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

## SPECIAL MEETING AGENDA AUGUST 24, 2017 3:00 P.M.

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

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### **Addressing the Oversight Board:**

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

### **Americans with Disabilities Act:**

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

### **Agendas and other writings:**

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

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1. Call to Order
  2. Flag Salute
  3. Roll Call
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4. Public Comments

5. **OVERSIGHT BOARD MATTERS**

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

*RECOMMENDED ACTION: Receive and file the report.*

5.2 Consideration of Resolution No. OB 2017-05 - A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING THE SALE AND DISPOSITION OF CERTAIN REAL PROPERTY COMMONLY KNOWN AS TRES HERMANOS RANCH IDENTIFIED ON THE LONG RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 68

*RECOMMENDED ACTION: Adopt Resolution No. OB 2017-05.*

6. Adjournment. Next regular meeting: Tuesday, September 5, 2017 at 3:30 p.m.

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

ITEM NO. 5.1



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

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**STAFF REPORT**

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**Date:** August 24, 2017

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

**Prepared by:** Dean Yamagata - Frazer, LLP

**Via:** Susan Paragas, Director of Finance

**Subject:** Financial Reports

**RECOMMENDATION**

Receive and file

Below is summary of the status reports and changes from the prior Oversight Board meeting held in January 2017.

**Pages 8-10 Exhibit 1 Inventory of Properties**

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

**Properties being sold to 3<sup>rd</sup> parties**

Property no. 1 and 2 closed escrow generating net sales proceeds of \$22,451,845.

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

Summary of sales of properties to third parties:

Sold to third parties	\$ 129,255,143.84
Currently in Escrow	\$ -
#34 Agreement being drafted	\$ -
	\$ 129,255,143.84

**Properties being sold to the City of Industry**

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

Summary of sales of properties to the City of Industry:

Sold to the City	\$ 46,357,747.94
Sold to the City currently in escrow	\$ -
City offered to purchase	\$ 102,251,000.00
	<u>\$ 148,608,747.94</u>

**Pages 11-13 Exhibit 2A & B Project Summary Report Through July 27, 2017**

Exhibit 2A reflects only the costs incurred on the Industry Business Center ("IBC") project which the Successor Agency has spent an additional \$6,120,278 for the period January 1, 2017 through July 27, 2017. Exhibit 2B reflects the other projects to be funded by other available funds and bond proceeds which the Successor Agency has spent an additional amount of \$771,258 for the period January 1, 2017 through July 27, 2017.

