West Side, Contract No. IBC-0379, as identified in Line Item No. 276 of the Recognized Obligation Payment Schedule.

*RECOMMENDED ACTION: Approve Change Order No. 60.*

6. **CLOSED SESSION**

6.1 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Pursuant to Government Code Section 54956.9(d)(1)

Case: Successor Agency to the Industry Urban-Development Agency v. Grand Central Recycling & Transfer Statio, Inc., et al.

Los Angeles Superior Court

Case No. BC550794

6.2 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Pursuant to Government Code Section 54956.9(d)(1)

Case: Skyscraper Brewing Company, Inc. v. Successor Agency to the Industry Urban-Development Agency, the City of Industry, Curtis Fresch, and DOES 1 through 100, inclusive.

Pomona Superior Court

Case No. KC068505

7. Adjournment. Next regular Successor Agency meeting will be on Thursday, September 22, 2016, at 8:30 a.m.

*SUCCESSOR AGENCY*

ITEM NO. 5.1

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**CALL TO ORDER**

The Regular Meeting of the Successor Agency to the Industry Urban-Development Agency was called to order by Chairman Radecki at 8:30 a.m., in the City of Industry Council Chamber, 15651 East Stafford Street, California.

**FLAG SALUTE**

The flag salute was led by Chairman Radecki.

**ROLL CALL**

PRESENT: Mark Radecki, Chairman  
Cory Moss, Vice Chairman  
Abraham Cruz, Board Member  
Roy Haber, Board Member  
Newell Ruggles, Board Member

STAFF PRESENT: Paul J. Philips, Executive Director; James M. Casso, Legal Counsel; Diane M. Schlichting, Assistant Secretary; and Clem Calvillo, Agency Engineer.

**PUBLIC COMMENTS**

Mr. Bob Machuca, Sr. Regional Manager of Economic Development and Business Assistance with the Los Angeles County Economic Development Corporation, and also with the San Gabriel Valley Economic Partnership, approached the Board and explained that both entities work to maintain businesses in the area and to help businesses grow. He was working with PRL Glass Systems, provided background information on PRL Glass, and stated that PRL Glass was a bidder on the Agency-owned property located at 13530 Nelson Avenue. If PRL Glass was the successful bidder of the property, they would expand their current facility and create jobs, and provided additional information of the benefits if PRL Glass was approved as the successful bidder. Mr. Machuca responded to questions from Members of the Successor Agency

**CONSIDERATION OF THE MINUTES OF THE FEBRUARY 11, 2016 SPECIAL MEETING OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY**

MOTION BY BOARD MEMBER CRUZ, AND SECOND BY BOARD MEMBER RUGGLES TO APPROVE THE MINUTES. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

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AYES: BOARD MEMBERS: CRUZ, RUGGLES, VC/MOSS, AND C/RADECKI  
NOES: BOARD MEMBERS: NONE  
ABSENT: BOARD MEMBERS: NONE  
ABSTAIN: BOARD MEMBERS: HABER

**CONSIDERATION OF THE MINUTES OF THE FEBRUARY 23, 2016 REGULAR MEETING OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY**

MOTION BY BOARD MEMBER CRUZ, AND SECOND BY BOARD MEMBER HABER TO APPROVE THE MINUTES. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

AYES: BOARD MEMBERS: CRUZ, HABER, RUGGLES, VC/MOSS, AND C/RADECKI  
NOES: BOARD MEMBERS: NONE  
ABSENT: BOARD MEMBERS: NONE  
ABSTAIN: BOARD MEMBERS: NONE

**CONSIDERATION OF RESOLUTION NO. SA 2016-06 - A RESOLUTION OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY APPROVING THE PURCHASE AND SALE AGREEMENT BETWEEN THE AGENCY AND LW INVESTMENTS, LLC, FOR THE PROPERTY LOCATED AT 333 SOUTH HACIENDA BOULEVARD, CITY OF INDUSTRY, AND MAKING THE REQUISITE CEQA FINDINGS**

Executive Director Philips presented a staff report and responded to questions from Members of the Successor Agency.

Legal Counsel Casso provided additional information and responded to questions from Members of the Successor Agency.

MOTION BY VICE CHAIR MOSS, AND SECOND BY BOARD MEMBER CRUZ TO ADOPT RESOLUTION NO. SA 2016-06. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

AYES: BOARD MEMBERS: CRUZ, HABER, RUGGLES, VC/MOSS, AND C/RADECKI  
NOES: BOARD MEMBERS: NONE  
ABSENT: BOARD MEMBERS: NONE  
ABSTAIN: BOARD MEMBERS: NONE

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**CONSIDERATION OF RESOLUTION NO. SA 2016-07 - A RESOLUTION OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY APPROVING THE PURCHASE AND SALE AGREEMENT BETWEEN THE AGENCY AND THE CITY OF INDUSTRY FOR 1123-1135 HATCHER AVENUE, CITY OF INDUSTRY, AND MAKING THE REQUISITE CEQA FINDINGS**

Chairman Radecki recused himself due to a potential or actual conflict of interest.

Board Member Cruz recused himself due to a potential or actual conflict of interest.

Chairman Radecki and Board Member Cruz left the Council Chamber at 8:42 a.m.

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

Vice Chair Moss inquired if there were any questions regarding this item. Vice Chair Moss asked for a motion to adopt Resolution No. SA 2016-07.

**MOTION BY BOARD MEMBER HABER, AND SECOND BY BOARD MEMBER RUGGLES TO ADOPT RESOLUTION NO. SA 2016-07. MOTION CARRIED 3-0, BY THE FOLLOWING VOTE:**

AYES:	BOARD MEMBERS:	HABER, RUGGLES, AND VC/MOSS
NOES:	BOARD MEMBERS:	NONE
ABSENT:	BOARD MEMBERS:	NONE
ABSTAIN:	BOARD MEMBERS:	CRUZ AND C/RADECKI

Chairman Radecki and Board Member Cruz returned to the Council Chamber at 8:45 a.m.

**CONSIDERATION OF RESOLUTION NO. SA 2016-08 - A RESOLUTION OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY APPROVING THE PURCHASE AND SALE AGREEMENT BETWEEN THE AGENCY AND THE CITY OF INDUSTRY FOR 17545 GALE AVENUE, CITY OF INDUSTRY, AND MAKING THE REQUISITE CEQA FINDINGS**

Board Member Ruggles asked for an update relative to the Lease Agreement that was currently in place on the property.

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

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Mr. Curtis Fresch, Infrastructure Development with CNC Engineering, provided additional information relative to the Lease Agreement with Best Buy, and responded to questions from Members of the Successor Agency.

MOTION BY BOARD MEMBER CRUZ, AND SECOND BY BOARD MEMBER RUGGLES TO ADOPT RESOLUTION NO. SA 2016-08. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

AYES:	BOARD MEMBERS:	CRUZ, HABER, RUGGLES, VC/MOSS, AND C/RADECKI
NOES:	BOARD MEMBERS:	NONE
ABSENT:	BOARD MEMBERS:	NONE
ABSTAIN:	BOARD MEMBERS:	NONE

**CONSIDERATION OF RESOLUTION NO SA 2016-09 - A RESOLUTION OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY APPROVING THE PURCHASE AND SALE AGREEMENT BETWEEN THE AGENCY AND THE CITY OF INDUSTRY FOR THE PROPERTY LOCATED AT THE NORTH SIDE OF STAFFORD STREET/WEST OF GLENDORA AVENUE, APN: 8208-025-943, CITY OF INDUSTRY, AND MAKING THE REQUISITE CEQA FINDINGS**

MOTION BY VICE CHAIR MOSS, AND SECOND BY BOARD MEMBER CRUZ TO ADOPT RESOLUTION NO. SA 2016-09. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

AYES:	BOARD MEMBERS:	CRUZ, HABER, RUGGLES, VC/MOSS, AND C/RADECKI
NOES:	BOARD MEMBERS:	NONE
ABSENT:	BOARD MEMBERS:	NONE
ABSTAIN:	BOARD MEMBERS:	NONE

**CONSIDERATION OF RESOLUTION NO. SA 2016-10 - A RESOLUTION OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY APPROVING THE PURCHASE AND SALE AGREEMENT BETWEEN THE AGENCY AND THE CITY OF INDUSTRY FOR 208 WADDINGHAM WAY, CITY OF INDUSTRY, AND MAKING THE REQUISITE CEQA FINDINGS**

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



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MOTION BY BOARD MEMBER CRUZ, AND SECOND BY BOARD MEMBER HABER TO ADOPT RESOLUTION NO. SA 2016-10. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

AYES:	BOARD MEMBERS:	CRUZ, HABER, RUGGLES, VC/ MOSS, AND C/RADECKI
NOES:	BOARD MEMBERS:	NONE
ABSENT:	BOARD MEMBERS:	NONE
ABSTAIN:	BOARD MEMBERS:	NONE

**CONSIDERATION OF A PURCHASE REQUEST TO ISSUE A PURCHASE ORDER TO JC NATIVE PLANTS FOR THE PURCHASE OF NATIVE PLANT MATERIALS FOR THE DIAMOND BAR CREEK HABITAT RESTORATION PROJECT, IN THE AMOUNT OF \$74,880.45, AFFILIATED WITH LINE ITEM NO. 164 OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE**

Agency Engineer Calvillo presented a staff report.

MOTION BY VICE CHAIR MOSS, AND SECOND BY BOARD MEMBER CRUZ TO AUTHORIZE THE EXPENDITURE AND APPROVE THE PURCHASE ORDER. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

AYES:	BOARD MEMBERS:	CRUZ, HABER, RUGGLES, VC/MOSS, AND C/RADECKI
NOES:	BOARD MEMBERS:	NONE
ABSENT:	BOARD MEMBERS:	NONE
ABSTAIN:	BOARD MEMBERS:	NONE

**CONSIDERATION OF CHANGE ORDER NOS. 12, 23-28, 30-57, AND 59 TO C.A. RASMUSSEN, INC., IN THE AMOUNT OF \$371,932.81, FOR ADDITIONAL WORK REQUIRED IN CONJUNCTION WITH THE INDUSTRY BUSINESS CENTER PHASE 1 MASS GRADING FAR WEST SIDE, CONTRACT NO., IBC-0379, AS IDENTIFIED IN LINE ITEM NO. 270 OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE**

Agency Engineer Calvillo presented a staff report and responded to questions from Members of the Successor Agency.

MOTION BY VICE CHAIR MOSS, AND SECOND BY BOARD MEMBER HABER TO APPROVE CHANGE ORDER NOS. 12, 23-28, 30-57, AND 59. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

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AYES: BOARD MEMBERS: CRUZ, HABER, RUGGLES, VC/MOSS, AND C/RADECKI  
NOES: BOARD MEMBERS: NONE  
ABSENT: BOARD MEMBERS: NONE  
ABSTAIN: BOARD MEMBERS: NONE

**CLOSED SESSION**

Assistant Secretary Schlichting announced there was a need for Closed Session as follows:

- 6.1 CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION  
Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2): Two Cases
- 6.2 Conference with real property negotiators pursuant to Government Code Section 54956.8:
- Property: 13530 Nelson Avenue, City of Industry  
Agency Negotiators: Executive Director and Agency Legal Counsel  
Negotiating Parties: Pacific Eastern Properties, LLC, PRL Glass Systems, Inc.  
Under Negotiation: Price and terms of payment
- 6.3 Conference with real property negotiators pursuant to Government Code Section 54956.8:
- Property: 333 Turnbull Canyon Road, City of Industry  
Agency Negotiators: Executive Director and Agency Legal Counsel  
Negotiating Parties: James Randall, Trustee of the James and Eleanor Randall Trust dated June 1, 1993, LW Investments, and Snak King,  
Under Negotiation: Price and terms of payment

There were no public comments on the Closed Session item.

Chairman Radecki recessed the meeting into Closed Session at 9:00 a.m.

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**RECONVENE SUCCESSOR AGENCY BOARD MEETING**

Chairman Radecki reconvened the meeting at 10:54 a.m. All members of the Board were present.

Legal Counsel Casso reported out of Closed Session.

With regard to Closed Session Item No. 6.1, only one case was discussed. Direction was given to Agency Legal Counsel. No further action was taken.

With regard to Closed Session Item Nos. 6.2 and 6.3, direction was given to the Executive Director and Agency Legal Counsel. No further action was taken.

**ADJOURNMENT**

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

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Mark D. Radecki, Chairman

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Diane M. Schlichting, Assistant Secretary

*SUCCESSOR AGENCY*

ITEM NO. 5.2

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

The Special Meeting of the Successor Agency to the Industry Urban-Development Agency was called to order by Chairman Radecki at 10:15 a.m., in the City of Industry Council Chamber, 15651 East Stafford Street, California.

**FLAG SALUTE**

The flag salute was led by Chairman Radecki.

**ROLL CALL**

PRESENT: Mark Radecki, Chairman  
Cory Moss, Vice Chairman  
Abraham Cruz, Board Member  
Newell Ruggles, Board Member

ABSENT: Roy Haber, Board Member

STAFF PRESENT: Paul J. Philips, Executive Director; James M. Casso, Legal Counsel; and Diane M. Schlichting, Assistant Secretary.

**PUBLIC COMMENTS**

There were no public comments.

**CONSIDERATION OF A FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH THE PUN GROUP, LLP, TO PROVIDE ANNUAL FINANCIAL STATEMENT AUDITS FOR THE YEARS ENDING JUNE 30, 2016 AND JUNE 30, 2017 WITH AN OPTION FOR TWO (2) ONE-YEAR EXTENSIONS FOR THE YEARS ENDING JUNE 30, 2018 AND JUNE 30, 2019**

MOTION BY BOARD MEMBER CRUZ, AND SECOND BY VICE CHAIR MOSS TO APPROVE THE FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

AYES:	BOARD MEMBERS:	CRUZ, RUGGLES, VC/MOSS, AND C/RADECKI
NOES:	BOARD MEMBERS:	NONE
ABSENT:	BOARD MEMBERS:	HABER
ABSTAIN:	BOARD MEMBERS:	NONE

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**CONSIDERATION OF RESOLUTION NO. SA 2016-11 - A RESOLUTION OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, CALIFORNIA, APPROVING AND ADOPTING THE FY 2016-17 PROPOSED SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY BUDGET**

MOTION BY VICE CHAIR MOSS, AND SECOND BY BOARD MEMBER CRUZ TO ADOPT RESOLUTION NO. SA 2016-11. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

AYES:	BOARD MEMBERS:	CRUZ, RUGGLES, VC/MOSS, AND C/RADECKI
NOES:	BOARD MEMBERS:	NONE
ABSENT:	BOARD MEMBERS:	HABER
ABSTAIN:	BOARD MEMBERS:	NONE

**ADJOURNMENT**

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

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Mark D. Radecki, Chairman

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Diane M. Schlichting, Assistant Secretary

*SUCCESSOR AGENCY*

ITEM NO. 5.3



*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: James M. Casso, Agency Counsel

DATE: September 8, 2016

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

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

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

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

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

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

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

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



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

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

Attachments:

Resolution

Purchase and Sale Agreement

**RESOLUTION NO. SA 2016-15**

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY APPROVING THE PURCHASE AND SALE AGREEMENT BETWEEN THE AGENCY AND THE CITY OF INDUSTRY FOR THE TRES HERMANOS RANCH AND MAKING THE REQUISITE CEQA FINDINGS**

**WHEREAS**, on December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos* (“*Matosantos*”), finding Assembly Bill X1 26 (the “Dissolution Act”) largely constitutional; and

**WHEREAS**, under the Dissolution Act and the California Supreme Court’s decision in *Matosantos*, all California redevelopment agencies, including the Industry Urban-Development Agency of the City of Industry (“Agency”), were dissolved on February 1, 2012, and successor agencies, including the Agency, were designated and vested with the responsibility of winding down the business and fiscal affairs of the former redevelopment agencies; and

**WHEREAS**, on September 22, 2011, the City Council of the City of Industry (the “City”) adopted Resolution No. 2011-20 accepting for the City the role of Successor Agency, in accordance with the provisions of Health & Safety Code Section 34177(j); and

**WHEREAS**, under the provisions of Health & Safety Code Section 34191.4, once the Department of Finance (“Department”) issues a finding of completion, successor agencies are provided with additional authority to carry out the wind down process; and

**WHEREAS**, in accordance with Health & Safety Code Section 34191.5, after the issuance of a finding of completion, successor agencies are required to prepare a Long Range Property Management Plan (“LRPMP”), which must identify all Agency-owned real property, and address the disposition and use of the real properties; and

**WHEREAS**, the Agency received its Finding of Completion from the Department on April 26, 2013; and

**WHEREAS**, the LRPMP was submitted to the Department, and was approved by the Department on February 21, 2014; and

**WHEREAS**, upon approval of the LRPMP by the Department, all Agency property was transferred to the Agency’s Community Redevelopment Property Trust Fund; and

**WHEREAS**, the Agency owns certain property commonly known as the Tres Hermanos Ranch located in Los Angeles and San Bernardino Counties, California (the “Property”). The Property Ranch consists of 2,450 acres and is designated by APNs: 8701-021-271, 8701-022-270 and 273 (Los Angeles County); 1000-011-19, 20, 21 and 22, 1000-021-13 and 14; 1000-031-14 and 15 (San Bernardino County) (collectively, the “Property”); and

**WHEREAS**, pursuant to the provisions of the LRPMP, the Agency desires to sell the Property at its highest and best use, maximizing its value, in furtherance of the economic goals and as provided for in the City's General Plan; and

**WHEREAS**, the Agency desires to sell the Property to the City, pursuant to a Purchase and Sale Agreement and Joint Escrow Instructions (the "Agreement"), dated September 8, 2016. The purchase price is \$41,650,000.00, which represents an amount equal to or greater than the current fair market value of the Property, as determined by John Laurain of R. P. Laurain & Associates, Inc.; and

**WHEREAS**, the purchase of the Property is exempt from the California Environmental Quality Act ("CEQA") (Public Resources Code Section 21000 *et seq.*), pursuant to Section 15061(b)(3) of the CEQA Guidelines. Section 15061(b)(3) of the CEQA Guidelines exempts projects covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The sale of the property does not involve any land use entitlements that will allow for development on the property. The sale would not create any public health or safety hazards and would not have a significant impact on the resources or services within the surrounding area, such as water, sanitary services, surrounding roadways and intersections. Any future development at the property will be subject to additional environmental review and independent analysis as required by CEQA; and

**WHEREAS**, the Agency has duly considered all terms and conditions of the proposed Agreement and believes that the redevelopment of the Property in accordance therewith is in the best interests of the Agency and the health, safety and welfare of its residents, maximizes value, is consistent with the provisions of the LRPMP, and is consistent with the public purposes and provisions of applicable state and local laws and requirements.

**NOW, THEREFORE, THE SUCCESSOR AGENCY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:**

**SECTION 1.** The above recitals are true and correct and are incorporated herein by reference.

**SECTION 2.** All necessary public hearings and opportunities for public testimony and comment have been conducted in compliance with State law and the Municipal Code of the City of Industry.

**SECTION 3.** The purchase of the Property is exempt from the California Environmental Quality Act ("CEQA") (Public Resources Code Section 21000 *et seq.*), pursuant to Section 15061(b)(3) of the CEQA Guidelines. Section 15061(b)(3) of the CEQA Guidelines exempts projects covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The sale of the property does not involve any land use entitlements that will allow for development on the property. The sale would not create any public health or safety hazards and would not have a significant impact on the resources or services within the surrounding area, such as water, sanitary services, surrounding roadways and intersections. Any future development at the

property will be subject to additional environmental review and independent analysis as required by CEQA.

Based on these findings, the City Council adopts the Notice of Exemption and direct staff to file same as required by law, and affirm their respective approval of the purchase and sale of the Property.

**SECTION 4.** The Agency hereby directs staff to comply with all applicable statutes regarding the distribution of the sales proceeds to the Los Angeles County Auditor-Controller for distribution to the taxing entities.

**SECTION 5.** The Executive Director is hereby authorized to take such further actions as may be necessary to carry out the obligations set forth in this Resolution.

**SECTION 6.** The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

**SECTION 7. Certification.** The Agency Secretary shall certify to the passage and adoption of this Resolution and enter it into the respective book of original resolutions.

**SECTION 8. Effective Date.** This Resolution shall take effect immediately upon adoption.

**PASSED, APPROVED, AND ADOPTED** this 8<sup>th</sup> day of September 2016, by the following vote:

AYES:            AGENCY BOARD MEMBERS:

NOES:            AGENCY BOARD MEMBERS:

ABSENT:        AGENCY BOARD MEMBERS:

ABSTAIN:       AGENCY BOARD MEMBERS:

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Mark D. Radecki, Chairman

ATTEST:

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Diane M. Schlichting, Assistant Secretary

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

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

**RECITALS**

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

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

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

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

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

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

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

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

### 3. ESCROW.

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

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

### 4. CONDITIONS TO CLOSING.

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

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

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

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

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

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

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

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

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

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

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

## 5. REPRESENTATIONS AND WARRANTIES.

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

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

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

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

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

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



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

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

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

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

City's Initials

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

## 7. CLOSE OF ESCROW.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15. **MISCELLANEOUS.**

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

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

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

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

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

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

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

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

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

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

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

\_\_\_\_\_  
SELLER'S INITIALS

\_\_\_\_\_  
BUYER'S INITIALS

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

[SIGNATURES ON NEXT PAGE]

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

**CITY OF INDUSTRY**

By: \_\_\_\_\_  
Mark D. Radecki, Mayor

ATTEST:

\_\_\_\_\_  
Cecelia Dunlap, Deputy City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
James M. Casso, City Attorney

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

By: \_\_\_\_\_  
Mark D. Radecki, Chairman

ATTEST:

\_\_\_\_\_  
Diane M. Schlichting, Assistant Secretary

APPROVED AS TO FORM:

By: \_\_\_\_\_  
James M. Casso, Agency Counsel

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT "A"  
Legal No. 899

LEGAL DESCRIPTION

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

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

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

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

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

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

PARCEL A:

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



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

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

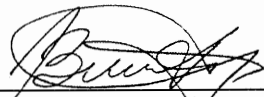

SOUTH 80° 26' 22" WEST 357.29 FEET, NORTH 39° 50' 49" WEST 184.88 FEET; NORTH 08° 58' 26" WEST, 186.31 FEET TO THE SOUTHWESTERLY LINE OF PARCEL 1 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 83 PAGES 62 AND 63 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID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

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

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

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

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

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



LEGAL DESCRIPTION

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

PARCEL NO. 1:

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

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

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

PARCEL NO. 2:

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

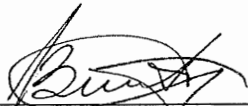
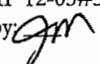
EXCEPT THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 83, OFFICIAL RECORDS.