Successor Agency To Industry Urban-Development Agency Project Summary		Exhibit 2A and 2B				
		Total Estimated Cost From January 2012 To Completion Of Projects	Over/Under Reported in ROPS	Total All Payments January 2012 to July 27, 2017	Project Complete	Remaining Amount Of Estimated Project Costs To Spend Per Amended Contract
<b>Projects To Be Funded From Other Available Funds</b>						
Industry Business Center MP 99-31 # 16	Exh. 2A Estimated Completion - Summer 2019	\$ 211,911,593.13	\$ (26,213,502.08)	\$ (93,866,556.22)	\$ -	\$ 91,831,534.83
Landscaping Baker Parkway Slopes MP 99-31 # 61	Exh. 2B Ongoing until property is sold	3,014,078.11		(2,270,711.68)	(7,906.22)	735,460.21
Diamond Bar Creek MP 99-31 # 26	Exh. 2B Estimated Completion - Summer 2018	9,298,954.61		(7,198,191.70)	(5,855.00)	2,094,907.91
Industry East Traffic Mitigation MP 99 - 31 # 65	Exh. 2B Estimated Completion - 2020	3,940,368.01		(162,616.36)	-	3,777,751.65
City / Agency Reimbursement Agreement	Exh. 2B	34,139,469.00		(34,139,469.00)	-	-
	Exh. 2B Totals	\$ 50,392,869.73	\$ -	\$ (43,770,988.74)	\$ (13,761.22)	\$ 6,608,119.77
<b>Total Projects To Be Funded From Other Available Funds</b>		<b>\$ 262,304,462.86</b>	<b>\$ (26,213,502.08)</b>	<b>\$ (137,637,544.96)</b>	<b>\$ (13,761.22)</b>	<b>\$ 98,439,654.60</b>
<b>Projects To Be Funded From Bond Proceeds</b>						
Lemon Ave Interchange at Route 60 MP 3 - 10	Exh. 2B Estimated Completion - Summer 2017	\$ 10,079,543.42		\$ (2,602,901.59)	\$ -	\$ 7,476,641.83
Route 57/60 Confluence Project MP 99 - 31 # 22	Exh. 2B Estimated Completion - Summer 2018	21,038,107.51		(7,256,236.82)	(3,114,526.18)	10,667,344.51
Westbound Slip On-Ramp 57/60 MP 99-31 #22A	Exh. 2B Estimated Completion - Late 2017	8,876,970.78		(2,308,818.93)	-	6,568,151.85
		\$ 39,994,621.71	\$ -	\$ (12,167,957.34)	\$ (3,114,526.18)	\$ 24,712,138.19
<b>Total Projects To Be Funded From Bond Proceeds</b>		<b>\$ 39,994,621.71</b>	<b>\$ -</b>	<b>\$ (12,167,957.34)</b>	<b>\$ (3,114,526.18)</b>	<b>\$ 24,712,138.19</b>
<b>Total All Projects</b>		<b>\$ 302,299,084.57</b>	<b>\$ (26,213,502.08)</b>	<b>\$ (149,805,502.30)</b>	<b>\$ (3,128,287.40)</b>	<b>\$ 123,151,792.79</b>

Below is a reconciliation for the Industry Business Center project between the \$172.4 million originally reported on ROPS compared to the estimated costs of \$211.9 million reported on Exhibit 2A.

Chairman and Members of the Oversight Board  
 August 24, 2017

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

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

**Pages 14-17 Exhibit 3A Budget vs Actual Expenditures ROPS 16-17B Period  
January 1, 2017 to June 30, 2017**

Exhibit 3A shows the comparison period to date actual expenditures versus the approved amount in ROPS 16-17B period for the six months ending June 30, 2017. Below is a summary of the expenditures.

Successor Agency To the Industry Urban-Development Agency Budget vs. Actual Disbursements Comparison ROPS 16-17B					
Summary Report January 1 Through June 30, 2017					
					Exhibit 3A
Payee	ROPS Line Item	Project #	Estimated Project Expenditures Approved On ROPS 16-17B	Actual Disbursements Paid During the Period	Remaining Amount Of Estimated Project Expenditures Budgeted For The Period
			Period January 1 to June 30, 2017	Period January 1 to June 30, 2017	Period January 1 to June 30, 2017
<b>Projects To Be Funded From Other Available Funds</b>					
Landscaping Baker Parkway Slopes		MP 99 31 #61	\$ 107,100.00	\$ 154,162.64	\$ (47,062.64)
Diamond Bar Creek		MP 99-31 #26	1,037,021.00	4,840.36	1,032,180.64
Industry Business Center		MP 99-31 #16	21,148,355.00	7,902,992.41	13,245,362.59
Industry East Traffic Mitigation		MP 99-31 #65	324,888.00	16,500.14	308,387.86
City / Agency Reimbursement Agreement			-	-	-
<b>Total Projects To Be Funded From Other Available Funds</b>			<b>\$ 22,617,364.00</b>	<b>\$ 8,078,495.55</b>	<b>\$ 14,538,868.45</b>
<b>Projects To Be Funded From Bond Proceeds</b>					
Lemon Ave Interchange at Route 60		MP 03-10	1,408,526.00	243,744.45	1,164,781.55
Route 57/60 Confluence Project		MP 99-31 #22	6,414,434.00	348,576.92	6,065,857.08
Westbound Slip On- Ramp 57/60		MP 99-31 #22a	21,000.00	21,482.50	(482.50)
<b>Total Projects To Be Funded From Bond Proceeds</b>			<b>\$ 7,843,960.00</b>	<b>\$ 613,803.87</b>	<b>\$ 7,230,156.13</b>
Administration			776,500.00	532,648.12	243,851.88
General Insurance	263		-	-	-
Property Maintenance 01-01-2016 through 06-30-2016	269		270,000.00	229,807.97	40,192.03
Appraisal Fees	282		-	-	-
<b>Total All Expenditures</b>			<b>\$ 31,507,824.00</b>	<b>\$ 9,454,755.51</b>	<b>\$ 22,053,068.49</b>

**Pages 18-21 Exhibit 3B Budget vs Actual Expenditures ROPS 17-18A Period  
July 1, 2017 to December 31, 2017**

Exhibit 3B shows the comparison period to date actual expenditures versus the approved amount in ROPS 17-18A period for the six months ending December 31, 2017. Below is a summary of the expenditures.

Successor Agency To the Industry Urban-Development Agency Budget vs. Actual Disbursements Comparison ROPS 17-18A Summary Report July 1 Through December 31, 2017						Exhibit 3B
Payee	ROPS Line Item	Project #	Estimated Project Expenditures Approved On ROPS 17-18A	Actual Disbursements Paid During the Period	Remaining Amount Of Estimated Project Expenditures Budgeted For The Period	
			Period July 1 to December 31, 2017	Period July 1 to December 31, 2017	Period July 1 to December 31, 2017	
<b>Projects To Be Funded From Other Available Funds</b>						
Landscaping Baker Parkway Slopes		MP 99 31 #61	\$ 204,912.50	\$ 166.30	\$ 204,746.20	
Diamond Bar Creek		MP 99-31 #26	780,200.00	-	780,200.00	
Industry Business Center		MP 99-31 #16	49,495,721.00	24,464.08	49,471,256.92	
Industry East Traffic Mitigation		MP 99-31 #65	1,763,400.00	-	1,763,400.00	
City / Agency Reimbursement Agreement			-	-	-	
<b>Total Projects To Be Funded From Other Available Funds</b>			<b>\$ 52,244,233.50</b>	<b>\$ 24,630.38</b>	<b>\$ 52,219,603.12</b>	
<b>Projects To Be Funded From Bond Proceeds</b>						
Lemon Ave Interchange at Route 60		MP 03-10	7,530,526.00	1,031.74	7,529,494.26	
Route 57/60 Confluence Project		MP 99-31 #22	3,277,889.00	-	3,277,889.00	
Westbound Slip On- Ramp 57/60		MP 99-31 #22a	1,785,630.00	-	1,785,630.00	
<b>Total Projects To Be Funded From Bond Proceeds</b>			<b>\$ 12,594,045.00</b>	<b>\$ 1,031.74</b>	<b>\$ 12,593,013.26</b>	
Administration			795,500.00	978.72	794,521.28	
General Insurance	263		49,000.00	30,301.00	18,699.00	
Property Maintenance 01-01-2016 through 06-30-2016	269		330,564.00	-	330,564.00	
Appraisal Fees	282		-	-	-	
<b>Total All Expenditures</b>			<b>\$ 66,013,342.50</b>	<b>\$ 56,941.84</b>	<b>\$ 65,956,400.66</b>	

**Pages 22-23 Exhibit 4 and 5 Projected Cash Flows August 1, 2017 to June 30, 2019**

Attached are Exhibits 4 and 5 which are the cash flow details and cash flow summary schedules by ROPS period. We have estimated approximately \$171.9 million of combined excess funds after funding all the estimated project costs which could be used to redeem the Successor Agency bonds or be available to be distributed to the other taxing entities. We have included the sales price for the Tres Hermanos Ranch property to be \$100 million.