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

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

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

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

  
\_\_\_\_\_  
VLADISLAV SKREJEV, PLS 8363  
CNC Engineering  
Job No. MP 12-03#3 Legal No.900  
Checked by  August 30, 2016



**EXHIBIT B**  
**TITLE REPORT**

(See Attached.)

**Updated 09/01/2016**



**First American Title Company  
National Commercial Services**

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

September 01, 2016

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

Customer Reference: Urban-Development Agency

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

Order Number: NCS-489345-SA1

Property: No Site Address, Diamond Bar, CA

Attached please find the following item(s):

Commitment

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

***Customer First!***

*First American Title Insurance Company*

**First American Title Insurance Company**  
**INFORMATION**

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

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

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

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

This information is not part of the title insurance commitment.

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Schedule B-1 - Requirements	
Schedule B-2 - Exceptions	
Conditions	

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

COMMITMENT FOR TITLE INSURANCE

Issued by

*First American Title Insurance Company*

Agreement to Issue Policy

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

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

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

Our obligation under this Commitment is limited by the following:

The Provisions in Schedule A.

The Requirements in Schedule B-1.

The Exceptions in Schedule B-2.

The Conditions.

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



**SCHEDULE A**

1. Commitment Date: August 22, 2016 at 7:30 A.M.
2. Policy or Policies to be issued: Amount
  - (A) ALTA Owner's Policy \$TBD  
Proposed Insured:  
  
To Be Determined
  - (B) ALTA Extended Loan Policy-2006 \$TBD  
Proposed Insured:  
  
To Be Determined
3. (A) The estate or interest in the land described in this Commitment is:  
  
Fee Simple  
  
(B) Title to said estate or interest at the date hereof is vested in:  
  
City of Industry, a municipal corporation (Los Angeles County) and Successor Agency to the Industry Urban-Development Agency (San Bernardino County)
4. The land referred to in this Commitment is situated in the City of Diamond Bar, County of Los Angeles, State of California, and is described as follows:  
  
PARCEL I: (Los Angeles County)  
  
A PORTION OF SECTION 1 AND ALL OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, DESCRIBED AS FOLLOWS:  
  
BEGINNING AT THE SOUTHWEST CORNER OF SECTION 12; THENCE EAST 80 CHAINS TO THE SOUTHEAST CORNER OF SECTION 12; THENCE NORTH 80 CHAINS TO THE NORTHEAST CORNER OF SAID SECTION 12; THENCE ON A COURSE OF ABOVE NORTH 61° 28' WEST 90.83 CHAINS MORE OR LESS, TO A POINT IN THE WEST LINE OF SAID SECTION 1, DISTANT 43.02 CHAINS NORTH OF THE SOUTHWEST CORNER THEREOF;  
THENCE SOUTH ALONG THE WEST LINES OF SAID SECTION 1 AND 12 TO THE POINT OF BEGINNING.  
  
EXCEPT THEREFROM THAT PORTION THEREOF INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED ON JULY 05, 1968 AS INSTRUMENT NO. 399 IN BOOK D-4405 PAGE 993 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.  
  
ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEEDS TO THE STATE OF CALIFORNIA, RECORDED ON NOVEMBER 17, 1971 AS INSTRUMENTS NO. 253 AND 254 IN BOOK D-5259 PAGES 626 AND 630 OF OFFICIAL RECORDS IN SAID COUNTY RECORDER.  
  
ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND,

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

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

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

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

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

PARCEL II: (San Bernardino County)

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

PARCEL NO. 1:

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

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

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

PARCEL NO. 2:

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

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

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

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

## SCHEDULE B

### SECTION ONE REQUIREMENTS

The following requirements must be met:

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

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

- (H) Provide information regarding any off-record matters, which may include, but are not limited to: leases, recent works of improvement, or commitment statements in effect under the Environmental Responsibility Acceptance Act, Civil Code Section 850, et seq.  
  
The Company's Owner's Affidavit form(as provided by company) must be completed and submitted prior to close in order to satisfy this requirement. This Commitment will then be subject to such further exceptions and/or requirements as may be deemed necessary.
- (I) An ALTA/ACSM survey of recent date, which complies with the current minimum standard detail requirements for ALTA/ACSM land title surveys, must be submitted to the Company for review. This Commitment will then be subject to such further exceptions and/or requirements as may be deemed necessary.
- (J) The following LLC documentation is required:
  - (i) a copy of the Articles of Organization
  - (ii) a copy of the Operating Agreement, if applicable
  - (iii) a Certificate of Good Standing and/or other evidence of current Authority to Conduct Business within the State
  - (iv) express Company Consent to the current transaction

- (K) The following partnership documentation is required :
  - (i) a copy of the partnership agreement, including all applicable amendments thereto
  - (ii) a Certificate of Good Standing and/or other evidence of current Authority to Conduct Business within the State
  - (iii) express Partnership Consent to the current transaction
  
- (L) The following corporation documentation is required:
  - (i) a copy of the Articles of Incorporation
  - (ii) a copy of the Bylaws, including all applicable Amendments thereto
  - (iii) a Certificate of Good Standing and/or other evidence of current Authority to Conduct Business within the State
  - (iv) express Corporate Resolution consenting to the current transaction
  
- (M) Based upon the Company's review of that certain partnership/operating agreement dated **Not disclosed** for the proposed insured herein, the following requirements must be met:

Any further amendments to said agreement must be submitted to the Company, together with an affidavit from one of the general partners or members stating that it is a true copy, that said partnership or limited liability company is in full force and effect, and that there have been no further amendments to the agreement. This Commitment will then be subject to such further requirements as may be deemed necessary.
  
- (N) A copy of the complete lease, as referenced in Schedule A, #3 herein, together with any amendments and/or assignments thereto, must be submitted to the Company for review, along with an affidavit executed by the present lessee stating that it is a true copy, that the lease is in full force and effect, and that there have been no further amendments to the lease. This Commitment will then be subject to such further requirements as may be deemed necessary.
  
- (O) Approval from the Company's Underwriting Department must be obtained for issuance of the policy contemplated herein and any endorsements requested thereunder. This Commitment will then be subject to such further requirements as may be required to obtain such approval.
  
- (P) Potential additional requirements, if ALTA Extended coverage is contemplated hereunder, and work on the land has commenced prior to close, some or all of the following requirements, and any other requirements which may be deemed necessary, may need to be met:
  
  
- (Q) The Company's "Mechanic's Lien Risk Addendum" form must be completed by a Company employee, based upon information furnished by the appropriate parties involved.
  
- (R) The Company's "Indemnity Agreement I" must be executed by the appropriate parties.
  
- (S) Financial statements from the appropriate parties must be submitted to the Company for review.
  
- (T) A copy of the construction contract must be submitted to the Company for review.
  
- (U) An inspection of the land must be performed by the Company for verification of the phase of construction.

**SCHEDULE B**

**SECTION TWO**

**EXCEPTIONS**

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

**The Following Matters Affect Los Angeles County:**

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

**The Following Matters Affect San Bernardino County:**

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

- |  |                |                   |
|--|----------------|-------------------|
|  | Penalty:       | \$0.00            |
|  | Tax Rate Area: | 024034            |
|  | A. P. No.:     | 1000-031-14-0-000 |
7. General and special taxes and assessments for the fiscal year 2015-2016.
- |  |                     |                   |
|--|---------------------|-------------------|
|  | First Installment:  | \$3,799.41, PAID  |
|  | Penalty:            | \$0.00            |
|  | Second Installment: | \$3,799.38, PAID  |
|  | Penalty:            | \$0.00            |
|  | Tax Rate Area:      | 024034            |
|  | A. P. No.:          | 1000-031-15-0-000 |
8. General and special taxes and assessments for the fiscal year 2015-2016.
- |  |                     |                   |
|--|---------------------|-------------------|
|  | First Installment:  | \$3,750.80, PAID  |
|  | Penalty:            | \$0.00            |
|  | Second Installment: | \$3,750.78, PAID  |
|  | Penalty:            | \$0.00            |
|  | Tax Rate Area:      | 024034            |
|  | A. P. No.:          | 1000-021-13-0-000 |
9. General and special taxes and assessments for the fiscal year 2015-2016.
- |  |                     |                   |
|--|---------------------|-------------------|
|  | First Installment:  | \$5,762.19, PAID  |
|  | Penalty:            | \$0.00            |
|  | Second Installment: | \$5,762.15, PAID  |
|  | Penalty:            | \$0.00            |
|  | Tax Rate Area:      | 024034            |
|  | A. P. No.:          | 1000-021-14-0-000 |
10. General and special taxes and assessments for the fiscal year 2015-2016.
- |  |                     |                   |
|--|---------------------|-------------------|
|  | First Installment:  | \$1,855.21, PAID  |
|  | Penalty:            | \$0.00            |
|  | Second Installment: | \$1,855.20, PAID  |
|  | Penalty:            | \$0.00            |
|  | Tax Rate Area:      | 024034            |
|  | A. P. No.:          | 1000-011-19-0-000 |
11. General and special taxes and assessments for the fiscal year 2015-2016.
- |  |                     |                   |
|--|---------------------|-------------------|
|  | First Installment:  | \$1,846.30, PAID  |
|  | Penalty:            | \$0.00            |
|  | Second Installment: | \$1,846.26, PAID  |
|  | Penalty:            | \$0.00            |
|  | Tax Rate Area:      | 024034            |
|  | A. P. No.:          | 1000-011-20-0-000 |
12. General and special taxes and assessments for the fiscal year 2015-2016.
- |  |                     |                   |
|--|---------------------|-------------------|
|  | First Installment:  | \$717.76, PAID    |
|  | Penalty:            | \$0.00            |
|  | Second Installment: | \$717.74, PAID    |
|  | Penalty:            | \$0.00            |
|  | Tax Rate Area:      | 024034            |
|  | A. P. No.:          | 1000-011-21-0-000 |



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

**The Following Matters Affect Los Angeles County Properties:**

15. The effect of the recital contained in the deed affecting said land from Chandis Securities Company, et al to the State of California, recorded July 05, 1968, Document No. 399 of Official Records which recites:
- "This conveyance is made for the purpose of a freeway and adjusted frontage road and the grantor hereby releases and relinquishes to the grantee any and all abutters rights including access rights appurtenant to grantor's remaining property in and to said freeway."
16. A waiver affecting said land in favor of the State of California of any claims for any and all damages to said land by reason of the location, constructions, landscaping and maintenance of highway or freeway contiguous thereto as contained in the deed recorded on November 17, 1971 as Document Nos. 253 and 254 of Official Records.
17. An easement for tunnel and incidental purposes, recorded March 07, 1975 as Instrument No. 283 of Official Records.
- |              |  |
|--------------|--|
| In Favor of: | The Metropolitan Water District of Southern California, a public corporation |
| Affects:     | As described therein   |
18. An easement for fill and slope and incidental purposes, recorded March 07, 1975 as Instrument No. 284 of Official Records.
- |              |  |
|--------------|--|
| In Favor of: | The Metropolitan Water District of Southern California, a public corporation |
| Affects:     | As described therein   |
19. A temporary easement for construction of water pipelines and incidental purposes, recorded March 07, 1975 as Instrument No. 285 of Official Records.
- |              |  |
|--------------|--|
| In Favor of: | The Metropolitan Water District of Southern California, a public corporation |
| Affects:     | As described therein   |
20. A temporary easement for construction of water pipelines and incidental purposes, recorded March 07, 1975 as Instrument No. 286 of Official Records.
- |              |  |
|--------------|--|
| In Favor of: | The Metropolitan Water District of Southern California, a public corporation |
| Affects:     | As described therein   |

21. An easement for road and incidental purposes, recorded March 07, 1975 as Instrument No. 287 of Official Records.  
In Favor of: The Metropolitan Water District of Southern California, a public corporation  
Affects: As described therein
22. Terms and provisions of an unrecorded lease dated November 01, 1975, by and between Josephine Scott Crocker, as Trustee, WM. Keith Scott, as Trustee, Delia P. Scott, as Trustee, and Chandis Securities Company, a corporation as lessor and Harold Guy Arnold as lessee, as disclosed by a Grant Deed recorded February 01, 1978 as Instrument No. 78-119743 of Official Records.  
  
Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records are not shown herein.
23. An easement for slopes and incidental purposes, recorded April 07, 1993 as Instrument No. 93-653578 of Official Records.  
In Favor of: Pomona Unified School District, a public agency organized under the laws of the State of California  
Affects: As described therein
24. An easement for slope and storm drain purposes and incidental purposes, recorded August 25, 1995 as Instrument No. 95-1398248 of Official Records.  
In Favor of: County of San Bernardino  
Affects: As described therein

**The Following Matters Affect San Bernardino County Properties:**

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

32. An easement for gas pipe lines and incidental purposes, recorded March 23, 1951 as Book 2738, Page 28 of Official Records.  
In Favor of: Southern California Gas Company and Southern Counties Gas Company of California  
Affects: As described therein
33. Terms and conditions set forth in deeds recorded in Book 8630, Page 83, in Book 8360, Page 92 and in Book 8630, Page 104, all of Official Records.
34. An easement for fill and slope and incidental purposes, recorded March 07, 1975 as Book 8630, Page 114 of Official Records.  
In Favor of: The Metropolitan Water District of Southern California  
Affects: As described therein
35. An easement for road and incidental purposes, recorded March 07, 1975 as Book 8630, Page 166 of Official Records.  
In Favor of: Metropolitan Water District of Southern California  
Affects: As described therein
36. Terms and provisions of an unrecorded lease dated November 01, 1975, by and between Josephine Scott Crocker, as Trustee, Wm. Keith Scott, as Trustee, Delia P. Scott, as Trustee, and Chandis Securities Company, a corporation as lessor and Harold Guy Arnold as lessee, as disclosed by a Grant Deed recorded February 01, 1978 as Book 9359, Page 145 of Official Records.
- Defects, liens, encumbrances or other matters affecting the leasehold estate, whether or not shown by the public records are not shown herein.
37. Any boundary discrepancies or rights which may exist or arise by reason of that record of survey recorded in Book 3, Page 72, Records of Survey.
38. Any boundary discrepancies or rights which may exist or arise by reason of that record of survey recorded in Book 38, Pages 54 to 56, inclusive, Records of Survey.
39. A Deed of Trust to secure an original indebtedness of \$7,000,000.00 recorded May 18, 1983 as Instrument no. 83-107902 of Official Records.  
Dated: May 01, 1983  
Trustor: Industry Urban-Development Agency, a public body, corporate and politic  
Trustee: First American Title Insurance Company, a California corporation  
Beneficiary: Bank of American National Trust and Savings Association  
Affects: The land and other property.
- A full reconveyance of said Deed of Trust above mentioned was recorded September 13, 1985, as Instrument No. 85-225182, Official Records.
40. An easement for slope and drainage and incidental purposes, recorded June 07, 1988 as Instrument No. 88-180373 of Official Records.  
In Favor of: The County of San Bernardino  
Affects: As described therein

41. The effect of that certain license for diversion and use of water, dated March 08, 1989, recorded April 04, 1989 as Instrument No. 89-118472 of Official Records.
42. An easement for equestrian and hiking trail and incidental purposes, recorded April 19, 1989 as Instrument No. 89-138944 of Official Records.  
In Favor of: The County of Los Angeles  
Affects: As described therein  
  
(Affects Parcel Nos. 1 and 2)  
  
Assignment and Assumption of Easements recorded August 01, 2003 as Instrument No. 2003-0569762 of Official Records provides that the interest of the easement holder was transferred to Pacific Terminals LLC, a Delaware limited liability company.
43. An easement for road and incidental purposes, recorded February 26, 1992 as Instrument No. 92-069064 of Official Records.  
In Favor of: Southern California Edison Company  
Affects: As described therein  
  
(Affects a portion of Parcel No. 2)
44. The effect of a Notice of Intent to preserve interest executed by Jack Wesley Greening, Jr., recorded April 06, 2000 as Instrument No. 20000117482 of Official Records.  
  
The effect of a Quitclaim Deed executed by Jack W. Greening, Jr. In favor of Chino Land & Water Co., Inc., recorded October 04, 2000 as Instrument No. 20000362332 of Official Records.
45. An easement for emergency access and incidental purposes, recorded November 21, 2000 as Instrument No. 20000424992 of Official Records.  
In Favor of: Boy Scouts of America, Los Angeles Area County  
Affects: Cannot be located from the record
46. An easement for access and ingress and egress and incidental purposes, recorded November 21, 2000 as Instrument No. 20000424992 of Official Records.  
In Favor of: Boy Scouts of America, Los Angeles Area County  
Affects: Cannot be located from the record
47. The terms and provisions contained in the document entitled "Memorandum of Mutual Rescission Agreement and Quitclaim" recorded July 03, 2001 as Instrument No. 20010260856 of Official Records.
48. The terms and provisions contained in the document entitled "Right of Way Agreement" recorded July 03, 2001 as Instrument No. 20010260857, both of Official Records.
49. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/ACSM survey.
50. Rights of parties in possession.

**INFORMATIONAL NOTES**

1. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land Vacant Residential Properties of Los Angeles County in Diamond Bar, California.  
  
APN: 8701-021-271, 8701-022-270 and 273
2. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land Electric Power Transmission Properties in San Bernardino County in Chino Hills, California.  
  
APN: 1000-031-14 and 15; 1000-021-13 and 14; 1000-011-19 thru 22
3. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:  
  
None
4. If this preliminary report/commitment was prepared based upon an application for a policy of title insurance that identified land by street address or assessor's parcel number only, it is the responsibility of the applicant to determine whether the land referred to herein is in fact the land that is to be described in the policy or policies to be issued.

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

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

## CONDITIONS

### 1. DEFINITIONS

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

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

### 2. LATER DEFECTS

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

### 3. EXISTING DEFECTS

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

### 4. LIMITATION OF OUR LIABILITY

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

comply with the Requirements shown in Schedule B - Section One  
or  
eliminate with our written consent any Exceptions shown in Schedule B - Section Two.

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

### 5. CLAIMS MUST BE BASED ON THIS COMMITMENT

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



## First American Title

### Privacy Information

#### We Are Committed to Safeguarding Customer Information

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

#### Applicability

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

#### Types of Information

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

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

#### Use of Information

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

#### Former Customers

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

#### Confidentiality and Security

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

#### Information Obtained Through Our Web Site

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

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

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

#### Business Relationships

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

#### Cookies

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

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

#### Fair Information Values

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

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

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

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

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

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

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

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

**EXCEPTIONS FROM COVERAGE**

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

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

**EXCLUSIONS FROM COVERAGE**

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

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

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

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

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

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

**SCHEDULE B**



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

Part One

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

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

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

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

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

**SCHEDULE B**

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

Part One

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

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

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

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

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

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

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

**SCHEDULE B**

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

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

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

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

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

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

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

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

**SCHEDULE B**

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

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

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

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

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

**11. EAGLE PROTECTION OWNER'S POLICY**

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

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

**EXCLUSIONS**

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

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

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

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

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

**EXCLUSIONS FROM COVERAGE**

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

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

**13. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 2006**

**EXCLUSIONS FROM COVERAGE**

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

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

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

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

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

**SCHEDULE B**

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

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

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

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

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

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

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

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

**SCHEDULE B**

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

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

**EXHIBIT C**

**FORM OF GRANT DEED**

RECORDING REQUESTED BY:

FIRST AMERICAN TITLE INSURANCE COMPANY

AND WHEN RECORDED RETURN TO:

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

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

**GRANT DEED**

Documentary Transfer Tax: \$0.00

THE UNDERSIGNED GRANTOR DECLARES:

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

GRANTOR:

SUCCESSOR AGENCY TO THE INDUSTRY  
URBAN-DEVELOPMENT AGENCY

By: \_\_\_\_\_  
Mark Radecki, Chairman

ATTEST:

\_\_\_\_\_  
Diane Schlichting, Agency Secretary

GRANTEE:

CITY OF INDUSTRY

By: \_\_\_\_\_  
Mark Radecki, Mayor

ATTEST:

\_\_\_\_\_  
Cecelia Dunlap, City Clerk

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

State of California )

County of Los Angeles)

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

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

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

State of California )

County of Los Angeles)

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

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

EXHIBIT A

LEGAL DESCRIPTION

(Attached.)