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



Chairman and Members of the Oversight Board  
August 24, 2017

Successor Agency to the IUDA Projected Cash Flow For Projects			Exhibit 5	
August 1, 2017 to June 30, 2019			Amounts	Totals
<b>Net Proceeds From Property Sales period 8/1/2017 to 6/30/2018</b>			\$ 135,251,000.00	\$ 135,251,000.00
<b>IBC Project Costs To Be Spent</b>				
ROPS 17-18A	8/1/17 to 12/31/17	(44,483,758.71)		
ROPS 17-18B	1/1/18 to 6/30/18	(29,291,022.69)		
ROPS 18-19A	7/1/18 to 12/31/18	(16,266,211.70)		
ROPS 18-19B	1/1/19 to 6/30/19	(2,299,661.48)		
Estimated remaining project costs to be spent IBC			(92,340,654.58)	(92,340,654.58)
<b>Other Project Costs To Be Spent</b>				
Landscaping Baker Parkway Slopes		(737,852.36)		
Diamond Bar Creek		(2,094,907.91)		
Industry East Traffic Mitigation		(3,777,751.65)		
Estimated remaining project costs to be spent Other Projects			(6,610,511.92)	(6,610,511.92)
<b>Estimated excess cash generated from rental income and notes receivable collections 8/1/2017 to 6/30/2019</b>			13,037,618.20	13,037,618.20
<b>Beginning cash balances at 8/1/2017</b>			122,506,485.39	122,506,485.39
<b>Estimated excess funds</b>			\$ 171,843,937.09	\$ 171,843,937.09
<b>Projects To Be Funded By Bond Proceeds:</b>				
Lemon Ave Interchange at Route 60 MP 3 - 10		(7,499,710.19)		
Route 57/60 Confluence Project MP 99 - 31 # 22		(10,804,521.00)		
Westbound Slip On-Ramp 57/60 MP 99-31 #22A		(6,568,151.85)		
Estimated remaining project costs to be spent on projects to be funded by bond proceeds			(24,872,383.04)	(24,872,383.04)
<b>Beginning cash balances at 8/1/2017</b>			24,872,383.04	24,872,383.04
<b>Estimated excess (shortfall) of funds</b>			-	-
<b>Estimated excess funds - combined</b>			\$ 171,843,937.09	\$ 171,843,937.09

The cash flow schedules have assumed the following parameters:

- 1) Starting point using cash and investment amounts at 7/31/2017.
- 2) Project costs from Exhibit 2A and 2B remaining to be spent at 7/31/2017 based upon estimates from CNC Engineering.
- 3) Tres Hermanos Ranch being sold to the City for \$100,000,000.
- 4) Property #'s 29, 34, 46 and 72 we used estimated values from the outside consultant in 2014. These amounts were based upon property being sold for commercial/industrial buildings.
- 5) Property #'s 14, 15, 22, 23 and 47 we are looking at obtaining appraisals for these properties.
- 6) No sales price for IBC (#40) and Grand Crossing (#41) as Majestic Realty is leasing both properties and have first right to purchase the property. Discussions with Majestic Realty are in progress.
- 7) Rental income receipts have been estimated through June 2019 assuming that the Grand Crossing property is not sold prior do that date.
- 8) Collections on the notes receivable due from Grand Central Recycling and PH Diversified are assuming that monthly payments are being made timely and no early payoff of the note balances. Notes are due to mature in May and June 2022.

Chairman and Members of the Oversight Board  
August 24, 2017

**Fiscal Impact**

There is no fiscal impact as result of this action.

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

Legend:

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

Exhibit 1

No.	Property Type	Address	Permissible Use	Permissible Use Detail	Acquisition Date	Value at Time of Purchase	Estimate of Current Parcel Value	Date of Estimated Current Value	APN #	Lot Size	Oversight Board Resolution # Approval	Completed Sales Transaction (Net Sales Proceeds)	Currently in Escrow	Agreements	City Offered To Purchase (Estimated Values)	Estimated Date For Escrow To Close	Sales Date	Buyer
1	vacant/industrial	333 Hacienda	for sale	industrial per zoning code	Nov-05	17.77 mill.	6.6 mill.	Apr-13	8208-027-913	9.5 ac.	2016-12	\$ 14,319,370.00				3/22/2017	LW Investments, LLC	
2	vacant/industrial bldg.	333 Turnbull	for sale	industrial per zoning code	Dec-10	6.944 mill.	4.96 mill.	Apr-13	8208-014-900	6.63 ac.	2017-03	\$ 8,132,475.00				5/31/2017	333 Turnbull, LLC (Snak King)	
3	industrial bldg.	300 Baldwin Park Blvd	for sale		Dec-07	17.0 mill.	Sold		8563-003-905	10.68 ac.	2012-15	\$ 7,801,748.30				3/21/2013	Baldwin Park Industrial Developers, LLC	
4	industrial bldg.	17370 Gale	for sale	Auto zone-new car dealership	Jul-09	7.45 mill.	1.72 mill.	Apr-13	8264-001-945	1.32 ac.	2014-26	\$ 1,519,303.40				5/20/2015	Peninsula Property Holdings, LLC	
5	industrial bldg.	19835 E Walnut	for sale or lease	industrial per zoning code	Jan-08	5.9 mill.	1.878 mill.	Apr-13	8760-009-900	1.96 ac.	2016-20	\$ 4,501,041.50				12/29/2016	Bluesky Investment, LLC	
6		17651 Railroad St	for sale	industrial per zoning code	May-08	4.1 mill.	Sold		8264-011-901	3.05 ac.	2013-13	\$ 2,230,982.10				2/5/2014	Railroad Industrial Investors, LLC	
7	vacant/industrial	14624 Nelson	for sale	industrial per zoning code	Dec-10	3.33 mill.	2.52 mill.	Apr-13	8208-006-902	4.13 ac.	2014-26					12/23/2015	General Equity Company, LLC - Property 7 & 8 Sales price	
8	vacant/industrial	14700 Nelson	for sale	industrial per zoning code	Jul-10	6.1 mill.	4.49 mill.	Apr-13	8208-006-900 8208-006-901	7.36 ac.	2014-26	\$ 13,109,436.38				12/23/2015	General Equity Company, LLC - Property 7 & 8 Sales price	
9	vacant/industrial	15000 Nelson	for sale	industrial per zoning code	m-2007	6.7 mill.	4.877 mill.	Apr-13	8208-011-902	6.22 ac.	2014-26	\$ 6,691,488.80				6/3/2015	Klema Enterprises, Inc.	
10	vacant/industrial bldg.	13530 Nelson	for sale	convey to City at FMV	39417	5.7 mill.	1.99 mill.	Apr-13	8562-016-901	2.08 ac.	2017-01	\$ 2,721,278.65				1/26/2017	City of Industry	
11	vacant/industrial	15130 Nelson	for sale	industrial per zoning code	Aug-08	3.95 mill.	1.955 mill.	Apr-13	8208-011-903	2.04 ac.	2014-26	\$ 2,368,479.50				6/25/2015	15130 Nelson, LLC	
12	landscape area	15432 Nelson	for sale	convey to City at FMV	Dec-11	11.3 mill	0.834 mill	Apr-13	8208-024-906 8208-024-907	0.87 ac.				\$ 1,140,000.00				