LEGAL DESCRIPTION

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

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

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

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

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

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

PARCEL A:

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

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

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



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

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

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

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

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

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



LEGAL DESCRIPTION

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

PARCEL NO. 1:

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

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

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

PARCEL NO. 2:

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

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

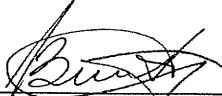

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 92, OFFICIAL RECORDS.

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



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

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

  
\_\_\_\_\_  
VLADISLAV SKREJEV, PLS 8363  
CNC Engineering  
Job No. MP 12-03#3    Legal No.900  
Checked by:  August 30, 2016



**EXHIBIT D**

**FORM OF ASSIGNMENT AND ASSUMPTION OF LEASES**

**ASSIGNMENT AND ASSUMPTION OF LEASES**

This Assignment and Assumption of Leases (this "Assignment") dated as of September \_\_\_\_, 2016 is entered into by and between the Successor Agency to the Industry Urban-Development agency, a public body, corporate and politic ("Assignor"), and the City of Industry, a municipal corporation ("Assignee").

**WITNESSETH**

WHEREAS, Assignor is the lessor or landlord under the certain lease agreements identified on Exhibit A attached hereto (the "Leases") executed with respect to that certain real property located in the City of Industry, California (the "Property") as more fully described in Exhibit B attached hereto;

WHEREAS, Assignor, as Seller, and Assignee, as Buyer, have entered into that certain Purchase and Sale Agreement and Escrow Instructions Tres Hermanos Ranch dated as of September 8, 2016 (the "Purchase Agreement") conveying the Property (as defined in the Purchase Agreement).

WHEREAS, Assignor desires to assign its interest as lessor or landlord in the Leases to Assignee, and Assignee desires to accept the assignment thereof.

NOW, THEREFORE, in consideration of the promises and conditions contained herein, the parties hereby agree as follows:

1. Effective as of the Effective Date (as defined below), Assignor hereby assigns, transfers and conveys to Assignee all of its right, title and interest in and to the Leases.
2. Effective as of the Effective Date, Assignee hereby assumes all of the Assignor's obligations under the Leases and agrees to indemnify Assignor against and hold Assignor harmless from any and all cost, liability, loss, damage or expense, including, without limitation, attorneys' fees, accruing on or to be performed subsequent to the Effective Date and arising out of the Assignor's obligations under the Leases.
3. Effective as of the Effective Date, Assignor hereby agrees to indemnify Assignee against and hold Assignee harmless from any and all cost, liability, loss, damage or expense, including, without limitations attorneys' fees, accruing or to be performed prior to the effective Date and arising out of the Assignor's obligations under the Leases.
4. Any rental and other payments under the Lease shall be prorated between the parties as provided in the Purchase Agreement.

5. In the event of any litigation arising out of this Assignment, the losing party shall pay the prevailing party's costs and expenses of such litigation, including, without limitation, attorneys' fees.

6. This Assignment shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest and assigns.

7. This Assignment shall be governed by and construed in accordance with the laws of the State of California.

8. This Assignment is delivered pursuant to the Purchase Agreement.

9. For purposes of this Assignment, the "Effective Date" shall be the date of the Close of Escrow (as defined in the Purchase Agreement).

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

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment the day and year first written above.

**CITY OF INDUSTRY**

By: \_\_\_\_\_  
Mark D. Radecki, Mayor

ATTEST:

\_\_\_\_\_  
Cecelia Dunlap, Deputy City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
James M. Casso, City Attorney

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

By: \_\_\_\_\_  
Mark D. Radecki, Chairman

ATTEST:

\_\_\_\_\_  
Diane M. Schlichting, Assistant Secretary

APPROVED AS TO FORM:

By: \_\_\_\_\_  
James M. Casso, Agency Counsel

**EXHIBIT A**  
**LIST OF LEASES**  
(Attached.)

**EXHIBIT B**

**LEGAL DESCRIPTION OF THE PROPERTY**

LEGAL DESCRIPTION

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

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

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

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

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

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

PARCEL A:

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

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

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

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

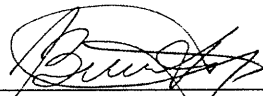



THE NORTH AND HAVING A RADIUS OF 265.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 112° 00' 00", AN ARC DISTANCE OF 518.01 FEET; THENCE TANGENT TO LAST MENTIONED CURVE NORTH 47° 04' 36" EAST 137.02 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS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

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

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

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

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



LEGAL DESCRIPTION

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

PARCEL NO. 1:

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

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

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

PARCEL NO. 2:

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

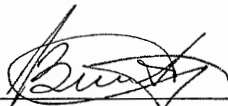
EXCEPT THEREFROM THAT PORTION CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, BY DEED RECORDED MARCH 07, 1975, IN BOOK 8630, PAGE 83, OFFICIAL RECORDS.

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

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

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

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



VLADISLAV SKREJEV, PLS 8363

CNC Engineering

Job No. MP 12-03#3      Legal No.900

Checked by:  August 30, 2016



EXHIBIT E

LIST OF ENVIRONMENTAL REPORTS

EXHIBIT F  
TITLE POLICY

*SUCCESSOR AGENCY*

ITEM NO. 5.4



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

**MEMORANDUM**

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

From: Paul J. Philips, Executive Director

*Paul J. Philips*

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

*CNC*

Joshua Nelson, Deputy Agency Engineer, CNC Engineering

*JN*

Date: September 8, 2016

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

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**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 8<sup>th</sup> 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 8<sup>th</sup> 2016

DATE IPUC FIRST READY TO SERVE: TBD \_\_\_\_\_

WORK ORDER NO. \_\_\_\_\_

ASSOCIATED WORK ORDER NOS. N/A

*SUCCESSOR AGENCY*

ITEM NO. 5.5



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

## MEMORANDUM

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

From: Paul J. Philips, Executive Director *Paul J. Philips*

Staff: Susan Paragas, Controller *SP*  
Dean Yamagata, Frazer, LLP  
Joshua Nelson, Deputy Agency Engineer, CNC Engineering

Date: September 8, 2016

Subject: Consideration of Resolution No. SA 2016-16 – A Resolution of the Successor Agency to the Industry Urban-Development Agency to adopt the Amended Recognized Obligation Payment Schedule 16-17B - for the Six-Month Period of January 1, 2017 to June 30, 2017.

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### **BACKGROUND:**

The Successor Agency to the 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.

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.

### **DISCUSSION:**

The Agency submitted ROPS 16-17 (12-month schedule) to the State Department of Finance (“DOF”) by the due date of February 1, 2016. The DOF provided their final determination (approval) on May 17, 2016 of the items on the Agency’s ROPS 16-17 (12-months).

Because events can affect the projections and planning for a 12-month period, the DOF allows the agencies to make one revision to the second half of the year, for the period of January 1 to June 30 for items that were approved on the determination letter.

Pursuant to HSC section 34177.7(o)(1)(E), once per ROPS period, and no later than October 1, a successor agency may submit one amendment to the ROPS approved by the department pursuant to this subdivision, if the oversight board makes a finding that a revision is necessary for the payment of approved enforceable obligations during the second one-half of the ROPS period, which shall be defined as January 1 to June 30, inclusive.

The Agency needs to make updates and is proposing an amended ROPS 16-17B. The following is a summary of the revisions of the enforceable obligations listed on the amended ROPS 16-17B:

1. Line Items #99 and #100 – Landscaping Baker Slopes (MP 91-31 #61)
  - The ‘Obligation Type’ needs to be revised to ‘Professional Services’ instead of ‘Bond Funded Project – Pre-2011’ as the source of funding will be provided by non-bond proceeds.
2. Line Item #117 – Lemon Avenue Interstate 60 (MP 03-10)
  - Added funding of \$100,000 per the contract agreement for additional work to be performed. Current schedule reflected no amount.
3. Line Item #206 – Industry Business Center (MP 99-31 #16)
  - Added funding of \$10,750,000 per the new agreement between IPUC and SA. Current schedule reflected no amount.



4. Line Item #253 – Industry East Traffic Mitigation Improvements
  - Increased amount from \$700,000 to \$800,000 per the agreement with the City of Walnut to complete design.
5. Line Item #269 – City/Agency Reimbursement Agreement for Property Maintenance and Other Costs
  - Revised amount to reflect 50% of approved annual amount of \$527,250 from the listed \$318,500. Total 12-month period DOF approved amount is \$1,054,500.
6. Line Item #276 – Landscaping Baker Slopes (MP 91-31 #61)
  - Increased amount from \$86,100 to \$151,200 due to new contract addressing additional maintenance costs.

The attached resolution, SA 2016-16, (“Resolution”) approves the amended ROPS 16-17B, updating and setting forth the recognized obligations of the Agency and the amount of payments to be made for each obligation from January 1, 2017 to June 30, 2017. 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 October 1, 2017, for its review and determination. The Resolution also authorizes Staff to amend the ROPS in order to remove line items which are subsequently disapproved by the Oversight Board and/or DOF.

**FISCAL IMPACT:**

The amended ROPS 16-17B resulted in an additional request of \$11.22M and is to be funded from other SA funds consisting primarily of property sale proceeds, rental income and loan repayments.

**RECOMMENDED ACTION:**

Staff recommends that the Successor Agency Board adopt Resolution No. SA 2016-16, approving the amended ROPS 16-17B for the period of January 1, 2017 through June 30, 2017 pursuant to AB x1 26 as amended by AB 1484.

**ATTACHMENTS:**

1. Resolution No. SA 2016-16: Approving the Amended ROPS 16-17B for the Period from January 1, 2017 to June 30, 2017
2. Exhibit A: Amended ROPS 16-17B

**RESOLUTION NO. SA 2016-16**

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY OF THE CITY OF INDUSTRY ADOPTING THE AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JANUARY 1, 2017 THROUGH JUNE 30, 2017 (ROPS 16-17B) PURSUANT TO AB x1 26 AS AMENDED BY AB 1484**

**WHEREAS**, Health and Safety Code Section 34177(o), enacted by AB x1 26, requires successor agencies to prepare a Recognized Obligation Payment Schedule (“ROPS”) annually listing the anticipated payments for enforceable obligations to be made by the Successor Agency to the Industry Urban-Development Agency of the City of Industry (“Agency”) and submit to the Oversight Board of the Agency for approval; and

**WHEREAS**, because Agency previously adopted ROPS 16-17, Resolution No. SA 2016-04, dated January 25, 2016, operative for July 1, 2016 through June 30, 2017 so that the Agency may continue to meet the Agency’s recognized obligations; and

**WHEREAS**, pursuant to Health and Safety Code Section 34177(o)(1)(E), the Agency may submit one amendment to the approved ROPS 16-17 for the payment of approved enforceable obligations during the second six-months of ROPS 16-17 period (ROPS 16-17B for January 1, 2017 to June 30, 2016, inclusive); and

**WHEREAS**, the SA has prepared an amended ROPS 16-17B covering the period January 1, 2017 through June 30, 2017 as seen in the attached Exhibit A; and

**NOW, THEREFORE, BE IT RESOLVED, determined and ordered by the Agency Board does hereby resolve, determine, find, and order as follows:**

**SECTION 1:** The Agency Board finds that all of the facts set forth in the Recitals are true and correct, and are incorporated herein by reference.

**SECTION 2:** The Agency staff is hereby authorized to administratively amend the ROPS in order to remove line items which are subsequently disapproved by the Oversight Board, the State Department of Finance (“DOF”) and the County of Los Angeles Auditor-Controller and to format the ROPS to conform with DOF requirements and to take all necessary and appropriate actions to prepare and submit the ROPS, provided, however, that neither such authorization nor such removal shall be deemed to be, nor are they intended as, an acknowledgement of the validity of AB x1 26 and AB 1484 or such action by the Oversight Board and/or the DOF. The Agency reserves all rights of the Agency to challenge the validity and/or application of any or all provisions

of AB x1 26 and AB 1484 in any administrative or judicial proceeding, without prejudice to the Agency's right to list any such removed item on this or a future ROPS. The Agency reserves the right to pursue any and all appeals and any available legal or equitable remedy provided or available by to obtain the correction of any erroneous decision regarding the ROPS.

**SECTION 3:** The Agency staff is authorized to include on the ROPS any items which were approved on ROPS I, ROPS II, ROPS III, ROPS 13-14A, ROPS 13-14B, ROPS 14-15A, ROPS 14-15B, ROPS 15-16A, ROPS 15-16B and the first six months of ROPS 16-17 (ROPS 16-17A), but not fully expended.

**SECTION 4:** The Agency hereby adopts the amended ROPS 16-17B, in substantially the form attached to this Resolution as Exhibit A, so that the Agency may continue to meet its recognized enforceable obligations, all as required by Health and Safety Code section 34169, during the time period from January 1, 2017 through June 30, 2017.

**SECTION 5:** The Agency Secretary shall certify to the adoption of this Resolution.

**SECTION 6:** This Resolution shall become effective upon its adoption.

**PASSED, APPROVED, AND ADOPTED** this 8th day of September 2016, by the following vote.

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

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Mark D. Radecki, Chairman

**ATTEST:**

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Diane M. Schlichting, Assistant Secretary

**EXHIBIT A**  
**AMENDED RECOGNIZED OBLIGATION PAYMENT SCHEDULE 16-17B**

**Amended Recognized Obligation Payment Schedule (ROPS 16-17B) - Summary**  
 Filed for the January 1, 2017 through June 30, 2017 Period

Successor Agency: Industry City  
 County: Los Angeles

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

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

\_\_\_\_\_  
 Name Title  
 /s/ \_\_\_\_\_  
 Signature Date

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

January 1, 2017 through June 30, 2017

(Report Amounts in Whole Dollars)

Item #	Project Name/Debt Obligation	Obligation Type	Total Outstanding Balance	AUTHORIZED AMOUNTS					REQUESTED ADJUSTMENTS					Notes		
				Fund Sources					Fund Sources							
				Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF		Admin RPTTF	Total
			\$ 818,323,712	\$ 7,743,960	\$ -	\$ 24,312,364	\$ 81,022,086	\$ -	\$ 113,078,410	\$ -	\$ -	\$ 11,233,880	\$ -	\$ -	\$ 11,233,880	
8	2009 Sub Ien Tax Alloc Note	City/County Loans On or Before 6/27/11														
9	2008 Sub Ien Tax Alloc Note	City/County Loans On or Before 6/27/11														
20	2009 Sub Ien Tax Alloc Note	City/County Loans On or Before 6/27/11														
21	Fiscal Agent Fees	Fees	\$ 3,350						\$ -						\$ -	
22	Arbitrage Fees	Fees							\$ -						\$ -	
23	Fiscal Agent Fees	Fees	\$ 10,050						\$ -						\$ -	
24	Fiscal Agent Fees	Fees							\$ -						\$ -	
25	Fiscal Agent Fees	Fees	\$ 6,700						\$ -						\$ -	
26	20 % Hazle - All Project Areas FY 2011-12	OPADDA/Construction														
27	20 % Hazle - All Project Areas FY 2012-13	OPADDA/Construction														
99	Landscaping Baker Slopes (MP 91-31 #61)	Bond Funded Project - Pre-2011	\$ 35,000			\$ 15,000			\$ 15,000						\$ -	Obligation Type should be 'Professional Services'
100	Landscaping Baker Slopes (MP 91-31 #61)	Bond Funded Project - Pre-2011	\$ 16,000			\$ 6,000			\$ 6,000						\$ -	Obligation Type should be 'Professional Services'
116	Lemon Ave Int 60 (MP 03-10)	Bond Funded Project - Pre-2011	\$ 95,000	\$ 30,000					\$ 30,000						\$ -	
117	Lemon Ave Int 60 (MP 03-10)	Bond Funded Project - Pre-2011	\$ 200,000						\$ -		\$ 100,000				\$ 100,000	Requested ROPS 16-17B Total=\$100,000. Per contract amendment for extra work to be done.
118	Lemon Ave Int 60 (MP 03-10)	Bond Funded Project - Pre-2011	\$ 100,000	\$ 20,000					\$ 20,000						\$ -	
120	Lemon Ave Int 60 (MP 03-10)	Bond Funded Project - Pre-2011	\$ 3,543,160	\$ 543,160					\$ 543,160						\$ -	
121	Lemon Ave Int 60 (MP 03-10)	Bond Funded Project - Pre-2011	\$ 3,715,366	\$ 715,366					\$ 715,366						\$ -	
122	Lemon Ave Int 60 (MP 03-10)	Bond Funded Project - Pre-2011	\$ 3,000						\$ -						\$ -	
123	Route 57/60 Confluence (MP99-31 #22)	Bond Funded Project - Pre-2011	\$ 150,000	\$ 50,000					\$ 50,000						\$ -	
126	Route 57/60 Confluence (MP99-31 #22)	Bond Funded Project - Pre-2011	\$ 38,000						\$ -						\$ -	
127	Route 57/60 Confluence (MP99-31 #22)	Bond Funded Project - Pre-2011	\$ 4,400,000	\$ 1,400,000					\$ 1,400,000						\$ -	
128	Route 57/60 Confluence (MP99-31 #22)	Bond Funded Project - Pre-2011	\$ 5,872,434	\$ 3,872,434					\$ 3,872,434						\$ -	
132	Route 57/60 Confluence (MP99-31 #22)	Bond Funded Project - Pre-2011	\$ 10,000	\$ 2,000					\$ 2,000						\$ -	
133	Route 57/60 Confluence (MP99-31 #22)	Bond Funded Project - Pre-2011	\$ 3,700,000	\$ 1,000,000					\$ 1,000,000						\$ -	
134	Route 57/60 Confluence (MP99-31 #22)	Bond Funded Project - Pre-2011	\$ 300,000	\$ 70,000					\$ 70,000						\$ -	
148	Diamond Bar Creek (MP 99-31 #26)	Professional Services	\$ 400,000			\$ 100,000			\$ 100,000						\$ -	
149	Diamond Bar Creek (MP 99-31 #26)	Professional Services	\$ 184,000			\$ 59,000			\$ 59,000						\$ -	
150	Diamond Bar Creek (MP 99-31 #26)	Professional Services	\$ 180,000			\$ 55,000			\$ 55,000						\$ -	
151	Diamond Bar Creek (MP 99-31 #26)	Fees	\$ 20,000			\$ 10,000			\$ 10,000						\$ -	
152	Diamond Bar Creek (MP 99-31 #26)	Fees	\$ 1,000						\$ -						\$ -	
153	Diamond Bar Creek (MP 99-31 #26)	Fees	\$ 10,000						\$ -						\$ -	
154	Diamond Bar Creek (MP 99-31 #26)	Fees	\$ 12,000						\$ -						\$ -	
155	Diamond Bar Creek (MP 99-31 #26)	Miscellaneous	\$ 8,500						\$ -						\$ -	
156	Diamond Bar Creek (MP 99-31 #26)	Fees	\$ 25,000						\$ -						\$ -	
158	Diamond Bar Creek (MP 99-31 #26)	Miscellaneous	\$ 1,800			\$ 600			\$ 600						\$ -	
159	Diamond Bar Creek (MP 99-31 #26)	Fees	\$ 3,500			\$ 1,500			\$ 1,500						\$ -	
160	Diamond Bar Creek (MP 99-31 #26)	Improvement/Infrastructure	\$ 50,000						\$ -						\$ -	
161	Diamond Bar Creek (MP 99-31 #26)	Improvement/Infrastructure	\$ 30,000						\$ -						\$ -	
162	Diamond Bar Creek (MP 99-31 #26)	Fees	\$ 20,000						\$ -						\$ -	
164	Diamond Bar Creek (MP 99-31 #26)	Improvement/Infrastructure	\$ 75,000						\$ -						\$ -	
165	Diamond Bar Creek (MP 99-31 #26)	Improvement/Infrastructure	\$ 1,085,921			\$ 785,921			\$ 785,921						\$ -	
166	Diamond Bar Creek (MP 99-31 #26)	Professional Services	\$ 75,000			\$ 25,000			\$ 25,000						\$ -	
167	Diamond Bar Creek (MP 99-31 #26)	Professional Services	\$ 56,000						\$ -						\$ -	
192	Industry Business Center (MP 99-31 #16)	Professional Services	\$ 20,000						\$ -						\$ -	

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

January 1, 2017 through June 30, 2017

(Report Amounts in Whole Dollars)