13	vacant	2525 Workman Mill	retain for gov. use	convey to City at no cost	1983	.125 mill	.125 mill	Apr-13	8125-059-916	0.13 ac.	2014-12	NONE				6/3/2014	City of Industry	
14	vacant/landscape area	SW corner Workman Mill & Crossroads	for sale	industrial per zoning code	1981	.183 mill	.805 mill	Apr-13	8120-027-270	0.84 ac.				Appraisal				
15	vacant/industrial	Crossroads PKY South	for sale	industrial per zoning code	1976	.77 mill	2.78 mill	Apr-13	8125-021-940 8125-021-941	3.55 ac.				Appraisal				
16	vacant/industrial	151 Long Lane	for sale	industrial per zoning code	Dec-10	1.465 mill.	1.292 mill.	Apr-13	8202-033-908	1.87 ac.	2014-26	\$ 2,043,354.90				6/11/2015	Brighton Collectibles	
17	vacant/industrial	125 N. Orange	for sale	industrial per zoning code	May-04	13.5 mill.	2.89 mill.	Apr-13	8202-033-906	3.69 ac.	2016-19	\$ 5,001,777.25				12/5/2016	Fox Luggage, Inc.	
18	commercial office bldg.	111 Hudson	for sale	industrial per zoning code	Feb-05	4.0 mill.	1.75 mill.	Apr-13	8208-024-905	1.83 ac.	2015-08	\$ 2,791,057.00				10/14/2015	Northrop Grumman Systems Corporation	
19	commercial office bldg.	150 Hacienda	for sale	existing bank building	39845	6.2 mill.	5.1 mill.	Apr-13	8208-025-951	.59 ac.	2016-07	\$ 5,086,310.00				4/28/2016	City of Industry	
20	vacant/industrial	220 Hacienda	for sale	existing bank building	39845	1.475 mill.	0.937 mill.	Apr-13	8208-025-952	0.15 ac.	2016-08	\$ 1,846,939.00				11/7/2016	City of Industry	
21	vacant	244 Hacienda	for sale	gov. use per zoning code	29221	0.127 mill.	0.5096 mill.	Apr-13	8208-025-923	0.39 ac.	2016-09	\$ 3,596,420.00				6/7/2016	City of Industry	
22	vacant	South of Stafford North of UPRR	for sale	gov. use per zoning code	Jan-79	2.869 mill.	2.689 mill.	Apr-13	8208-025-940	3.43 ac.				Appraisal				
23	office bldg.	15600 Stafford	for sale	gov. use per zoning code	Mar-05	1.195 mill.	1.882 mill.	Apr-13	8208-025-948	1.44 ac.				Appraisal				
24	small office bldg	15710 & 15718 Stafford	for sale	gov. use per zoning code	Jan-82	.025 mill.	0.144 mill. Or 1.0 mill.	Apr-13	8245-001-901 8245-001-914	0.41 ac.	2014-26	\$ 696,569.00				2/13/2015	Industry Security Services, Inc.	
25	vacant/landscape area	South of Stafford west of Glendora	retain for gov. use	convey to City at no cost	Jan-99	.022 mill.	.022 mill.	Apr-13	8245-001-913	0.10 ac.	2014-12	NONE				6/3/2014	City of Industry	
26	vacant/landscape area	South of UPRR West of Hacienda	retain for gov. use	convey to City at no cost	1982	.133 mill.	.133 mill.	Apr-13	8208-022-902 8208-022-903	0.61 ac.	2014-12	NONE				6/3/2014	City of Industry	
27	vacant	South of UPRR East of Russell	retain for gov. use	convey to City at no cost	1982	.083 mill.	.083 mill.	Apr-13	8245-001-911	0.38 ac.	2014-12	NONE				6/3/2014	City of Industry	