Item #	Project Name/Debt Obligation	Obligation Type	Total Outstanding Balance	AUTHORIZED AMOUNTS					REQUESTED ADJUSTMENTS					Notes		
				Fund Sources					Fund Sources							
				Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF		Admin RPTTF	Total
193	Industry Business Center (MP 99-31 #16)	Professional Services	\$ 600,000			100,000			\$ 100,000							
194	Industry Business Center (MP 99-31 #16)	Professional Services	\$ 2,300,000			900,000			\$ 900,000							
195	Industry Business Center (MP 99-31 #16)	Professional Services	\$ 315,504													
196	Industry Business Center (MP 99-31 #16)	Professional Services	\$ 3,200,000			1,400,000			\$ 1,400,000							
197	Industry Business Center (MP 99-31 #16)	Professional Services	\$ 1,262,016			150,000			\$ 150,000							
198	Industry Business Center (MP 99-31 #16)	Professional Services	\$ 45,000			10,000			\$ 10,000							
199	Industry Business Center (MP 99-31 #16)	Professional Services	\$ 80,000			20,000			\$ 20,000							
200	Industry Business Center (MP 99-31 #16)	Miscellaneous	\$ 15,000			7,000			\$ 7,000							
201	Industry Business Center (MP 99-31 #16)	Improvement/Infrastructure	\$ 200,000			100,000			\$ 100,000							
202	Industry Business Center (MP 99-31 #16)	Improvement/Infrastructure	\$ 3,031,000						\$ -							
203	Industry Business Center (MP 99-31 #16)	Improvement/Infrastructure	\$ 694,080						\$ -							
204	Industry Business Center (MP 99-31 #16)	Improvement/Infrastructure	\$ 1,041,420						\$ -							
205	Industry Business Center (MP 99-31 #16)	Improvement/Infrastructure	\$ 16,063,200			6,063,200			\$ 6,063,200							
206	Industry Business Center (MP 99-31 #16)	Improvement/Infrastructure	\$ 11,839,500									10,750,000			10,750,000	Requested ROPS 16-17B Total=\$10,750,000. Per new agreement between IPUC and SA-IJDA.
208	Industry Business Center (MP 99-31 #16)	Miscellaneous	\$ 6,000			2,000			\$ 2,000							
209	Industry Business Center (MP 99-31 #16)	Professional Services	\$ 14,000			9,000			\$ 9,000							
210	Industry Business Center (MP 99-31 #16)	Fees	\$ 25,000			12,000			\$ 12,000							
211	Industry Business Center (MP 99-31 #16)	Fees	\$ 4,000			2,500			\$ 2,500							
212	Industry Business Center (MP 99-31 #16)	Fees	\$ 85,000			40,000			\$ 40,000							
213	Industry Business Center (MP 99-31 #16)	Fees	\$ 217,921						\$ -							
214	Industry Business Center (MP 99-31 #16)	Improvement/Infrastructure	\$ 50,000						\$ -							
215	Industry Business Center (MP 99-31 #16)	Improvement/Infrastructure	\$ 40,000						\$ -							
216	Industry Business Center (MP 99-31 #16)	Professional Services	\$ 1,350,000			300,000			\$ 300,000							
217	Industry Business Center (MP 99-31 #16)	Improvement/Infrastructure	\$ 26,000,000						\$ -							
218	Industry Business Center (MP 99-31 #16)	Improvement/Infrastructure	\$ 10,515,500						\$ -							
219	Industry Business Center (MP 99-31 #16)	Professional Services	\$ 160,000			60,000			\$ 60,000							
220	Industry Business Center (MP 99-31 #16)	Professional Services	\$ 1,000,000			300,000			\$ 300,000							
221	Industry Business Center (MP 99-31 #16)	Professional Services	\$ 310,000			110,000			\$ 110,000							
222	Industry Business Center (MP 99-31 #16)	Professional Services	\$ 75,000			25,000			\$ 25,000							
223	Industry Business Center (MP 99-31 #16)	Professional Services	\$ 750,000			300,000			\$ 300,000							
226	W Bd Slip On Ramp 57/60 (MP 99-31 22a)	Bond Funded Project - Pre-2011	\$ 7,000,000						\$ -							
229	W Bd Slip On Ramp 57/60 (MP 99-31 22a)	Bond Funded Project - Pre-2011	\$ 2,200	1,000					\$ 1,000							
251	Industry East Traffic Mitigation Improvements	Professional Services	\$ 500,000			200,000			\$ 200,000							
252	Industry East Traffic Mitigation Improvements	Professional Services	\$ 174,888			24,888			\$ 24,888							
253	Industry East Traffic Mitigation Improvements	Professional Services	\$ 1,500,000			700,000			\$ 700,000			100,000			100,000	Requested ROPS 16-17B Total=\$800,000. Per Agreement with City of Walnut to complete design.
254	Industry East Traffic Mitigation Improvements	Improvement/Infrastructure	\$ 1,322,666						\$ -							
255	SA Employer Costs	Admin Costs	\$ 780,000			390,000			\$ 390,000							
256	Office/Delivery/ phone and overhead	Admin Costs	\$ 4,000			2,000			\$ 2,000							
257	Property Management	Property Maintenance	\$ 64,000			32,000			\$ 32,000							
258	Legal Services	Admin Costs	\$ 342,000			179,800			\$ 179,800							
259	Accounting and consulting fees	Admin Costs	\$ 185,400			92,700			\$ 92,700							
260	Auditing and review services	Dissolution Audits	\$ 160,000			80,000			\$ 80,000							
262	Property Tax	Admin Costs	\$ -						\$ -							
263	General Insurance and Bonding	Miscellaneous	\$ -						\$ -							
269	City/Agency Reimbursement Agreement for Property Maintenance and other costs	Property Maintenance	\$ 1,472,000			318,500			\$ 318,500			208,750			208,750	Requested ROPS 16-17B Total=\$527,250. Approved for \$1,054,500 in 1617 ROPS. 50% is \$527,250.
275	Industry East Traffic Mitigation Improvements	Improvement/Infrastructure	\$ 713,400						\$ -							
276	Landscaping Baker Slopes (MP 91-31 #61)	Property Maintenance	\$ 228,000			86,100			\$ 86,100			65,100			65,100	Requested ROPS 16-17B Total=\$151,200. Per new contract that addresses additional maintenance costs needed.
277	City/Agency Reimbursement Agreement	Improvement/Infrastructure	\$ -						\$ -							
281	Industry Business Center (MP 99-31 #16)	Improvement/Infrastructure	\$ 2,187,000						\$ -							
282	Appraisal Fees	Property Dispositions	\$ -						\$ -							
283	Tax Allocation Revenue Refunding Bonds, Series 2015A Prj#1-Taxable	Refunding Bonds Issued After 6/27/12	\$ 232,838,025				42,847,535		\$ 42,847,535							
284	Tax Allocation Revenue Refunding Bonds, Series 2015A Prj#2-Tax Exempt	Refunding Bonds Issued After 6/27/12	\$ 8,222,250				1,032,250		\$ 1,032,250							

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

**January 1, 2017 through June 30, 2017**

(Report Amounts in Whole Dollars)

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



*SUCCESSOR AGENCY*

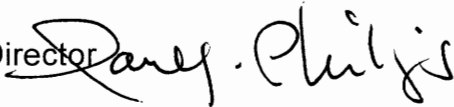
ITEM NO. 5.6



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

## MEMORANDUM

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

From: Paul J. Philips, Executive Director 

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

Date: September 8, 2016

Subject: Consideration of Resolution SA 2016-17 – A Resolution of the Successor Agency to the Industry Urban-Development Agency of the City of Industry Approving the Cost Estimate and Authorizing Payment of \$3,558,314.04 (Phase 1) for Walnut Valley Water District Industry Business-East Water Distribution System (MP 99-31 #16) – ROPS Line Item No. 205

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### **DISCUSSION:**

Walnut Valley Water District (“WVWD”) has prepared a cost estimate and an invoice for the installation of a water distribution system for the east side of the Industry Business Center in the amount of \$3,558,314.04 per Exhibit A in the attached resolution. This water distribution system is part of the final development of the east side which will serve the future businesses there, providing potable and reclaimed water service. WVWD is the water company for that area of the City of Industry.

This expenditure was approved in the Successor Agency to the Industry Urban-Development Agency’s (“SA”) Recognized Obligation Payment Schedule 16-17 under Line Item Number 205 (total of \$16.06 million) for Walnut Valley Water District. The installation of the water distribution system is Phase 1. There remains approximately \$12.50 million dollars of additional work that will occur under future phases.

### **FISCAL IMPACT:**

WVWD requires an advance payment of \$3,558,314.04 to proceed with the work. This will be paid from non-Redevelopment Property Tax Trust Fund of the SA funds.

**RECOMMENDED ACTION:**

Staff recommends that the Successor Agency Board adopt Resolution No. SA 2016-17 approving the cost estimate and authorizing the payment of \$3,558,314.04 to WWWD to install the water distribution system at the Industry Business Center-East.

**ATTACHMENTS:**

1. Resolution No. SA 2016-17 – Approving WWWD Cost Estimate and Authorization of Payment
2. Exhibit A: WWWD Cost Estimate and Invoice

**RESOLUTION NO. SA 2016-17**

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY OF THE CITY OF INDUSTRY APPROVING THE COST ESTIMATE AND AUTHORIZING PAYMENT OF \$3,558,314.94 (PHASE 1) FOR WALNUT VALLEY WATER DISTRICT INDUSTRY BUSINESS-EAST WATER DISTRIBUTION SYSTEM (MP 99-31 #16) – ROPS LINE ITEM NO. 205**

**WHEREAS**, this Phase 1 of the water distribution system installation is part of the final development of the east side of the Industry Business Center (“IBC”) that will serve future businesses; and

**WHEREAS**, the Walnut Valley Water District (“WVWD”) is the water provider for the area of the IBC; and

**WHEREAS**, WVWD provided a cost estimate and an invoice for Phase 1 to proceed with the installation; and

**WHEREAS**, the total expenditure of \$16,063,200 for WVWD was approved in the Recognized Obligation Payment Schedule 16-17 by the State Department of Finance (DOF) under Line Item Number 205; and

**NOW, THEREFORE, BE IT RESOLVED, determined and ordered by the Agency Board does hereby resolve, determine, find, and order as follows:**

**SECTION 1:** The Agency Executive Director or his designee is authorized to accept the Cost Estimate with WVWD to install the water distribution system in the east side of the IBC per Exhibit A.

**SECTION 2:** The Agency Executive Director or his designee is hereby authorized to pay WVWD for the installation of the water distribution system in the amount of \$3,558,314.94 per Exhibit A from non-Redevelopment Property Tax Trust Fund to proceed with the necessary work.

**SECTION 3:** The Agency Secretary shall certify to the adoption of this Resolution.

**SECTION 4:** This Resolution shall become effective upon its adoption.

**PASSED, APPROVED, AND ADOPTED** this 8th day of September 2016, by the following vote.

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

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Mark D. Radecki, Chairman

**ATTEST:**

---

Diane M. Schlichting, Assistant Secretary

**EXHIBIT A**

**WALNUT VALLEY WATER DISTRICT COST ESTIMATE AND INVOICE**



**WALNUT VALLEY WATER DISTRICT**

271 South Brea Canyon Road  
Walnut, California 91789-3002 • (909) 595-1268 • (626) 964-6551  
Website: www.wvwd.com • Fax: (909) 444-5521

**BOARD OF DIRECTORS**

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President  
Election Division V

**Allen L. Wu**  
First Vice President  
Election Division I

**Edwin M. Hilden**  
Second Vice President  
Election Division II

**Theodore L. Ebenkamp**  
Assistant Treasurer  
Election Division IV

**Theresa Lee**  
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Election Division III

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**Michael K. Holmes**  
General Manager  
Secretary

**Erik Hitchman**  
Assistant General Manager  
Chief Engineer

**Brian Teuber**  
Director of Finance  
Treasurer

**Sandra Olson**  
Director of  
Administrative Services

**Donna DiLaura**  
Executive Secretary

**LEGAL COUNSEL**

James D. Ciampa

August 22, 2016

**Joshua Nelson**  
Successor Agency to the Industry  
Urban – Development Agency  
15625 East Stafford  
City of Industry, CA 91744

RE: Industry Business Center – East  
Project No. 14-3373

Dear Mr. Nelson:

Enclosed are two copies each of a cost estimate and an invoice reflecting the estimated charges for the installation of a water distribution system at the referenced location. As soon as we receive the signed cost estimate and your remittance in the amount of \$ 3,558,314.04, we will proceed with the necessary work. Please note that we will not accept your remittance without the signed cost estimate. For your information, the cost of compaction testing, if required, is not included in the preceding amount and will be the responsibility of the owner/developer. You can either make your own arrangements or contact our office for assistance.

Also enclosed for your information are two copies of the District's proposed plan for the project. If you have any questions, **please contact Ginger Han at Ext. 274.**

Very truly yours,

WALNUT VALLEY WATER DISTRICT

Erik Hitchman  
Assistant General Manager/Chief Engineer

EH:GH:gb

cc: Accounting  
Customer Service

**WALNUT VALLEY WATER DISTRICT**  
 271 South Brea Canyon Road, Walnut, CA 91789  
 Telephone: (909) 595-1268 - FAX: (909) 594-9532  
 August 22, 2016

**COST ESTIMATE**

**To: Joshua Nelson**  
**Successor Agency to the Industry Urban - Development Agency**  
**15625 East Stafford Street**  
**City of Industry, CA 91744**

**RE: Industry Business Center- East**  
**Project No. 14-3373**

**DIRECT COSTS**

Labor	\$1,292,000.00
Valves	\$64,300.00
Steel Pipe & Fittings	\$42,000.00
D.I. Pipe	\$237,400.00
P.V.C. Pipe	\$74,500.00
Meters	\$10,200.00
Service Materials	\$38,100.00
Setters, Saddles & Jumpers	\$20,100.00
D.I. Fittings & Miscellaneous Materials	\$30,100.00
Permit(s)	N/A

Estimated Direct Costs: \$1,808,700.00

**INDIRECT COSTS**

District Administrative Charge:		\$361,740.00																					
Acreage Supply Charge:	<table border="1"> <thead> <tr> <th>Units</th> <th>Acres</th> <th>Acre-Feet</th> <th>Rate</th> </tr> </thead> <tbody> <tr> <td></td> <td align="center">244</td> <td></td> <td align="right">\$1,465.00</td> </tr> <tr> <td>Reservoir Capacity Charge:</td> <td align="center">165.92</td> <td></td> <td align="right">\$1,613.00</td> </tr> <tr> <td>Reservoir Capacity Charge:</td> <td align="center">78.08</td> <td></td> <td align="right">\$1,000.00</td> </tr> <tr> <td>Water Supply Charge:</td> <td></td> <td align="center">266.1</td> <td align="right">\$2,810.00</td> </tr> </tbody> </table>	Units	Acres	Acre-Feet	Rate		244		\$1,465.00	Reservoir Capacity Charge:	165.92		\$1,613.00	Reservoir Capacity Charge:	78.08		\$1,000.00	Water Supply Charge:		266.1	\$2,810.00	\$357,460.00	(Industrial/Commerical)
Units	Acres	Acre-Feet	Rate																				
	244		\$1,465.00																				
Reservoir Capacity Charge:	165.92		\$1,613.00																				
Reservoir Capacity Charge:	78.08		\$1,000.00																				
Water Supply Charge:		266.1	\$2,810.00																				
Reservoir Capacity Charge:			\$125,943.04	(Industrial)																			
Reservoir Capacity Charge:			\$165,920.00	(Commercial)																			
Water Supply Charge:			\$747,741.00																				
Sign-Up Security Deposit & Administrative Charge:			\$8,300.00																				
GIS Charge:			\$1,510.00																				

Estimated Indirect Costs: \$1,768,614.04

Less Prepaid Design Fee: (\$19,000.00)

**ESTIMATED TOTAL PROJECT COSTS: \$3,558,314.04**

**PLEASE NOTE: THIS ESTIMATE IS VALID FOR 90 DAYS. IF THE ACTUAL INSTALLATION COST IS MORE THAN THE ESTIMATE, THE DEVELOPER SHALL FORTHWITH, UPON DEMAND, PAY SUCH EXCESS; AND, IN THE EVENT THE COST IS LESS THAN THAT ESTIMATED BY THE DISTRICT, THE DISTRICT WILL REFUND THE EXCESS.**

**Accepted and Concurred By:**

\_\_\_\_\_  
 (Signature)

\_\_\_\_\_  
 (Print Name & Title)

\_\_\_\_\_  
 (Date)

**Submitted By:**

*Sheryl L. Shaw*  
 for **Sheryl L. Shaw**  
 Engineering Manager & Production Supt.  
 Walnut Valley Water District

8/22/2016  
 (Date)



**WALNUT VALLEY WATER DISTRICT**  
271 South Brea Canyon Road Walnut, CA 91789  
Telephone: (909) 595-1268 - FAX: (909) 594-9532  
August 22, 2016

## INVOICE

**TO: Joshua Nelson**  
**Successor Agency to the Industry Urban - Development Agency**  
**15625 East Stafford Street**  
**City of Industry, CA 91744**

**RE: Industry Business Center- East**  
**Project No. 14-3373**

---

Costs to install water distribution system in accordance with District Rules and Regulations.

Estimated Direct Costs:	\$1,808,700.00
Estimated Indirect Costs:	\$1,768,614.04
Less Prepaid Design Fee:	<u>(\$19,000.00)</u>

**TOTAL AMOUNT DUE** **\$3,558,314.04**

**Please Note: Any of the invoiced materials that are found to be in excess for reason of actual field installation conditions will be returned to the District as surplus material.**

*SUCCESSOR AGENCY*

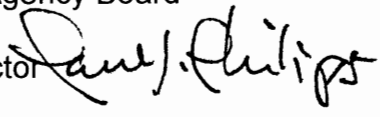
ITEM NO. 5.7





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

**MEMORANDUM**

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

From: Paul J. Philips, Executive Director 

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

Date: September 8, 2016

**SUBJECT: Easement Grant Deed for Street Right-of-Way Purposes  
(MP 99-60 #10)**

---

**DISCUSSION:**

Attached for your consideration is a street easement from the Successor Agency to the City of Industry for the roadway in the vicinity of the northwest corner of Railroad Street and Fullerton Road.

A title report, prepared by Orange Coast Title, and dated September 18, 2014, identifies the Industry Urban-Development Agency ("IUDA") as the underlying property owner. The property was acquired in the early 1980's for the construction of Fullerton Road from Railroad Street northerly to Valley Boulevard under Contract No. RSJ-0162. The IUDA acquired the property, however, it appears the IUDA did not subsequently dedicate it to the City of Industry for street purposes. At this time we would like to fix that issue. The Los Angeles County Assessor shows this area as road right of way. However, there is no record of the land ever being dedicated as road right of way.

As shown in Exhibit 1, IUDA purchased a large block of land located in the northwest quadrant of Railroad Street and Fullerton Road which included the acquisition of four separate parcels owned by Bartholio, Thomas, Wagner and Johnson in 1981 and 1982. This purchase was to facilitate the extension of Fullerton Road from Railroad Street to Valley Blvd. The Agency retained the area of land for the then proposed extension of Fullerton Road and sold the remainder of the block of land to L.P.L. Industries Inc. per deed recorded on September 23, 1982. Exhibit 2 shows the easement area overlaid on top of an aerial image that clearly shows the existing street in this area.

**FISCAL IMPACT:**

There is no cost to the Successor Agency for this transaction.

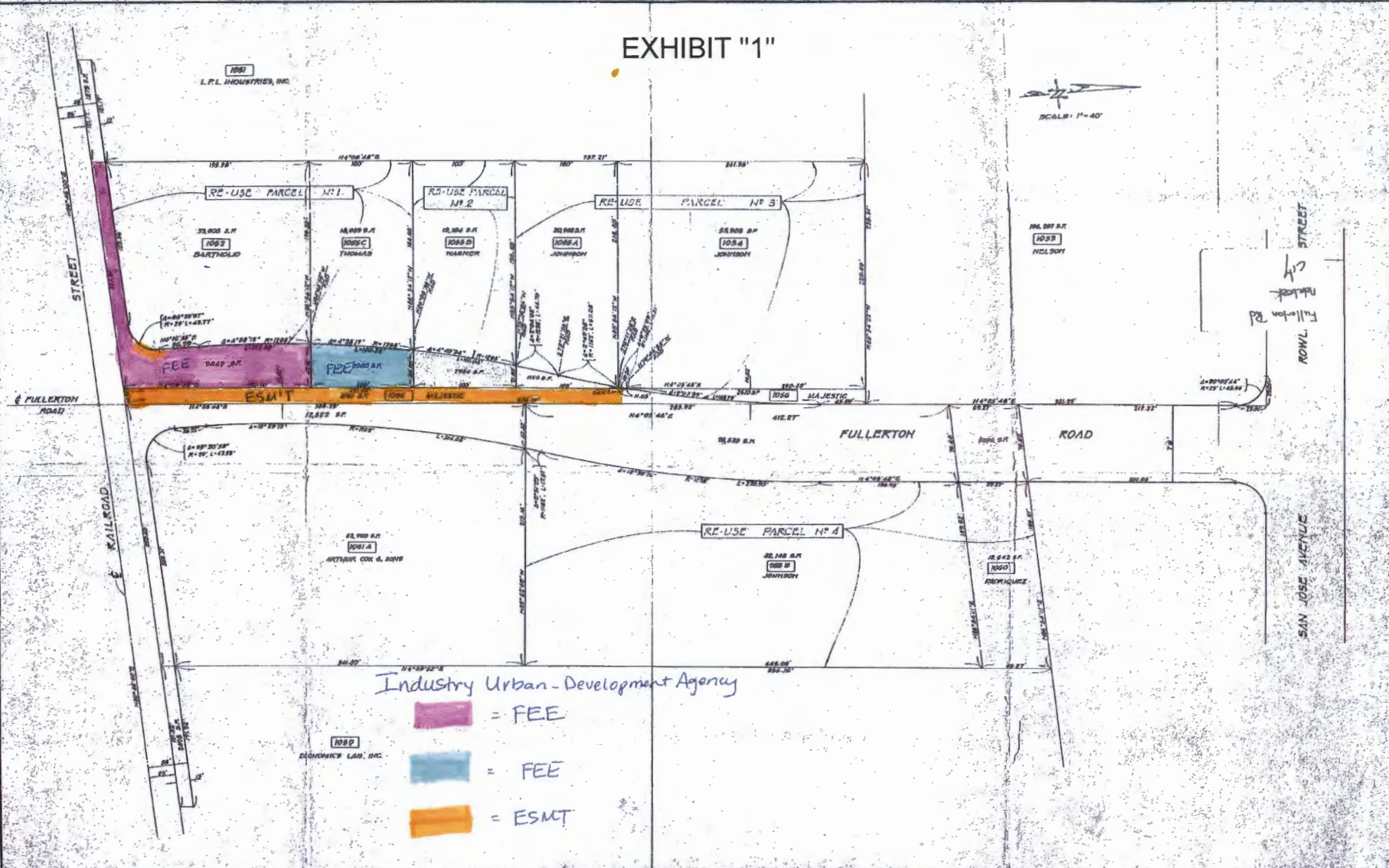
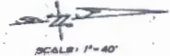
**RECOMMENDED ACTION:**

Staff therefore recommends that the Successor Agency approve the grant of easement to the City of Industry.