28	vacant/parking	East of Parriott Pl	for sale	gov. use per zoning code	1976	1.35 mill.	4.846 mill.	Apr-13	8242-013-901	6.18 ac.	2014-26	\$ 8,523,372.16				11/19/2015	CT Parriott, LLC (CT Realty Corp.)	
29	power plant	911 Bixby	for sale	existing power plant	Mar-01	12.5 mill.	8.0 mill.	Apr-13	8264-025-905 8264-025-904 8264-025-914 8264-025-915 8264-025-917	11.48 ac.								
30	vacant/commercial	East of Azusa North of Railroad	for sale	industrial per zoning code	Mar-2001 & Jun 2010	5.525 mill.	5.987 mill.	Apr-13	8264-001-943 8264-001-944 8264-001-928 8264-001-942 8264-001-941	10.11 ac.	2014-26	\$ 39,648,092.55				12/19/2016	CT Chestnut, LLC (CT Realty Corp.) Sales price for Properties 30 & 58	
31	vacant/commercial	17201-17301 Gale	for sale	commercial with zone change	38808	38.8 mill.	16.6 mill.	Apr-13	8264-001-943 8264-001-944 8264-001-928 8264-001-942 8264-001-941	19.08 ac.	2015-03	\$ 15,986,200.00				12/8/2016	City of Industry	
32	vacant	17475 Gale	for sale	new car dealership per automobile zone	Jul-03	7.5 mill.	5.86 mill.	Apr-13	8264-001-942 8264-001-941	5.38 ac.	2015-04	\$ 5,493,660.00				7/31/2016	Legacy City Center LLC	
33	vacant/commercial	17545 Gale	for sale	new car dealership per automobile zone	38443	16.7 mill.	6.5 mill.	Apr-13	8264-012-919	5.99 ac.	2016-14	\$ 10,436,149.44				9/9/2016	City of Industry	
34	vacant	17647 Gale	for sale	new car dealership per automobile zone	Jan-04	40.5 mill.	6.8 mill.	Apr-13	8264-013-913 8264-013-914 8264-012-923	6.25 ac.				Agreement	Mid to Late 2017			
35	remnant/row	17723 Gale	for sale	new car dealership per automobile zone	Jan-04	40.5 mill.	4.4 mill.	Apr-13	8264-013-916	4.02 ac.	2016-18	\$ 4,382,936.00				10/31/2016	Puente Hills Automotive Services, Inc.	
36	remnant	17439 Railroad	retain for gov. use	convey to City at no cost	2003	.422 mill.	.422 mill.	Apr-13	8264-004-907 8264-004-909	0.44 ac.	2014-12	NONE				6/3/2014	City of Industry	
37	remnant	adjacent to Fairway West side of Fairway south of UPRR	retain for gov. use	convey to City at no cost	2001	.144 mill.	.144 mill.	Apr-13	8760-028-270 8760-010-938 8760-010-935	0.15 ac.	2014-12	NONE				6/3/2014	City of Industry	
38	remnant	800 feet east of Garcia Ln	retain for gov. use	convey to City at no cost	Dec-88	.12 mill.	.12 mill.	Apr-13	8760-028-903	0.55 ac.	2014-12	NONE				6/3/2014	City of Industry	
39	vacant/industrial	800 feet east of Garcia Ln	retain for gov. use	convey to City at no cost	1982	.65 mill.	.65 mill.	Apr-13	8709-027-036	0.3 ac.	2014-12	NONE				6/3/2014	City of Industry	
40	industrial/commercial	Ind. Bus. Center	for sale/leased to Majestic Realty	industrial/commercial per approved plans	1982 & 1983	27.632 mill.	26 mill.	Apr-13	8719-009-902,904,905,906 9 & 908 8719-007-920,921,922,906,907, 924,917 & 923	597.54 ac								