---

PP/CC/JN:jv

# EXHIBIT "1"



Industry Urban-Development Agency

- = FEE
- = FEE
- = ESMT

NO.	DATE	REVISIONS	CK. BY


**NATIONAL ENGINEERING COMPANY**  
 CONSULTING ENGINEERS • PLANNERS  
 PROJECT COORDINATORS • ARCHITECTS

225 North Placentia Boulevard • City of Industry, California 91744 • (213) 313-1281

**FULLERTON ROAD R/W MAP:**  
**ROWLAND - SAN JOSE CORRIDOR**

PROJECT NO.	1045
R/W NO.	
DATE	

# EXHIBIT "2"

## STREET RIGHT-OF-WAY

Sheet 1 of 1



Prepared by:

**CNC ENGINEERING**

255 N. HACIENDA BLVD, Suite 222

CITY OF INDUSTRY, CA. 91744

Phone (626) 333-0336

Job No. MP 99-31#16 August 10, 2016

RECORDING REQUESTED BY & MAIL TO

CITY OF INDUSTRY  
P.O. Box 3366  
City of Industry, CA 91744  
Attention:

MP 99-60 #10

SPACE ABOVE THIS LINE FOR RECORDER'S USE

EASEMENT GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S)

DOCUMENTARY TRANSFER TAX IS \$ 0 CITY TAX \$ 0

- computed on full value of property conveyed, or
- computed on full value less value of liens or encumbrances remaining at time of sale,

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Successor Agency to the Industry Urban-Development Agency, a public body corporate and politic, hereby grants to the CITY OF INDUSTRY, a Municipal Corporation, an easement for street and highway ingress and egress purposes, in, upon, over and across the following described real property in the City of Industry, County of Los Angeles, State of California:

Per Legal Description Exhibit "A" and as shown on Map Exhibit "B" attached hereto.

NOTE: This is a conveyance of an easement R&T 11911

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.

COMPANY NAME

Dated: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
SS.

COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_,

BY: \_\_\_\_\_

Notary Public, personally appeared \_\_\_\_\_

BY: \_\_\_\_\_

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 of Notary

(See also attached All-Purpose Acknowledgement if needed)

LEGAL DESCRIPTION  
STREET RIGHT-OF-WAY

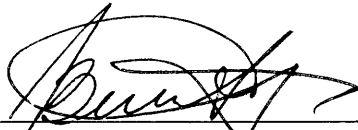
THAT PORTION OF RANCHO LA PUENTE, IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1 PAGES 43 AND 44 OF PATENTS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF PARCEL 1 OF PARCEL MAP NO. 66, IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS FILED IN BOOK 54 PAGE 96, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

**BEGINNING** AT THE NORTHWESTERLY CORNER OF SAID PARCEL 1 OF SAID PARCEL MAP 66; THENCE ALONG SAID NORTHERLY LINE OF SAID PARCEL 1, SOUTH 85°40'47" EAST 184.60 FEET TO **THE TRUE POINT OF BEGINNING**; THENCE CONTINUING ALONG SAID NORTHERLY LINE SOUTH 85°40'47" EAST, 36.09 FEET TO THE NORTHEASTERLY CORNER OF SAID PARCEL 1, SAID POINT BEING ON A LINE PARALLEL WITH AND DISTANT 14.82 FEET WESTERLY, AS MEASURED AT RIGHT ANGLES, FROM THE EASTERLY LINE OF THE LAND DESCRIBED IN THE DEED TO HELEN WALSH, RECORDED ON JANUARY 30, 1948, AS INSTRUMENT NO. 716, IN BOOK 26329 PAGE 472, OF OFFICIAL RECORDS; THENCE ALONG SAID PARALLEL LINE NORTH 04°19'33" EAST, 211.06 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1162.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 76°30'49" EAST; THENCE LEAVING SAID PARALLEL LINE, NORTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 09°09'38", AN ARC DISTANCE OF 185.78 FEET TO A POINT OF CUSP WITH SAID EASTERLY LINE OF THE LAND DESCRIBED IN THE DEED TO HELEN WALSH; THENCE ALONG SAID EASTERLY LINE SOUTH 04°19'33" WEST, 674.14 FEET TO ITS INTERSECTION WITH THE NORTHERLY LINE OF THAT CERTAIN LAND, AS CONVEYED TO THE COUNTY OF LOS ANGELES FOR ROAD PURPOSES BY DEED RECORDED IN BOOK 6106 PAGE 6 OF DEEDS; THENCE ALONG LAST SAID NORTHERLY LINE SOUTH 86°59'30" WEST, 237.45 FEET TO ITS INTERSECTION WITH THE SOUTHERLY PROLONGATION OF THE WESTERLY LINE OF SAID PARCEL MAP No.66; THENCE LEAVING LAST SAID NORTHERLY LINE, ALONG SAID PROLONGATION NORTH 04°19'33" EAST, 13.10 FEET TO ITS INTERSECTION WITH A LINE PARALLEL WITH AND DISTANT 13.00 FEET NORTHERLY FROM LAST SAID NORTHERLY LINE; THENCE ALONG LAST SAID PARALLEL LINE NORTH 86°59'30" EAST, 159.58 FEET TO THE BEGINNING OF A



TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 29.00 FEET; THENCE NORTHEASTERLY ALONG LAST SAID CURVE, THROUGH A CENTRAL ANGLE OF 86°29'12", AN ARC DISTANCE OF 43.77 FEET; THENCE TANGENT TO LAST SAID CURVE NORTH 00°30'18" EAST, 36.99 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 1238.00 FEET; THENCE NORTHERLY ALONG LAST SAID CURVE, THROUGH A CENTRAL ANGLE OF 09°36'29", AN ARC DISTANCE OF 207.60 FEET TO **THE TRUE POINT OF BEGINNING.**

CONTAINING 21,999 SQUARE FEET, (0.5050 ACRES), OF LAND, MORE OR LESS.



VLADISLAV SKREJEV, PLS 8363

CNC Engineering

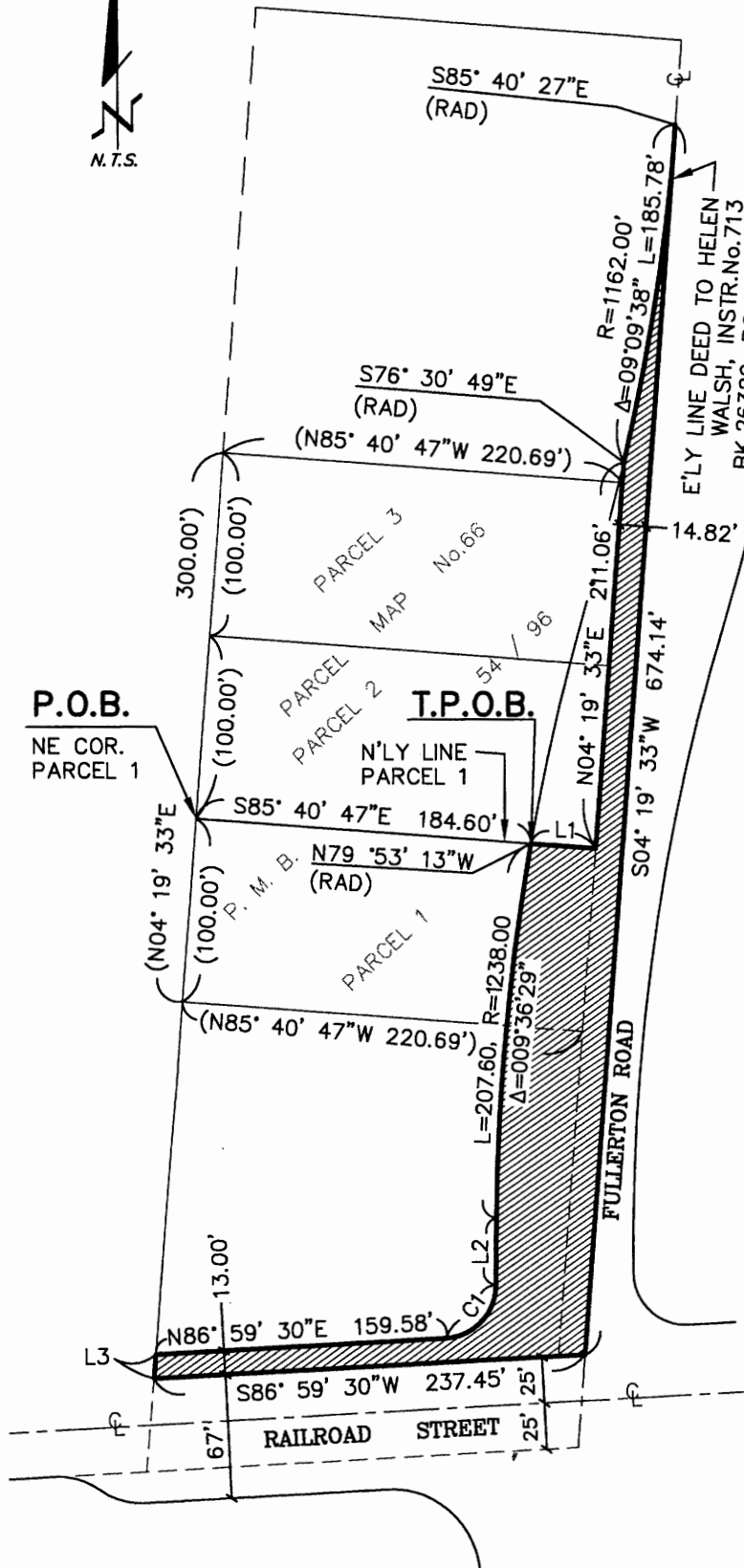
Job No. MP 99-60#10    Legal No.898

Checked by  August 29, 2016



# EXHIBIT "B"

## STREET RIGHT-OF-WAY



Line Table		
Line #	Direction	Length
L1	S85° 40' 47"E	36.09
L2	N00° 30' 18"E	36.99
L3	N04° 19' 33"E	13.10

Curve Table			
Curve #	Radius	Delta	Length
C1	29.00	86°29'12"	43.77

(XXXX) - RECORD DATA PER PARCEL MAP No.66  
P.M.B. 54/96

Prepared by:

**CNC ENGINEERING**

255 N. HACIENDA BLVD, Suite 222

CITY OF INDUSTRY, CA. 91744

Phone (626) 333-0336

*SUCCESSOR AGENCY*

ITEM NO. 5.8



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

**MEMORANDUM**

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

From: Paul J. Philips, Executive Director *Paul J. Philips*

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

Date: September 8, 2016

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

---

**DISCUSSION:**

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

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

**FISCAL IMPACT:**

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

**RECOMMENDED ACTION:**

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

---

PJP/CC/JN:jv

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

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

**RECITALS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. **TERM**

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

2. **AGENCY'S RESPONSIBILITIES**

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

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

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

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

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

### **3. WALNUT'S RESPONSIBILITIES**

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

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

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

### **4. FULFILLMENT OF OBLIGATIONS UNDER CEQA**

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

### **5. TIME OF PERFORMANCE; TERMINATION**

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

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

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

### **6. INDEMNIFICATION**

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



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

**7. NOTICES**

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

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

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

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

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

**8. ASSIGNMENT**

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

**9. GOVERNING LAW/ATTORNEYS' FEES**

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

**10. ENTIRE AGREEMENT**

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

**11. SEVERABILITY**

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

**12. COUNTERPARTS**

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

**13. CAPTIONS**

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

**14. WAIVER**

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

**15. REMEDIES**

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

**16. AUTHORITY TO EXECUTE THIS AGREEMENT**

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

**(SIGNATURES ON FOLLOWING PAGE)**

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

**“AGENCY”**  
Successor Agency to the Industry  
Urban-Development Agency

**“WALNUT”**  
City of Walnut

By: \_\_\_\_\_  
Paul J. Philips, Executive Director

By: \_\_\_\_\_  
Rob Wishner, City Manager

**Attest:**

**Attest:**

By: \_\_\_\_\_  
Diane M. Schlichting, Assistant Secretary

By: \_\_\_\_\_  
Teresa De Dios, City Clerk

**Approved as to form:**

**Approved as to form:**

By: \_\_\_\_\_  
James M. Casso, Agency General Counsel

By: \_\_\_\_\_  
Barbara Leibold, City Attorney

ATTACHMENT NO. 1

LIST OF TRAFFIC MITIGATION MEASURES

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

- A. Valley Boulevard and Lemon Avenue intersection:
  - Add west bound third lane
  
- B. Grand Avenue and La Puente Road intersection:
  - Add third north bound lane.
  - Add second north bound left turn lane.

Agency to provide Plans Only:

- C. Grand Avenue and San Jose Hills Road/ Mt. San Antonio College Entrance intersection
  - Add one north bound through lane on Grand Avenue
  - Add one south bound through lane on Grand Avenue
  - Add one south bound exclusive right turn lane.
  
- D. Grand Avenue and Mountaineer Road intersection
  - Add one north bound through lane on Grand Avenue.
  
- E. Grand Avenue and Shadow Mountain Road/ College Vista Avenue intersection
  - Add one south bound through lane on Grand Avenue.
  
- F. Nogales Street and Amar Road intersection
  - Add second west bound left turn lane.

*SUCCESSOR AGENCY*

ITEM NO. 5.9



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

**MEMORANDUM**

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

**From:** Paul J. Philips, Executive Director *Paul J. Philips*

**Staff:** Clem Calvillo, Agency Engineer, CNC Engineering *CC*  
Josh Nelson, Deputy Agency Engineer, CNC Engineering *JN*  
Gerardo Perez, CNC Engineering *GP*

**Date:** September 8, 2016

**Subject:** Consideration of Change Order for Contract No. IBC-0379, Industry Business Center Phase I Mass Grading Far West Side, with C.A. Rasmussen, Inc., and Authorize the Executive Director to Execute the Approved Change Order

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On February 25, 2014, the Successor Agency to the Industry Urban-Development Agency ("Agency") awarded Contract No. IBC-0379, Industry Business Center Phase I Mass Grading Far West Side to C.A. Rasmussen, Inc. ("Contractor") in the amount of \$20,329,606.95.

During the course of construction, certain bid quantities increased or decreased due to revisions to the contract plans or quantity adjustments due to final field measurements. Below is a description of the affected bid items with an explanation as to why the quantities were adjusted.

As of August 8, 2016, the Agency Engineer has reviewed the following bid quantity adjustment for completeness and accuracy:

**Schedule A – General Civil Work and Earthwork**

***Bid Item No. 5*** – Remove, salvage and stockpile AC Grindings from existing equipment roads; Original quantity was 500 cubic yards, the actual quantity was 6,932 cubic yards. The original quantity was an estimate only and during construction additional grindings were placed after the project went out to bid. Quantity has been verified by survey. Additional cost is \$27,014.40.

***Bid Item No. 6*** – Load, haul, spread and compact AC grindings onto the equipment roads from on-site stockpile(s); Original quantity was 1,500 cubic yards which increased to 7,822 cubic yards. The contract plans called for placement of crushed aggregate base (CAB) on the new equipment roads.

However, it was decided to use the AC grindings in lieu of the CAB which reduced the quantity of CAB under Bid Item No. 32 substantially. These grinding were also placed on the property line road. Additional cost is \$113,803.20 but there is a credit of \$194,480.00.

**Bid Item No. 8** – Remove concrete apron at Debris Basin No. 1 (construction note No. 7), Original quantity was 2,700 square feet, increased to 5,166 square feet due to not accounting for the buried portion of the structure. Cost is \$2,466.00.

**Bid Item 11B** – Remove CMP and flared end sections (18" and 24") (construction note No. 32) Original quantity was 735 lineal feet, increased to 754 lineal feet based on field measurements. Cost is \$228.00.

**Bid Item No. 12** – Over-excavation and re-compaction – outside of buttress excavation limits. Original quantity was 215,000 cubic yards, the actual quantity totals 185,204.00 cubic yards which was verified by survey. Credit is (\$40,224.60).

**Bid Item No. 13** – Unclassified excavation including placement as unclassified compacted fill (payment for this item will be based on field survey of the excavation areas. This bid item excludes the buttress excavation and also the over-excavation and re-compaction areas. Original quantity was 2,600,000 cubic yards, the actual quantity was 2,572,654 cubic yards which was verified by survey. Credit is (\$66,997.70)

**Bid Item No. 14** – Unclassified excavation for buttress including placement of this material as unclassified compacted fill. Original quantity was 2,000,000 cubic yards, the actual quantity was 2,049,322 cubic yards as verified by survey.

**Bid Item No. 15A** - 6" solid outlet pipe. Original quantity was 15,400 lineal feet, the actual quantity was 14,014 lineal feet. Per geotechnical engineer's recommendations the solid pipe was reduced and the perforated pipe increased. Quantities verified by survey. Credit is (\$8,454.60).

**Bid Item No. 15B** – 4" perforated pipe in filter fabric and gravel. Original quantity was 5,100 lineal feet, the actual quantity is 6,653 lineal feet. Per geotechnical recommendations the perforated pipe was increased. Quantities verified by survey. Cost is \$18,636.00.

**Bid Item No. 19** - Construct downdrain (per detail "2" on Detail Sheet D1) including transitions of downdrain to "V" gutters, per detail "11" and "12" on Detail Sheet D2; excluding splash walls which are paid/covered under Bid Item No. 23; quantity represents "length on slope" [construction note no. 15, 29 and no. 43]. Original quantity was 2,100 lineal feet, actual quantity was 2919 lineal feet. Quantity increased due to plan revisions or field conditions. Quantity verified by survey. Cost is \$23,751.00.



**Bid Item No. 23** - Construct splash wall per detail "4" on Detail Sheet D1 [part of construction note items no. 29, 31, 43 and 44]. Original quantity was 775 lineal feet, actual quantity was 846 lineal feet. Some down drain outlets did not have splash walls and were added in the field. The quantity is based on field measurements. The cost is \$2,698.00.

**Bid Item No. 24** - Construct concrete V-gutter Type A (per detail "5" on Detail Sheet D1) [construction note no. 8]. Original quantity was 500 lineal feet, actual quantity is 782 lineal feet. Quantity increased due to plan revisions. Cost is \$5,358.00.

**Bid item No. 25** - Construct concrete/PCC, Type B, V-gutter, per detail "6" on Detail Sheet D1) (this occurs adjacent to paved surfaces) [part of construction note no. 12]. Original quantity was 5,920 lineal feet, actual quantity is 5,968 lineal feet. Quantity increased due to plan revisions. Cost is \$1,200.00.

**Bid item No. 26** - Construct gunite, Type B, V-gutter, (per detail "6" on Detail Sheet D1); (this occurs along equipment roads) [part of construction note no. 12]. Original quantity was 3,800 lineal feet, actual quantity was 4,069 lineal feet. Quantity increased due to plan revisions. Cost is \$5,649.00.

**Bid Item No. 27** - Construct Type A1 curb per City of Industry Standard Plan 112 (6" curb face), including base material [part of construction note no. 13]. Original quantity was 7,800 lineal feet, increased to 7,980 lineal feet. Quantity increased due to field conditions. Cost is \$1,800.00.

**Bid Item No. 28** - Construct modified Type A1 curb (0" curb face) per City of Industry Standard Plan 112, including base material; (top width=6", base width=10", depth=8") [part of construction note no. 13]. Original quantity was 840 lineal feet, increased to 1,221 lineal feet. Quantity increased due to field conditions and verified by field measurements. Cost is \$3,429.00.

**Bid Item No. 29A** - Construct Type A2 curb & gutter, including base material [construction note no. 11]. Original quantity was 2,350 lineal feet, decreased to 2268 lineal feet. Quantity decreased due to field conditions and verified by field measurements. Credit is (\$1,148.00).

**Bid Item No. 29B** - Construct Type B3 curb & gutter, including base material [construction note no. 14]. Original quantity was 1,250 lineal feet, decreased to 1,236 lineal feet. Quantity decreased due to field conditions and verified by field measurements. Credit is (\$294.00).

**Bid Item No. 30** - Construct concrete driveway per City of Industry Standard Plan 114, including base material [construction note no. 20]. Original quantity was 1,880 square feet, increased to 2,045 square feet. Quantity increased due to field conditions and verified by field measurements. Cost is \$1,237.50.

**Bid Item No. 31** - Construct concrete pavement (6" thick); without reinforcement or wire mesh [part of construction note no. 24]. Original quantity was 165 cubic yards, actual quantity was 164 cubic yards. Verified by field measurements. Credit is (\$190.00).

**Bid Item No. 32** - Construct Caltrans Class 2 aggregate base or CAB. Original quantity was 43,500 Tons, actual quantity was 33,776 tons. Deleted the base material at the equipment roads and property line road and used AC grindings. Credit is (\$194,480.00).

**Bid Item No. 33** - Construct AC Pavement [construction note no. 9 and 28]. Original quantity was 10,000 Tons, increased to 10,993.52 Tons. Increase was due to repaving the access road along the channel to drain towards the trapezoidal channel. Quantity verified by asphalt tickets. Cost is \$69,546.40.

**Bid Item No. 34** - Construct debris basin slope protection including the cut-off wall (per detail "9" on Detail Sheet D1) [construction note no. 17]. Original quantity was 12,815 square feet, actual quantity was 18,824 square feet. Original estimate did not include a portion of the concrete slope protection that was under the access ramp. Verified by field measurements. Cost is \$48,072.00.

**Bid Item No. 35A** - Construct masonry retaining wall, (split face tan colored block, and a block cap),  $H \leq 4'-8"$ , per APWA Standard Drawing 618-3, Type A, including wall gutter and dome wall drain, per Standard Drawing 617-3, and 3" PVC Schedule 40 pipe drain, outletting into existing property line "V" ditch (25' along the property line access road, and 160' at the westerly maintenance yard). Original quantity was 185 lineal feet, decreased to 156 lineal feet. Most of the masonry walls were deleted due to the interference of existing SCE power poles along the property line road. Reference is also made to RFC No. 14. The credit is (\$5,800.00).

*RFC No. 14: Plan Revision No. 6 deleted a significant lineal footage of masonry retaining walls due to the interference of existing SCE power poles. Construction of the retaining wall footings were in conflict with the power poles. These poles cannot be removed because the City's IPUC substation has not been activated. The Contractor submitted a credit in the amount of \$335,114.70 which will be reflected in the final bid quantity adjustments.*

**Bid Item No. 35B** - Construct masonry retaining wall, (split face tan colored block, and a block cap),  $H \Rightarrow 4'-8"$  to  $\leq 6'-0"$ , per APWA Standard Drawing 618-3, Type A, including wall gutter and dome wall drain, per Standard Drawing 617-3, and 3" PVC Schedule 40 pipe drain, outletting into existing property line "V" ditch. Original quantity was 280 lineal feet, decreased to 230 lineal feet. Same explanation as Bid Item No. 35A. The credit is (\$14,901.00).

**Bid Item No. 35C** - Construct masonry retaining wall, (split face tan colored block, and a block cap), per detail on plans, H= >6'-0" to ≤8'-0", including wall gutter and dome wall drain, per APWA Standard Drawing 617-3, and 3" PVC Schedule 40 pipe drain, outletting into existing property line "V" ditch. Original quantity was 720 lineal feet, decreased to 121 lineal feet. Same explanation as Bid Item No. 35A. The credit is (\$275,540.00).

**Bid Item No. 35D** - Construct masonry retaining wall (split face tan colored block, and a block cap), per detail on plans, H= >8'-0", including wall gutter and dome wall drain, per APWA Standard Drawing 617-3, and 3" PVC Schedule 40 pipe drain, outletting into existing property line "V" ditch. Original quantity was 62 lineal feet. Same explanation as Bid Item No. 35A. The credit is (\$34,100.00).

**Bid Item No. 37A** - Construct 6' high chain link fence without barbed wire [construction note no. 26]. Original quantity was 3,810 lineal feet, actual quantity was 4,113 lineal feet. Verified by field measurement. Cost is \$5,454.00.

**Bid Item No. 37I** - Construct chain link gate, H=4', four (4) @ W=10' and one (1) @ W=12', single swinging panel [construction note no. 27, modify height, H=4']. Original quantity was 5, installed only 4. Credit is (\$2,300.00).

**Bid Item No. 40** - Install ½" to 1" gravel, 4" to 6" thick, including fabric (Ground Cover Industries 500 series fabric, 5 ounce, or approved equal, 6,600 SY) [construction note no. 37]. Original quantity was 1,000 tons, decreased to 732 tons. Verified by field measurements. Credit is (\$13,132.00).

**Bid Item No. 41** - Install settlement monument, per standard plan provided in Attachment 7. Original quantity was 5, decreased to 4 per geotechnical engineer's recommendations. Credit is (\$4,100.00).

### **Schedule B – Storm Drain Improvements**

**Bid Item No. 2** - 24" RCP. Original quantity was 1,750 lineal feet, increase to 1,822 lineal feet. Removed existing CMP and replaced with RCP since it was going to be a permanent structure. Cost is \$6,048.00.

**Bid Item No. 10A** – 24" RCP Concrete Collar. Original quantity was 14, increased to 15. Added a 24" RCP Concrete Collar and deleted a 36" concrete collar. Cost is \$1,800.00.

**Bid Item No. 10B** – 36" RCP Concrete Collar. Original quantity was 1. This item was deleted and replaced with one 24" RCP concrete collar. Credit is (\$2,100.00).

**Schedule C – Utilities; Water Lines, Electrical and Telephone**

**Bid Item No. 4E** – 5” SCE Conduit. Original quantity was 6,816 feet, increased to 7840 feet. This item increased due to plan revisions issued and at SCE’s request. Cost is \$5,632.00.

**Bid Item No. 4F** – 4” SCE Conduit. Original quantity was 1,704 feet. This item was deleted per plans revisions issued and at SCE’s request. Credit is (\$8,520.00).

**Bid Item No. 4H** – Verizon pull box 3’x5’x4’. Original quantity was 4 each, increased to a total of 7. This item increased per plan revisions issued and was used to pay for 3 additional communication manholes per SCE’s request. Cost is \$15,900.00.

**Bid Item No. 5E** – 1½” conduit DB 100. Original quantity was 788 feet, decreased to 620 feet. Verified by field measurements. Credit is (\$498.00).

**Bid Item No. 5Q** – Connectors (4W secondary bars), 600V. Original quantity was 18 each, increased to 54 each. Per SCE’s request additional connectors were added in the electrical vaults. Cost is \$3,240.00.

**Schedule D – Landscaping and Irrigation**

**Various Bid Items** (See Exhibit B – Landscape and Irrigation Bid Quantity Adjustment Summary and confirmation memo from Environs) – These quantities have been verified by the landscape architect, Brett French with Environs, who worked closely with the landscape subcontractor. Total net deductive cost is (\$18,978.00).

**Total Net Deductive Change Order is (\$230,151.40).**

**Table 1 – Project Summary**

Contract (C.A. Rasmussen, Inc.)	\$20,329,606.95
Change Order No. 1 – Approved 2/24/2015	\$500,983.79
Change Order No. 2 – Approved 5/5/2015	\$174,489.22
Change Order No. 3 – Approved 6/25/2015	\$322,397.80
Change Order No. 12, 23-28, 30-57, and 59	\$371,932.81
Change Order No. 60	<u>(\$230,151.40)</u>
Total Change Orders	\$1,139,652.21
<b>Total Project Cost</b>	<b>\$ 21,469,259.17</b>

The current revised contract amount with all change orders totals \$21,469,259.17. An additional cost of \$1,139,652.21, or a 5.61% increase from the original project contract amount.

The following Requests for Change Orders which were pending, have been retracted by the Contractor (See Exhibit C, Acknowledgement Letter).

RFC No. 12R1A: The Contractor also submitted RFC 12R1A for long haul costs associated with Plan Revision No. 1 in the amount of \$108,197.44.

RFC No. 21: The Contractor has submitted a request for additional costs in the amount of \$180,609.10 to provide additional compaction effort during the grading operation.

RFC 29 and 29A: Contractor submitted a change order request in the amount of \$8,028.52 for reimbursement of the reclaimed base rate invoiced by Walnut Valley Water District to provide construction water to the project.

RFC No. 58: The Contractor submitted a change order request in the amount of \$12,678.75 for installation of fiber rolls in lieu of replacing the damaged silt fence.

The Agency Board previously approved Change Order Nos. 1-3 which included Request for Change Order Nos. 1—11, 15, and 17-19.

**Change Order No. 1:** This change order was approved by the Board on February 24, 2015 and included RFCs Nos 1R1, 2R1, 2R1A, 3R1, 4R1, 5, 6, and 7 which were grouped as one change order. Change Order No. 1 included various items of extra work including removal of existing stockpile, additional remedial excavation and installation of canyon drains.

**Change Order No. 2:** This change order was approved by the Board on May 5, 2015 and included RFCs Nos 2R1B, 8R1, 9, 11, 15, 17 and 19 which were grouped together as one change order. Change Order No.2 included storm drain revisions and electrical conduit and vault revisions.

**Change Order No. 3:** This change order was approved by the Board on June 25, 2015 and included RFC No. 10 and 18R. Change Order No. 3 included extra costs associated with the slide repair.

**Change Orders Nos. 12, 23-28, 30-57, and 59:** These change orders were approved by the Board on May 26, 2016. Change Orders Nos. 12, 23-28, 30-57, and 59 included various items of extra work.

The proposed change order is a part of, and related to, the underlying contract for the mass grading at the Industry Business Center. Staff therefore recommends the Successor Agency approve Change Order No. 60 and authorize the Executive Director or his designee to execute the approved change order.

EXHIBITS:

- A. Change Order No. 60
  - B. Landscape and Irrigation Bid Quantity Adjustment Summary
  - C. Acknowledgement Letter
- 

GP/rg

# EXHIBIT A

# CHANGE ORDER

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

15625 E. Stafford St.  
City of Industry, CA 91744  
(626)333-2211

Change Order No. 60

**Project** Industry Business Center Phase 1  
Mass Grading, Far West Side **Contract No.** IBC-0379 **Date** 8/25/2016

**Type** Grading **Contractor** C.A. Rasmussen

**Location** City of Industry

**Explanation:**

Bid Quantity Adjustments

Extra Work by: x  
Contract Items

Negotiated

T & M

The contractor is hereby directed to perform all labor and to provide all materials necessary to carry out the work described below:

ITEM NO.	ITEM	QUANTITY	UNIT	UNIT PRICE	TOTALS (\$)	
					+	-
1	Bid Quantity Adjustments - See Attached Summary	1	LS	(\$230,151.40)	(\$230,151.40)	
<b>TOTAL COST</b>					<b>(\$230,151.40)</b>	

**T & M SUMMARY**

*Labor Cost	+ 20%	Total Labor
*Equipment Cost	+ 15%	Total Equipment
*Material Cost	+ 15%	Total Materials
(*Attach breakdown of labor, equipment and materials)		Sub-Total
<b>CHANGE ORDER SUMMARY</b>		Other Additive
Original Contract Amount	\$20,329,606.95	Total T & M
Total Previous Change Orders	\$ 1,369,803.62 6.74%	
Total Change Orders	\$ 1,139,652.22 5.61%	<b>Pay This CHANGE ORDER \$ (230,151.40) -1.13%</b>

Authorized by \_\_\_\_\_

Additional Working Days \_\_\_\_\_

I hereby certify that the quantities shown and/or amounts shown for equipment, material and labor costs (if any) are correct to the best of my knowledge and the total cost shown above shall be considered final payment for the work specified by this change order. The total cost includes compensation for any delay in the preparation of this change order and the time to complete the specified work.

Contractor Representative [Signature] Date 8-29-16  
Gerardo Perez, Project Manager

Paul J. Philips, Executive Director Date 8-18-16  
Clement N. Calvillo, Agency Engineer Date \_\_\_\_\_  
C.O. # 60



INDUSTRY URBAN-DEVELOPMENT AGENCY  
 15625 E. Stafford Street, City of Industry, CA 91744

PROJECT:  
 CONTRACT NO: IBC-0379  
 CONTRACTOR:

BID QUANTITY ADJUSTMENTS

ITEM NO.	DESCRIPTION OF ITEM	CONTRACT QUANTITY IN UNITS	UNIT MEAS.	CONTRACT UNIT AMOUNT	CONTRACT AMOUNT	QUANTITY TO DATE	TOTAL AMOUNT TO DATE	REMAINING BALANCE
<b>SCHEDULE A - GENERAL CIVIL WORK AND EARTHWORK</b>								
1	Mobilization, including preparation of the construction staging	1	LS	1,490,000.00	1,490,000.00	1.00	\$1,490,000.00	
2	Clearing & grubbing (excluding bid items 4, 5, and 7 through 11)	125	AC	2,500.00	312,500.00	125.00	\$312,500.00	
3	Install fence screen fabric on existing chain link fence, Economy Envirotex, or approved equal, H=5'-8" [construction note no. 40]	2,000	LF	5.30	10,600.00	2000.00	\$10,600.00	
4	Remove existing chain link fence and screen fabric (this is the existing chain link fence located mostly along the westerly property line and near Debris Basin No. 1)	2,060	LF	3.80	7,828.00	2060.00	\$7,828.00	
5	Remove, salvage, and stockpile AC grindings from existing equipment roads	500	CY	4.20	2,100.00	6932.00	\$29,114.40	(\$27,014.40)
6	Load, haul, spread, and compact AC grindings onto the equipment roads from on-site stockpile(s)	1,500	CY	18.00	27,000.00	7822.40	\$140,803.20	(\$113,803.20)
7	Remove AC berm [construction note no. 6]	320	LF	1.00	320.00	320.00	\$320.00	
8	Remove concrete apron at Debris Basin No. 1 [construction note no. 7]	2,700	SF	1.00	2,700.00	5166.00	\$5,166.00	(\$2,466.00)
9	Saw cut and remove existing AC pavement [construction note no. 3]	13,800	SF	1.10	15,180.00	13800.00	\$15,180.00	
10	Saw cut and remove existing curb & gutter [construction note no. 5]	280	LF	4.00	1,120.00	280.00	\$1,120.00	
11	Remove interfering portions of existing storm drain systems							
A	Remove PCC collars (18" and 24" pipe)	2	EA	240.00	480.00	2.00	\$480.00	
B	Remove CMP and flared end sections (18" and 24") [construction note no. 32]	735	LF	12.00	8,820.00	754.00	\$9,048.00	(\$228.00)
C	Remove 60" CMP inlet riser and appurtenances	2	EA	730.00	1,460.00	2.00	\$1,460.00	
D	Remove brick and mortar plug from 24" pipe [this is called out at locations, however there is no construction note]	2	EA	580.00	1,160.00	2.00	\$1,160.00	
E	Remove existing grated inlet at property line station 25+95 and clean 45' of 12" CMP to trapezoidal channel [part of construction note no. 38]	1	LS	2,200.00	2,200.00	1.00	\$2,200.00	

INDUSTRY URBAN-DEVELOPMENT AGENCY  
 15625 E. Stafford Street, City of Industry, CA 91744

PROJECT:  
 CONTRACT NO: IBC-0379  
 CONTRACTOR:

BID QUANTITY ADJUSTMENTS

ITEM NO.	DESCRIPTION OF ITEM	CONTRACT QUANTITY IN UNITS	UNIT MEAS.	CONTRACT UNIT AMOUNT	CONTRACT AMOUNT	QUANTITY TO DATE	TOTAL AMOUNT TO DATE	REMAINING BALANCE
F	Remove existing inlet structure and appurtenances at existing Debris Basin No. 1 including CMP riser inlet, steel grate and concrete wing walls, including backfill [construction note no. 4]	1	LS	3,500.00	3,500.00	1.00	\$3,500.00	
G	Remove 36" RCP outlet pipe at Debris Basin No. 1 including PCC collar and junction structure to an 18" RCP, including backfill [construction note no. 4]	80	LF	27.00	2,160.00	80.00	\$2,160.00	
H	Remove catch basin, W=10', V=4', near Debris Basin No. 1, including backfill [construction note no. 4]	1	EA	1,100.00	1,100.00	1.00	\$1,100.00	
I	Remove 18" RCP connector pipe, between the 36" RCP and catch basin at Debris Basin No. 1, including backfill [construction note no. 4]	24	LF	28.00	672.00	24.00	\$672.00	
12	Overexcavation and recompaction – outside of buttress excavation limits	215,000	CY	1.35	290,250.00	185,204.00	\$250,025.40	\$40,224.60
13	Unclassified excavation including placement as unclassified compacted fill (payment for this item will be based on field survey of the excavation areas. This bid item excludes the buttress excavation and also the overexcavation and recompaction areas)	2,600,000	CY	2.45	6,370,000.00	2,572,654.00	\$6,303,002.30	\$66,997.70
14	Unclassified excavation for buttress including placement of this material as unclassified compacted fill	2,000,000	CY	2.00	4,000,000.00	2,049,322.00	\$4,098,644.00	(\$98,644.00)
15	Buttress back drains and outlet pipes							
A	6" solid outlet pipe	15,400	LF	6.10	93,940.00	14,014.00	\$85,485.40	\$8,454.60
B	4" perforated pipe in filter fabric and gravel	5,100	LF	12.00	61,200.00	6,653.00	\$79,836.00	(\$18,636.00)
C	Directional bore 6" solid outlet pipe	950	LF	55.00	52,250.00	950.00	\$52,250.00	
D	Construct 12" HDPE drain basin with 12" hinge design standard	3	EA	4,100.00	12,300.00	3.00	\$12,300.00	
16	Finish grading							
A	Permanent terraced slopes, and paved areas.	1	LS	340,000.00	340,000.00	1.00	\$340,000.00	
B	Site, less the permanent terraced slopes and paved areas	1	LS	120,000.00	120,000.00	1.00	\$120,000.00	
17	Construct energy dissipater (per detail "10" on Detail Sheet D2)	2	EA	2,100.00	4,200.00	2.00	\$4,200.00	
18	Construct large energy dissipater at outlet of 24" RCP within the	1	LS	8,800.00	8,800.00	1.00	\$8,800.00	

INDUSTRY URBAN-DEVELOPMENT AGENCY  
 15625 E. Stafford Street, City of Industry, CA 91744

PROJECT:  
 CONTRACT NO: IBC-0379  
 CONTRACTOR:

BID QUANTITY ADJUSTMENTS

ITEM NO.	DESCRIPTION OF ITEM	CONTRACT QUANTITY IN UNITS	UNIT MEAS.	CONTRACT UNIT AMOUNT	CONTRACT AMOUNT	QUANTITY TO DATE	TOTAL AMOUNT TO DATE	REMAINING BALANCE
19	Construct downdrain (per detail "2" on Detail Sheet D1) including transitions of downdrain to "V" gutters, per detail "11" and "12" on Detail Sheet D2; excluding splash walls which are paid/covered under Bid Item No. 23; quantity represents "length on slope" [construction note no. 15, 29 and no. 43]	2,100	LF	29.00	60,900.00	2,919.00	\$84,651.00	(\$23,751.00)
20	Construct terrace drain (per detail "3" on Detail Sheet D1) including terrace drain to downdrain transitions (per detail "1" on Detail Sheet D1); excluding splash walls which are paid/covered under Bid Item No. 23 [construction note no. 16 and 31]	10,950	LF	36.00	394,200.00	10,950.00	\$394,200.00	
24	<del>Construct terrace/down drain intersection per detail</del> DELETED (included in Bid Item No. 20)							
21	Construct various drainage inlets and basins connecting to RCP storm drain systems (shown on the grading plans and grading plan enlargements; for inlets connecting to CMP storm drain systems see Bid Item No. 36)							
A	Construct curbside grating catch basin, with two (2) grates per SPPWC Standard Plan 303-3, including local depression per SPPWC Standard Plan 313-3, Case C, H=4", H1=3" (located at Debris Basin No. 1)	1	EA	7,200.00	7,200.00	1.00	\$7,200.00	
B	Construct inlets, consisting of a poured in place grated basin and a CMP riser, including connection of the 18" CMP to the top of the RCP per junction structure SPPWC 331-1, also including the transition/connection to the Type B V-gutter (this occurs at locations where a downdrain and a terrace drain and the Type B V-ditch along the Perimeter Maintenance Road, all merge together) per detail "13" on Detail Sheet D2 [construction note	4	EA	8,600.00	34,400.00	4.00	\$34,400.00	
C	Construct CMP riser inlet, per insert "C" of detail "13" on Detail Sheet D2, including connection to RCP per SPPWC Standard Plan 331-1 [construction note no. 19]	3	EA	2,900.00	8,700.00	3.00	\$8,700.00	
D	Construct poured in place grated downdrain inlet per detail "7"	6	EA	6,500.00	39,000.00	6.00	\$39,000.00	
E	Construct poured in place grated inlet per detail "1" on Detail	1	EA	7,000.00	7,000.00	1.00	\$7,000.00	

PROJECT:  
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BID QUANTITY ADJUSTMENTS

ITEM NO.	DESCRIPTION OF ITEM	CONTRACT QUANTITY IN UNITS	UNIT MEAS.	CONTRACT UNIT AMOUNT	CONTRACT AMOUNT	QUANTITY TO DATE	TOTAL AMOUNT TO DATE	REMAINING BALANCE
F	Construct modified area drain, per detail "8" on Detail Sheet D1, modify inlet to have a 24" CMP riser and 24" outlet pipe,	2	EA	6,100.00	12,200.00	2.00	\$12,200.00	
22	<del>Construct down drain inlet per detail</del> DELETED (Incorporated into other bid items)							
23	Construct splash wall per detail "4" on Detail Sheet D1 [part of construction note items no. 29, 31, 43 and 44]	775	LF	38.00	29,450.00	846.00	\$32,148.00	(\$2,698.00)
24	Construct concrete V-gutter Type A (per detail "5" on Detail Sheet D1) [construction note no. 8]	500	LF	19.00	9,500.00	782.00	\$14,858.00	(\$5,358.00)
25	Construct concrete/PCC, Type B, V-gutter, per detail "6" on Detail Sheet D1) (this occurs adjacent to paved surfaces) [part of construction note no. 12]	5,920	LF	25.00	148,000.00	5968.00	\$149,200.00	(\$1,200.00)
26	Construct gunite, Type B, V-gutter, (per detail "6" on Detail Sheet D1); (this occurs along equipment roads) [part of construction note no. 12]	3,800	LF	21.00	79,800.00	4069.00	\$85,449.00	(\$5,649.00)
27	Construct Type A1 curb per City of Industry Standard Plan 112 (6" curb face), including base material [part of construction note no. 13]	7,800	LF	10.00	78,000.00	7980.00	\$79,800.00	(\$1,800.00)
28	Construct modified Type A1 curb (0" curb face) per City of Industry Standard Plan 112, including base material; (top width=6", base width=10", depth=8") [part of construction note no. 13]	840	LF	9.00	7,560.00	1221.00	\$10,989.00	(\$3,429.00)
29	Construct curb & gutter per City of Industry Standard Plan 112, including base material							
A	Construct Type A2 curb & gutter, including base material [construction note no. 11]	2,350	LF	14.00	32,900.00	2268.00	\$31,752.00	\$1,148.00
B	Construct Type B3 curb & gutter, including base material [construction note no. 14]	1,250	LF	21.00	26,250.00	1236.00	\$25,956.00	\$294.00
30	Construct concrete driveway per City of Industry Standard Plan 114, including base material [construction note no. 20]	1,880	SF	7.50	14,100.00	2045.00	\$15,337.50	(\$1,237.50)
31	Construct concrete pavement (6" thick); without reinforcement or wire mesh [part of construction note no. 24]	165	CY	190.00	31,350.00	164.00	\$31,160.00	\$190.00

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ITEM NO.	DESCRIPTION OF ITEM	CONTRACT QUANTITY IN UNITS	UNIT MEAS.	CONTRACT UNIT AMOUNT	CONTRACT AMOUNT	QUANTITY TO DATE	TOTAL AMOUNT TO DATE	REMAINING BALANCE
32	Construct Caltrans Class 2 aggregate base or CAB	43,500	TONS	20.00	870,000.00	33,776.00	\$675,520.00	\$194,480.00
33	Construct AC Pavement [construction note no. 9 and 28]	10,000	TONS	70.00	700,000.00	10,993.52	\$769,546.40	(\$69,546.40)
34	Construct debris basin slope protection including the cut-off wall (per detail "9" on Detail Sheet D1) [construction note no. 17]	12,815	SF	8.00	102,520.00	18,824.00	\$150,592.00	(\$48,072.00)
35	Retaining walls [construction note no. 33 and 41]							
A	Construct masonry retaining wall, (split face tan colored block, and a block cap), H= $\leq$ 4'-8", per APWA Standard Drawing 618-3, Type A, including wall gutter and dome wall drain, per Standard Drawing 617-3, and 3" PVC Schedule 40 pipe drain, outletting into existing property line "V" ditch (25' along the property line access road, and 160' at the westerly maintenance yard)	185	LF	200.00	37,000.00	156.00	\$31,200.00	\$5,800.00
B	Construct masonry retaining wall, (split face tan colored block, and a block cap), H= $>$ 4'-8" to $\leq$ 6'-0", per APWA Standard Drawing 618-3, Type A, including wall gutter and dome wall drain, per Standard Drawing 617-3, and 3" PVC Schedule 40 pipe drain, outletting into existing property line "V" ditch	280	LF	300.00	84,000.00	230.33	\$69,099.00	\$14,901.00
C	Construct masonry retaining wall, (split face tan colored block, and a block cap), per detail on plans, H= $>$ 6'-0" to $\leq$ 8'-0", including wall gutter and dome wall drain, per APWA Standard Drawing 617-3, and 3" PVC Schedule 40 pipe drain, outletting into existing property line "V" ditch	720	LF	460.00	331,200.00	121.00	\$55,660.00	\$275,540.00
D	Construct masonry retaining wall (split face tan colored block, and a block cap), per detail on plans, H= $>$ 8'-0", including wall gutter and dome wall drain, per APWA Standard Drawing 617-3, and 3" PVC Schedule 40 pipe drain, outletting into existing property line "V" ditch	62	LF	550.00	34,100.00			\$34,100.00
36	Construct 12 gauge, corrugated metal pipe (CMP) including anchors, joints and fittings (these are the storm drains that are detailed out on the grading plan sheets, mostly along the equipment roads) [construction note no. 10 34 and 45]							

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A	18" above grade on slope	130	LF	130.00	16,900.00	130.00	\$16,900.00	
B	18" buried	1,320	LF	72.00	95,040.00	1,320.00	\$95,040.00	
C	<del>24" above grade on slope</del> DELETED							
D	24" buried (grading plan sheet G4)	80	LF	180.00	14,400.00	80.00	\$14,400.00	
E	Construct flared end unit per Caltrans Standard Plan D94A Type R	7	EA	1,600.00	11,200.00	7.00	\$11,200.00	
F	Construct area drain including concrete apron (per detail "8" on Detail Sheet D1) [construction note no. 10]	8	EA	5,500.00	44,000.00	8.00	\$44,000.00	
G	Construct 60" CMP riser inlet with 48" CMP outlet pipe per detail "14" on Detail Sheet D2 (this is located in the westerly sediment basin) [construction note no. 45]	1	EA	10,800.00	10,800.00	1.00	\$10,800.00	
H	Construct 60" CMP riser inlet with 24" CMP outlet pipe, per detail "14" on Detail Sheet D2, including concrete collar to connect 24" CMP outlet pipe to 24" RCP storm drain (this inlet is located in Debris Basin No. 1 shown on Grading Sheet G2) [construction note no. 45, modified]	1	EA	12,200.00	12,200.00	1.00	\$12,200.00	
I	Construct Jensen precast 24" x 24" drop inlet with traffic rated frame and grate, connecting to existing 12 CMP, including 6" aggregate base material and 3' wide 4" thick concrete apron on 6" of aggregate base material, around inlet (this inlet is at 25+95 on the property line access road) [part of construction note no. 38 and 39]	1	EA	3,000.00	3,000.00	1.00	\$3,000.00	
37	Construct chain link fence, chain link gates and pipe gates per SPPWC Standard Plans 600-3 and 602-3							
A	Construct 6' high chain link fence without barbed wire [construction note no. 26]	3,810	LF	18.00	68,580.00	4,113.00	\$74,034.00	(\$5,454.00)
B	Construct chain link gate, H=6', W=30' (two 15' swinging panels) [construction note no. 27]	1	EA	3,200.00	3,200.00	1.00	\$3,200.00	
C	Construct chain link gates, H=6', W=24' (two 12' swinging panels) [construction note no. 27]	1	EA	2,800.00	2,800.00	1.00	\$2,800.00	
D	Construct chain link gate, H=6', W=20' (two 10' swinging panels) [construction note no. 27]	3	EA	2,700.00	8,100.00	3.00	\$8,100.00	

INDUSTRY URBAN-DEVELOPMENT AGENCY  
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PROJECT:  
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BID QUANTITY ADJUSTMENTS

ITEM NO.	DESCRIPTION OF ITEM	CONTRACT QUANTITY IN UNITS	UNIT MEAS.	CONTRACT UNIT AMOUNT	CONTRACT AMOUNT	QUANTITY TO DATE	TOTAL AMOUNT TO DATE	REMAINING BALANCE
E	<del>Construct pipe gate per SSPWC Standard Plan 602-3; W=15'</del> <b>DELETED</b>							
F	<del>Construct pipe gate per SSPWC Standard Plan 602-3; W=20'</del> <b>DELETED</b>							
G	Construct pipe gate per SPPWC Standard Plan 602-3; W=24' and 25' [construction note no. 25]	2	EA	3,100.00	6,200.00	2.00	\$6,200.00	
H	Construct 4' high chain link fence, with top rail, without barbed wire, [construction note no. 26]	1,635	EA	17.00	27,795.00	1,635.00	\$27,795.00	
I	Construct chain link gate, H=4', four (4) @ W=10' and one (1) @ W=12', single swinging panel [construction note no. 27, modify height, H=4']	5	EA	2,300.00	11,500.00	4.00	\$9,200.00	\$2,300.00
38	NPDES							
A	SWPPP preparation, N.O.I, implementation, sampling/testing, BMPs during construction, and BMPs for post construction	1	LS	350,000.00	350,000.00	1.00	\$350,000.00	
B	Hydroseeding for post construction, per CASQA BMP Fact Sheet EC-4 (excluding permanent terraced slopes)	55	ACRE	2,100.00	115,500.00	55.00	\$115,500.00	
	Mulch (Sta Stonewood #2, by Mulchmaster, or approved equal) for post construction on permanent terraced slope areas that will not be landscaped, ± 6 acres; and adjacent to the property line access road	3,500	CY	36.00	126,000.00	3,500.00	\$126,000.00	
39	8" x 8" treated timber including rebar anchors [construction note no. 36]	2,600	LF	18.00	46,800.00	2,600.00	\$46,800.00	
40	Install ½" to 1" gravel, 4" to 6" thick, including fabric (Ground Cover Industries 500 series fabric, 5 ounce, or approved equal, 6,600 SY) [construction note no. 37]	1,000	TON	49.00	49,000.00	732.00	\$35,868.00	\$13,132.00
41	Install settlement monument, per standard plan provided in Attachment 7	5	EA	4,100.00	20,500.00	4.00	\$16,400.00	\$4,100.00
<b>SCHEDULE B - STORM DRAIN IMPROVEMENTS (I.P.D. NO.239 LINES "A" THROUGH "I", CONTRACT DRAWINGS 46 THROUGH 49 (</b>								
1	36" RCP	240	LF	100.00	24,000.00	240.00	\$24,000.00	
2	24" RCP	1,750	LF	84.00	147,000.00	1822.00	\$153,048.00	(\$6,048.00)
3	Pipe anchors and backfill stabilizers for 24" RCP	1	LS	72,000.00	72,000.00	1.00	\$72,000.00	

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ITEM NO.	DESCRIPTION OF ITEM	CONTRACT QUANTITY IN UNITS	UNIT MEAS.	CONTRACT UNIT AMOUNT	CONTRACT AMOUNT	QUANTITY TO DATE	TOTAL AMOUNT TO DATE	REMAINING BALANCE
4	48" RCP	500	LF	190.00	95,000.00	500.00	\$95,000.00	
5	Pipe anchors and backfill stabilizers for 48" RCP	1	LS	25,000.00	25,000.00	1.00	\$25,000.00	
6	Install 48" x 36" velocity control rings (2 L.F. each)	13	EA	1,900.00	24,700.00	13.00	\$24,700.00	
7	Construct 12 gauge, corrugated metal pipe (CMP) including anchors, joints and fittings (these are the storm drains that are detailed out on sheets 3 of 4 and 4 of 4 of the Storm Drain Plans (Contract Drawings 48 and 49 of 88)							
A	48" CMP	54	LF	160.00	8,640.00	54.00	\$8,640.00	
B	24" CMP, buried	465	LF	180.00	83,700.00	465.00	\$83,700.00	
C	24" CMP, above grade on slope	240	LF	150.00	36,000.00	240.00	\$36,000.00	
8	60" diameter CMP inlet risers DELETED (Moved to Bid Items							
9	Manhole – APWA 320-2	1	EA	6,100.00	6,100.00	1.00	\$6,100.00	
10	Concrete collar							
A	24" RCP	14	EA	1,800.00	25,200.00	15.00	\$27,000.00	(\$1,800.00)
B	36" RCP	1	EA	2,100.00	2,100.00			\$2,100.00
C	48" RCP	6	EA	2,600.00	15,600.00	6.00	\$15,600.00	
11	Concrete collar – 24" RCP- DELETED (Combined with Bid							
12	Connect 24" RCP to trapezoidal channel per SSPWC Standard Plan 333-2	4	EA	3,100.00	12,400.00	4.00	\$12,400.00	
13	Construct junction structure 24" pipe to 48" pipe per SSPWC Standard Plan 331-3	1	EA	3,100.00	3,100.00	1.00	\$3,100.00	
14	Construct junction structure 24" pipe to 24" pipe per SSPWC Standard Plan 331-3	2	EA	3,100.00	6,200.00	2.00	\$6,200.00	
15	Construct junction structure 24" pipe to 36" pipe per SPPWC Standard Plan 331-3	4	EA	3,500.00	14,000.00	4.00	\$14,000.00	
16	Construct junction structure 6" pipe to 36" pipe per SPPWC Standard Plan 332-1	3	EA	1,500.00	4,500.00	3.00	\$4,500.00	
17	Construct transition structure 24" pipe to 36" pipe per SPPWC Standard Plan 340-2	1	EA	2,800.00	2,800.00	1.00	\$2,800.00	
<b>SCHEDULE C - UTILITIES; WATER LINES, ELECTRICAL AND TELEPHONE</b>								
1	8" Schedule 40 PVC sleeve, including caps at all ends	365	LF	28.00	10,220.00	365.00	\$10,220.00	



INDUSTRY URBAN-DEVELOPMENT AGENCY  
 15625 E. Stafford Street, City of Industry, CA 91744

PROJECT:  
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ITEM NO.	DESCRIPTION OF ITEM	CONTRACT QUANTITY IN UNITS	UNIT MEAS.	CONTRACT UNIT AMOUNT	CONTRACT AMOUNT	QUANTITY TO DATE	TOTAL AMOUNT TO DATE	REMAINING BALANCE
2	2" potable water line (Type K soft copper tubing, including all fittings, caps, trenching and back fill per the requirements provided in Attachment 8	400	LF	40.00	16,000.00	400.00	\$16,000.00	
3	8" reclaimed water line							
A	8", C-900, PVC purple class 150 including trenching, back filling, thrust blocks per WWWD Standard Drawing #13	2,000	LF	37.00	74,000.00	2,000.00	\$74,000.00	
B	8" resilient wedge gate valve, FL. X M.J. with M.J. restraint adaptor, including valve can assembly	2	EA	1,800.00	3,600.00	2.00	\$3,600.00	
C	4" x 2 1/2" blow-off assembly per WWWD Standard Drawing #2, replace ductile iron pipe with PVC C-900	1	EA	6,500.00	6,500.00	1.00	\$6,500.00	
D	2" and 3/4" manual air release assembly	1	EA	6,800.00	6,800.00	1.00	\$6,800.00	
4	SCE and Verizon underground system							
A	Joint trench	1,704	FT	8.00	13,632.00	1704.00	\$13,632.00	
B	Concrete encasement	1,704	FT	15.00	25,560.00	1704.00	\$25,560.00	
C	Verizon trench only	186	FT	10.00	1,860.00	186.00	\$1,860.00	
D	SCE vault 5' x 10'-6" x 7'	4	EA	13,000.00	52,000.00	4.00	\$52,000.00	
E	5" SCE conduit	6,816	FT	5.50	37,488.00	7840.00	\$43,120.00	(\$5,632.00)
F	4" SCE conduit	1,704	FT	5.00	8,520.00			\$8,520.00
G	4" Verizon conduit	3,452	FT	4.00	13,808.00	3452.00	\$13,808.00	
H	Verizon pullbox 3' x 5' x 4'	4	EA	5,300.00	21,200.00	7.00	\$37,100.00	(\$15,900.00)
I	5" SCE conduit bends (Sch 80)	8	EA	200.00	1,600.00	8.00	\$1,600.00	
J	4" SCE conduit bends (Sch 80)	6	EA	200.00	1,200.00	6.00	\$1,200.00	
K	4" Verizon conduit bends	4	EA	200.00	800.00	4.00	\$800.00	
5	Area lighting underground system							
A	Trench	5,198	FT	11.00	57,178.00	5198.00	\$57,178.00	
B	Sand shade	5,198	FT	1.50	7,797.00	5198.00	\$7,797.00	
C	Pullbox 3' x 5' x 4' (Traffic)	4	EA	3,900.00	15,600.00	4.00	\$15,600.00	
D	48" x 54" concrete pad	1	EA	1,500.00	1,500.00	1.00	\$1,500.00	
E	1 1/2" conduit DB 100	786	FT	3.00	2,358.00	620.00	\$1,860.00	\$498.00
F	2" conduit DB 100	3,736	FT	3.50	13,076.00	3736.00	\$13,076.00	

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G	3" conduit DB 100	48	FT	4.00	192.00	48.00	\$192.00	
H	4" conduit DB 100	1,997	FT	5.00	9,985.00	1997.00	\$9,985.00	
I	1 1/2" conduit bends (Sch 40)	24	EA	8.00	192.00	24.00	\$192.00	
J	2" conduit bends (Sch 40)	37	EA	9.00	333.00	37.00	\$333.00	
K	3" conduit bends (Sch 40)	6	EA	10.00	60.00	6.00	\$60.00	
L	4" conduit bends (Sch 40)	4	EA	15.00	60.00	4.00	\$60.00	
K	10 1/2" x 17" x 12" handholes	18	EA	250.00	4,500.00	18.00	\$4,500.00	
M	Meter pedestals (200 amp, 120/240v, 3 wire)	2	EA	5,400.00	10,800.00	2.00	\$10,800.00	
N	Meter pedestal (200 amp, 277/480v, 4 wire)	1	EA	5,900.00	5,900.00	1.00	\$5,900.00	
O	3/C 2 #1/0 & 1 #2 AL CLP,600V	3,816	FT	4.30	16,408.80	3816.00	\$16,408.80	
P	4/C 3 #1/0 & 1 #2 AL CLP,600V	60	FT	5.80	348.00	60.00	\$348.00	
Q	Connectors (4W secondary bars), 600V	18	EA	90.00	1,620.00	54.00	\$4,860.00	(\$3,240.00)
<b>SCHEDULE D - LANDSCAPING AND IRRIGATION</b>								
1	Pump	1	EA	43,000.00	43,000.00	1.00	\$43,000.00	
2	Irrigation Controller Assembly #1	1	EA	41,000.00	41,000.00	1.00	\$41,000.00	
3	Irrigation Controller Assembly #2	1	EA	43,000.00	43,000.00	1.00	\$43,000.00	
4	Irrigation Controller Assembly #3	1	EA	42,000.00	42,000.00	1.00	\$42,000.00	
5	6" or 8" purple, recycled water pressure mainline							
A	Purple class 200 PVC gasketed type recycled water pressure	50	LF	25.00	1,250.00	40.00	\$1,000.00	\$250.00
B	Purple class 200 PVC gasketed type recycled water pressure	1,600	LF	15.00	24,000.00	1540.00	\$23,100.00	\$900.00
6	Purple class 315 PVC solvent weld bell end type pipe recycled	40	LF	8.00	320.00	140.00	\$1,120.00	(\$800.00)
7	3" class 315 PVC recycled water pressure mainline							
A	Purple class 315 PVC solvent weld type recycled water pressure	11,000	LF	7.00	77,000.00	9840.00	\$68,880.00	\$8,120.00
B	UVR class 315 PVC solvent weld type pressure mainline for on-	3,600	LF	4.00	14,400.00	3600.00	\$14,400.00	
8	Purple class 315 PVC solvent weld type recycled water	400	LF	5.00	2,000.00	320.00	\$1,600.00	\$400.00
9	Purple class 315 PVC solvent weld type recycled water pressure mainline-2" DELETED (Became on grade pipe)							
9	UVR class 315 PVC solvent weld type pressure mainline for on-	240	LF	3.90	936.00	240.00	\$936.00	
10	Purple class 315 PVC solvent weld type recycled water	150	LF	4.50	675.00	260.00	\$1,170.00	(\$495.00)
11	Purple Schedule 40 PVC pipe sleeving-12"	40	LF	25.00	1,000.00	240.00	\$6,000.00	(\$5,000.00)

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12	Purple Schedule 40 PVC pipe sleeving-6"	250	LF	20.00	5,000.00	280.00	\$5,600.00	(\$600.00)
13	Purple Schedule 40 PVC pipe sleeving-3"	30	LF	18.00	540.00	140.00	\$2,520.00	(\$1,980.00)
14	Purple Schedule 40 PVC pipe sleeving-2"	60	LF	16.00	960.00			\$960.00
15	Purple Schedule 40 PVC pipe sleeving-1-1/2"	40	LF	15.00	600.00			\$600.00
16	1 1/2" wire sleeving							
A	Purple Schedule 40 PVC wire sleeve - 1 1/2"	820	LF	3.50	2,870.00	820.00	\$2,870.00	
B	UVR Schedule 40 PVC wire sleeve for on-grade wire runs - 1 1/2"	3,840	LF	1.70	6,528.00	3840.00	\$6,528.00	
17	KBI KSC-S lateral line swing check valve	200	EA	35.00	7,000.00	202.00	\$7,070.00	(\$70.00)
18	KBI KC2-S lateral line spring check valve	200	EA	35.00	7,000.00	247.00	\$8,645.00	(\$1,645.00)
19	Rain Bird PESB-R+PRS-D electric control valve with pressure							
A	1"	55	EA	300.00	16,500.00	53.00	\$15,900.00	\$600.00
B	1 1/2"	147	EA	370.00	54,390.00	146.00	\$54,020.00	\$370.00
20	Rain Bird PESB-R electric control valve with 1" senninger PMR	3	EA	340.00	1,020.00	3.00	\$1,020.00	
21	Yardney SB-4 series basket strainer with purple epoxy coating	2	EA	3,000.00	6,000.00	2.00	\$6,000.00	
22	Nibco F-619-50n series flanged iron gate valve- 4" and larger	2	EA	2,100.00	4,200.00	5.00	\$10,500.00	(\$6,300.00)
23	Nibco T-580-70 two piece bronze ball valve -3" and smaller	30	EA	700.00	21,000.00	28.00	\$19,600.00	\$1,400.00
24	Nelson#7645 ACME threaded quick coupler	82	EA	150.00	12,300.00	82.00	\$12,300.00	
25	Jain irrigation ARV-2 series air release valve	1	EA	330.00	330.00	3.00	\$990.00	(\$660.00)
26	Rain Bird RD-12-S-P30-F-NP	165	EA	25.00	4,125.00	168.00	\$4,200.00	(\$75.00)
27	Rain Bird PA-8S-PRS	155	EA	22.00	3,410.00	222.00	\$4,884.00	(\$1,474.00)
28	Rain Bird RD-04-S-P30-F-NP	670	EA	16.00	10,720.00	680.00	\$10,880.00	(\$160.00)
29	Rain Bird 5012-PC/FC-R-S-NP	560	EA	35.00	19,600.00	448.00	\$15,680.00	\$3,920.00
30	Rain Bird 5000-PC/FC-R-S-NP	1,545	EA	31.00	47,895.00	1632.00	\$50,592.00	(\$2,697.00)
31	Netafim TLRW6-18XX drip line tubing	5,000	LF	1.50	7,500.00	5000.00	\$7,500.00	
32	Netafim TLAVRV series air/vacuum release valve	3	EA	40.00	120.00	3.00	\$120.00	
33	Netafim TL050MFV-1 series automatic flush valve	6	EA	40.00	240.00	6.00	\$240.00	
34	Netafim #10-F-01 series operation indicator	6	EA	50.00	300.00	10.00	\$500.00	(\$200.00)
35	15 Gal Trees	455	EA	110.00	50,050.00	443.00	\$48,730.00	\$1,320.00
36	5 Gal Shrubs	1,491	EA	22.00	32,802.00	1471.00	\$32,362.00	\$440.00
37	1 Gal Shrubs	2,893	EA	7.00	20,251.00	2656.00	\$18,592.00	\$1,659.00

PROJECT:  
 CONTRACT NO: IBC-0379  
 CONTRACTOR:

BID QUANTITY ADJUSTMENTS

ITEM NO.	DESCRIPTION OF ITEM	CONTRACT QUANTITY IN UNITS	UNIT MEAS.	CONTRACT UNIT AMOUNT	CONTRACT AMOUNT	QUANTITY TO DATE	TOTAL AMOUNT TO DATE	REMAINING BALANCE
38	1 Gal Ground Cover (Acacia Redolens)	7,404	EA	7.00	51,828.00	7426.00	\$51,982.00	(\$154.00)
39	1 Gal Ground Cover (Natives)	27,390	EA	7.00	191,730.00	27590.00	\$193,130.00	(\$1,400.00)
40	1 Gal Grasses	26,395	EA	6.00	158,370.00	20823.00	\$124,938.00	\$33,432.00
41	Hydroseed	71,460	SF	0.10	7,146.00	71460.00	\$7,146.00	
42	Hand Seeding (California Poppy/Lupine)	79,313	SF	0.05	3,965.65	79313.00	\$3,965.65	
43	1" Thick Mulch	245	YD	35.00	8,575.00	250.00	\$8,750.00	(\$175.00)
44	3" Thick Mulch	10,128	YD	35.00	354,480.00	10128.00	\$354,480.00	
45	Weed Abatement/Clear and Grubbing	1,165,275	SF	0.07	81,569.25	1165275.00	\$81,569.25	
46	Landscape Maintenance 12 Months	1,165,275	SF	0.06	69,916.50	1165275.00	\$69,916.50	
47	Soil Preparation	1,165,275	SF	0.05	58,263.75	1165275.00	\$58,263.75	
48	Purple Schedule 40 PVC solvent weld type recycled water	4,200	LF	2.90	12,180.00	5240.00	\$15,196.00	(\$3,016.00)
49	Purple Schedule 40 PVC solvent weld type recycled water	5,200	LF	3.00	15,600.00	5360.00	\$16,080.00	(\$480.00)
50	Purple Schedule 40 PVC solvent weld type recycled water	4,800	LF	3.20	15,360.00	4200.00	\$13,440.00	\$1,920.00
51	Purple Schedule 40 PVC solvent weld type recycled water	2,800	LF	3.30	9,240.00	2680.00	\$8,844.00	\$396.00
52	Purple Schedule 40 PVC solvent weld type recycled water	1,100	LF	3.60	3,960.00	740.00	\$2,664.00	\$1,296.00
53	Purple Schedule 40 PVC solvent weld type recycled water	500	LF	3.70	1,850.00	420.00	\$1,554.00	\$296.00
54	Purple Schedule 40 PVC solvent weld type recycled water	400	LF	4.60	1,840.00	200.00	\$920.00	\$920.00
55	URV Schedule 40 PVC solvent weld type on-grade lateral line -	4,000	LF	1.40	5,600.00	2500.00	\$3,500.00	\$2,100.00
56	URV Schedule 40 PVC solvent weld type on-grade lateral line -	13,500	LF	1.50	20,250.00	16600.00	\$24,900.00	(\$4,650.00)
57	URV Schedule 40 PVC solvent weld type on-grade lateral line -	17,000	LF	1.60	27,200.00	18080.00	\$28,928.00	(\$1,728.00)
58	URV Schedule 40 PVC solvent weld type on-grade lateral line -	15,000	LF	1.80	27,000.00	17420.00	\$31,356.00	(\$4,356.00)
59	URV Schedule 40 PVC solvent weld type on-grade lateral line -	8,500	LF	1.90	16,150.00	11500.00	\$21,850.00	(\$5,700.00)
60	URV Schedule 40 PVC solvent weld type on-grade lateral line -	3,500	LF	2.40	8,400.00	3800.00	\$9,120.00	(\$720.00)
61	URV Schedule 40 PVC solvent weld type on-grade lateral line -	2,000	LF	3.20	6,400.00	1820.00	\$5,824.00	\$576.00
62	URV Schedule 40 PVC solvent weld type on-grade lateral line -	3,200	LF	3.90	12,480.00	2780.00	\$10,842.00	\$1,638.00
<b>SCHEDULE E - COST TO DEFER THE START OF CONSTRUCTION</b>								
1	Monthly cost to defer the start of construction beyond July 1, 2014	6	MO	1,500.00	9,000.00	6.00	\$9,000.00	

TOTAL DEDUCTION \$230,151.40

# EXHIBIT B



**Environs** INC  
**LANDSCAPE ARCHITECTURE**  
Creating Sustainable & Water Conserving Solutions

**DATE: 8-8-16**

City of Industry  
15651 E. Stafford Street  
City of Industry, CA 91744

Attention: Gerry Perez

**REGARDING: IBC SLOPES PHASE 1 WEST KNOB**

Mr. Perez,

This letter is to clarify some of the changes on the West Knob that resulted in the bid quantity adjustments to the planting and irrigation:

1. Some of the slope area changed when a v-ditch was extended which resulted in a re-design of the system and equipment.
2. We added some pressure regulating equipment to minimize some of the pressure spikes / fluctuations we were getting on the adjacent slopes.
3. We changed some of the planting nearest the homes to the west for fuel modification which resulted in the elimination of some planting and additional hydroseed.

If you have any questions, don't hesitate to call.

Sincerely,

Brett French

PROJECT: **Industry Business Center Phase 1 Mass Grading, Far V**  
 CONTRACT NO: **IBC-0379**  
 CONTRACTOR: **C.A. Rasmussen, Inc.**

LANDSCAPE AND IRRIGATION QUANTITY ADJUSTMENTS

ITEM NO.	DESCRIPTION OF ITEM	CONTRACT QUANTITY IN UNITS	UNIT MEAS.	CONTRACT UNIT AMOUNT	CONTRACT AMOUNT	QUANTITY TO DATE	TOTAL AMOUNT TO DATE	REMAINING BALANCE
<b>SCHEDULE D - LANDSCAPING AND IRRIGATION</b>								
1	Pump	1	EA	43,000.00	43,000.00	1.00	\$43,000.00	
2	Irrigation Controller Assembly #1 (Controllers, Enclosure, Master Valve Relays, Surge Protectors, Grounding Rod Kits, Hydrometers, Tucor Two-Wire Adapters, Valve Decoders, Flow Sensor Cable, Two-Wire Cable, Mounting Pads, and 5 Yrs ET / Flow Service	1	EA	41,000.00	41,000.00	1.00	\$41,000.00	
3	Irrigation Controller Assembly #2 (Controllers, Enclosure, Master Valve Relays, Surge Protectors, Grounding Rod Kits, Hydrometers, Tucor Two-Wire Adapters, Valve Decoders, Flow Sensor Cable, Two-Wire Cable, Mounting Pads, and 5 Yrs ET / Flow Service	1	EA	43,000.00	43,000.00	1.00	\$43,000.00	
4	Irrigation Controller Assembly #3 (Controllers, Enclosure, Master Valve Relays, Surge Protectors, Grounding Rod Kits, Hydrometers, Tucor Two-Wire Adapters, Valve Decoders, Flow Sensor Cable, Two-Wire Cable, Mounting Pads, and 5 Yrs ET / Flow Service	1	EA	42,000.00	42,000.00	1.00	\$42,000.00	
5	6" or 8" purple, recycled water pressure mainline							
A	Purple class 200 PVC gasketed type recycled water pressure mainline with ductile iron joints/joint restraints – 8"	50	LF	25.00	1,250.00	40.00	\$1,000.00	\$250.00
B	Purple class 200 PVC gasketed type recycled water pressure mainline with ductile iron joints/joint restraints – 6"	1,600	LF	15.00	24,000.00	1540.00	\$23,100.00	\$900.00
6	Purple' class 315 PVC solvent weld bell end type pipe recycled water pressure mainline-4"	40	LF	8.00	320.00	140.00	\$1,120.00	(\$800.00)
7	3" class 315 PVC recycled water pressure mainline							
A	Purple class 315 PVC solvent weld type recycled water pressure mainline – 3"	11,000	LF	7.00	77,000.00	9840.00	\$68,880.00	\$8,120.00
B	UVR class 315 PVC solvent weld type pressure mainline for on-grade – 3"	3,600	LF	4.00	14,400.00	3600.00	\$14,400.00	

INDUSTRY URBAN-DEVELOPMENT AGENCY  
 15625 E. Stafford Street, City of Industry, CA 91744

PROJECT: Industry Business Center Phase 1 Mass Grading, Far V  
 CONTRACT NO: IBC-0379  
 CONTRACTOR: C.A. Rasmussen, Inc.

LANDSCAPE AND IRRIGATION QUANTITY ADJUSTMENTS

ITEM NO.	DESCRIPTION OF ITEM	CONTRACT QUANTITY IN UNITS	UNIT MEAS.	CONTRACT UNIT AMOUNT	CONTRACT AMOUNT	QUANTITY TO DATE	TOTAL AMOUNT TO DATE	REMAINING BALANCE
8	Purple' class 315 PVC solvent weld type recycled water pressure mainline-2-1/2"	400	LF	5.00	2,000.00	320.00	\$1,600.00	\$400.00
9	<del>Purple' class 315 PVC solvent weld type recycled water pressure mainline-2"</del> DELETED (Became on grade pipe)							
9	UVR class 315 PVC solvent weld type pressure mainline for on-grade - 2"	240	LF	3.90	936.00	240.00	\$936.00	
10	Purple' class 315 PVC solvent weld type recycled water pressure mainline-1-1/2"	150	LF	4.50	675.00	260.00	\$1,170.00	(\$495.00)
11	Purple' Schedule 40 PVC pipe sleeving-12"	40	LF	25.00	1,000.00	240.00	\$6,000.00	(\$5,000.00)
12	Purple' Schedule 40 PVC pipe sleeving-6"	250	LF	20.00	5,000.00	280.00	\$5,600.00	(\$600.00)
13	Purple' Schedule 40 PVC pipe sleeving-3"	30	LF	18.00	540.00	140.00	\$2,520.00	(\$1,980.00)
14	Purple' Schedule 40 PVC pipe sleeving-2"	60	LF	16.00	960.00			\$960.00
15	Purple' Schedule 40 PVC pipe sleeving-1-1/2"	40	LF	15.00	600.00			\$600.00
16	1 1/2" wire sleeving							
A	Purple Schedule 40 PVC wire sleeve - 1 1/2"	820	LF	3.50	2,870.00	820.00	\$2,870.00	
B	UVR Schedule 40 PVC wire sleeve for on-grade wire runs - 1 1/2"	3,840	LF	1.70	6,528.00	3840.00	\$6,528.00	
17	KBI KSC-S lateral line swing check valve	200	EA	35.00	7,000.00	202.00	\$7,070.00	(\$70.00)
18	KBI KC2-S lateral line spring check valve	200	EA	35.00	7,000.00	247.00	\$8,645.00	(\$1,645.00)
19	Rain Bird PESB-R+PRS-D electric control valve with pressure regulation							
A	1"	55	EA	300.00	16,500.00	53.00	\$15,900.00	\$600.00
B	1 1/2"	147	EA	370.00	54,390.00	146.00	\$54,020.00	\$370.00
20	Rain Bird PESB-R electric control valve with 1" senninger PMR-	3	EA	340.00	1,020.00	3.00	\$1,020.00	
21	Yardney SB-4 series basket strainer with purple epoxy coating-	2	EA	3,000.00	6,000.00	2.00	\$6,000.00	
22	Nibco F-619-Son series flanged iron gate valve- 4" and larger	2	EA	2,100.00	4,200.00	5.00	\$10,500.00	(\$6,300.00)
23	Nibco T-580-70 two piece bronze ball valve -3" and smaller	30	EA	700.00	21,000.00	28.00	\$19,600.00	\$1,400.00
24	Nelson#7645 ACME threaded quick coupler	82	EA	150.00	12,300.00	82.00	\$12,300.00	



INDUSTRY URBAN-DEVELOPMENT AGENCY  
 15625 E. Stafford Street, City of Industry, CA 91744

PROJECT: Industry Business Center Phase 1 Mass Grading, Far V  
 CONTRACT NO: IBC-0379  
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LANDSCAPE AND IRRIGATION QUANTITY ADJUSTMENTS

ITEM NO.	DESCRIPTION OF ITEM	CONTRACT QUANTITY IN UNITS	UNIT MEAS.	CONTRACT UNIT AMOUNT	CONTRACT AMOUNT	QUANTITY TO DATE	TOTAL AMOUNT TO DATE	REMAINING BALANCE
25	Jain irrigation ARV-2 series air release valve	1	EA	330.00	330.00	3.00	\$990.00	(\$660.00)
26	Rain Bird RD-12-S-P30-F-NP	165	EA	25.00	4,125.00	168.00	\$4,200.00	(\$75.00)
27	Rain Bird PA-8S-PRS	155	EA	22.00	3,410.00	222.00	\$4,884.00	(\$1,474.00)
28	Rain Bird RD-04-S-P30-F-NP	670	EA	16.00	10,720.00	680.00	\$10,880.00	(\$160.00)
29	Rain Bird 5012-PC/FC-R-S-NP	560	EA	35.00	19,600.00	448.00	\$15,680.00	\$3,920.00
30	Rain Bird 5000-PC/FC-R-S-NP	1,545	EA	31.00	47,895.00	1632.00	\$50,592.00	(\$2,697.00)
31	Netafim TLRW6-18XX drip line tubing	5,000	LF	1.50	7,500.00	5000.00	\$7,500.00	
32	Netafim TLAVRV series air/vacuum release valve	3	EA	40.00	120.00	3.00	\$120.00	
33	Netafim TL050MFV-1 series automatic flush valve	6	EA	40.00	240.00	6.00	\$240.00	
34	Netafim #10-F-01 series operation indicator	6	EA	50.00	300.00	10.00	\$500.00	(\$200.00)
35	15 Gal Trees	455	EA	110.00	50,050.00	443.00	\$48,730.00	\$1,320.00
36	5 Gal Shrubs	1,491	EA	22.00	32,802.00	1471.00	\$32,362.00	\$440.00
37	1 Gal Shrubs	2,893	EA	7.00	20,251.00	2656.00	\$18,592.00	\$1,659.00
38	1 Gal Ground Cover (Acacia Redolens)	7,404	EA	7.00	51,828.00	7426.00	\$51,982.00	(\$154.00)
39	1 Gal Ground Cover (Natives)	27,390	EA	7.00	191,730.00	27590.00	\$193,130.00	(\$1,400.00)
40	1 Gal Grasses	26,395	EA	6.00	158,370.00	20823.00	\$124,938.00	\$33,432.00
41	Hydroseed	71,460	SF	0.10	7,146.00	71460.00	\$7,146.00	
42	Hand Seeding (California Poppy/Lupine)	79,313	SF	0.05	3,965.65	79313.00	\$3,965.65	
43	1" Thick Mulch	245	YD	35.00	8,575.00	250.00	\$8,750.00	(\$175.00)
44	3" Thick Mulch	10,128	YD	35.00	354,480.00	10128.00	\$354,480.00	
45	Weed Abatement/Clear and Grubbing	1,165,275	SF	0.07	81,569.25	1165275.00	\$81,569.25	
46	Landscape Maintenance 12 Months	1,165,275	SF	0.06	69,916.50	1165275.00	\$69,916.50	
47	Soil Preparation	1,165,275	SF	0.05	58,263.75	1165275.00	\$58,263.75	
48	Purple Schedule 40 PVC solvent weld type recycled water	4,200	LF	2.90	12,180.00	5240.00	\$15,196.00	(\$3,016.00)
49	Purple Schedule 40 PVC solvent weld type recycled water	5,200	LF	3.00	15,600.00	5360.00	\$16,080.00	(\$480.00)
50	Purple Schedule 40 PVC solvent weld type recycled water buried lateral line - 1 1/4"	4,800	LF	3.20	15,360.00	4200.00	\$13,440.00	\$1,920.00
51	Purple Schedule 40 PVC solvent weld type recycled water buried lateral line - 1 1/2"	2,800	LF	3.30	9,240.00	2680.00	\$8,844.00	\$396.00
52	Purple Schedule 40 PVC solvent weld type recycled water buried lateral line - 2"	1,100	LF	3.60	3,960.00	740.00	\$2,664.00	\$1,296.00

INDUSTRY URBAN-DEVELOPMENT AGENCY  
 15625 E. Stafford Street, City of Industry, CA 91744

PROJECT: **Industry Business Center Phase 1 Mass Grading, Far V**  
 CONTRACT NO: **IBC-0379**  
 CONTRACTOR: **C.A. Rasmussen, Inc.**

LANDSCAPE AND IRRIGATION QUANTITY ADJUSTMENTS

ITEM NO.	DESCRIPTION OF ITEM	CONTRACT QUANTITY IN UNITS	UNIT MEAS.	CONTRACT UNIT AMOUNT	CONTRACT AMOUNT	QUANTITY TO DATE	TOTAL AMOUNT TO DATE	REMAINING BALANCE
53	Purple Schedule 40 PVC solvent weld type recycled water buried lateral line – 2 ½"	500	LF	3.70	1,850.00	420.00	\$1,554.00	\$296.00
54	Purple Schedule 40 PVC solvent weld type recycled water buried lateral line – 3"	400	LF	4.60	1,840.00	200.00	\$920.00	\$920.00
55	URV Schedule 40 PVC solvent weld type on-grade lateral line – ½"	4,000	LF	1.40	5,600.00	2500.00	\$3,500.00	\$2,100.00
56	URV Schedule 40 PVC solvent weld type on-grade lateral line – ¾"	13,500	LF	1.50	20,250.00	16600.00	\$24,900.00	(\$4,650.00)
57	URV Schedule 40 PVC solvent weld type on-grade lateral line – 1 ¼"	17,000	LF	1.60	27,200.00	18080.00	\$28,928.00	(\$1,728.00)
58	URV Schedule 40 PVC solvent weld type on-grade lateral line – 1 ½"	15,000	LF	1.80	27,000.00	17420.00	\$31,356.00	(\$4,356.00)
59	URV Schedule 40 PVC solvent weld type on-grade lateral line – 1 ½"	8,500	LF	1.90	16,150.00	11500.00	\$21,850.00	(\$5,700.00)
60	URV Schedule 40 PVC solvent weld type on-grade lateral line – 2"	3,500	LF	2.40	8,400.00	3800.00	\$9,120.00	(\$720.00)
61	URV Schedule 40 PVC solvent weld type on-grade lateral line – 2 ½"	2,000	LF	3.20	6,400.00	1820.00	\$5,824.00	\$576.00
62	URV Schedule 40 PVC solvent weld type on-grade lateral line – 3"	3,200	LF	3.90	12,480.00	2780.00	\$10,842.00	\$1,638.00

# EXHIBIT C



Consulting Civil Engineers · Surveyors

August 10, 2016

C.A. Rasmussen, Inc.  
28548 Livingston Avenue  
Valencia, CA 91355

Attention: Doug Misley

Reference: Contract No. IBC-0379  
Industry Business Center Phase 1 Mass Grading, Far West Side

Gentlemen:

You submitted the following Change Order Requests;

RFC No. 12R1A: You submitted a change order request in the amount of \$108,197.44 for long haul costs associated with Plan Revision No. 1.

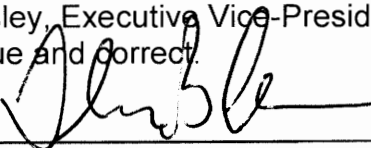
RFC No. 21: You submitted a change order request in the amount of \$180,609.10 to provide additional compaction effort during the grading operation.

RFC 29 and 29A: You submitted a change order request in the total amount of \$8,028.52 for reimbursement of the reclaimed base rate invoiced by Walnut Valley Water District to provide construction water to the project.

RFC No. 58: You submitted a change order request in the amount of \$12,678.75 for installation of fiber rolls in lieu of replacing the damaged silt fence.

Per our conversation, you have decided to retract the above change order requests and will not pursue further action. Please sign below to acknowledge that the above is true and correct.

I, Doug Misley, Executive Vice-President, C.A. Rasmussen, Inc., acknowledge that the above is true and correct.

Signature  Date 8/15/16  
Doug Misley

If you have any questions, please call me at (626) 333-0336.

Sincerely,

  
Gerardo Perez  
Project Manager

GP:rg