Legend:

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No.	Property Type	Address	Permissible Use	Permissible Use Detail	Acquisition Date	Value at Time of Purchase	Estimate of Current Parcel Value	Date of Estimated Current Value	APN #	Lot Size	Oversight Board Resolution # Approval	Completed Sales Transaction (Net Sales Proceeds)	Currently In Escrow	Agreements	City Offered To Purchase (Estimated Values)	Estimated Date For Escrow To Close	Sales Date	Buyer	
41	Industrial/commercial	Grand Crossing	for sale/leased to Majestic Realty	built out industrial/commercial	1980,1981 &1982	11.2 mill.	50 mill.	Apr-13	8709-008-021,022,023,024,025,026,027,028,029, &030 8709-006-004,005,006,003,007,008,001,002,010, & 012 8709-027-037,034 & 032 8709-028-014 8719-006-016,017,014,015,013,012,019 &020 8719-007-033,040,047,038,04804	425 ac.									
43	YAL Building	841 7th Ave	for sale	gov. use per zoning code	Mar-99	1.6 mill.	0.632 mill.	Apr-13	8217-001-901	0.66 ac.	2014-26								
44	YAL Office	205 Hudson	retain for gov. use	convey to City at no cost	Jun-01	0.444 mill.	0.471 mill.	Apr-13	8208-024-900	0.5 ac.	2014-12	NONE				6/3/2014		City of Industry	
45	Heliport	15252 Stafford	for sale	gov. use per zoning code	1982	0.24 mill.	0.878 mill.	Apr-13	8208-025-939	1.12 ac.				\$ 111,000.00					
46	parking & common areas for parcels 19 & 20	NW & SW corners of Hacienda & Stafford	for sale	gov. use per zoning code	1982	0.12 mill.	combined w/ other parcels	Apr-13	82028-025-938 8208-025-941	0.57 ac.					Appraisal				
47	parking	15625 Stafford	for sale	gov. use per zoning code	Apr-75	0.076 mill.	combined w/ other parcels	Apr-13	8208-025-907, 908, 909 &926	5.5 ac.					Appraisal				
48	vacant	W side of Hacienda N of Stafford	for sale	gov. use per zoning code	2002	1.85 mill.	1.85 mill.	Apr-13	8208-025-937	1.415 ac. With #46 added					Appraisal				
49	Post Office & Fire Prevention	15660 Stafford	for sale	gov. use per zoning code	Nov-79	0.0519 mill.	3.6 mill.	Apr-13	8208-025-942	2.79 ac.					Appraisal				
50	vacant/parking	242 &244 Hacienda	for sale	gov. use per zoning code	40026	4.65 mill.	3.2 mill.	Apr-13	8208-025-954	2.46 ac.	2016-09	See #21				6/7/2016		City of Industry	
51	vacant/parking	N side of Stafford w of Glendora	for sale	gov. use per zoning code	1985	5.12 mill.	6.25 mill.	Apr-13	8208-025-943	5.74 ac.	2016-15	\$ 387,309.50				9/9/2016		City of Industry	
52	vacant landscape area	N side of Sotro w of Glendora	retain for gov. use	convey to City at no cost	1985	.52 mill.	.52 mill.	Apr-13	8208-025-944	0.92 ac.	2014-12	NONE				6/3/2014		City of Industry	
53	Convalescent Hospital	555 El Encanto	for sale	offer to City first	Dec-76	3.36 mill.	5.06 mill.	Apr-13	8208-027-901	5.02 ac.				\$ 875,000.00					
54	vacant	w side of Parriott	for sale	gov. use per zoning code	1978	1.9 mill.	6.12 mill.	Apr-13	8208-027-911 & 912	8.79 ac.					Appraisal				
55	Homestead Museum	15415 Don Julian	retain for gov. use	convey to City at no cost	1980	2.1 mill.	6.87 mill.	Apr-13	8208-027-906 &907	9.86 ac.	2014-12	NONE				6/3/2014		City of Industry	
56	vacant	NW &SW corners Don Julian & Hacienda	retain for gov. use	convey to City at no cost	1980	0.086 mill.	0.086 mill.	Apr-13	8208-027-909 &941	0.37 ac.	2014-12	NONE				6/3/2014		City of Industry	
57	Pump Station	747 Anaheim Puente	retain for gov. use	convey to City at no cost	1995	.28 mill.	1.25 mill.	Apr-13	8242-012-902	1.3 ac.	2014-12	NONE				6/3/2014		City of Industry	
58	vacant	17300 Chestnut	for sale	industrial per zoning code	Feb-02	13.49 mill.	12.28 mill.	Apr-13	8264-024-909, 918 &908	20.14 ac	2014-26	See #30				12/19/2016		CT Chestnut, LLC (CT Realty Corp.) Sales price for Properties 30 & 58, see property 30	
59	industrial bldg.	1123 Hatcher	for sale	industrial per zoning code	37500	2.717 mill.	2.414 mill.	Apr-13	8264-004-908	3.08 ac.	2016-13	\$ 6,095,420.00				11/21/2016		City of Industry	
60	vacant/row	1129 & 1135 Hatcher	for sale	industrial per zoning code	39783	3.55 mill.	1.79 mill.	Apr-13	8264-004-910 &911	1.87 ac.	2016-14	See #59				11/22/2016		Part of #59	
61	vacant/row	Auto Mall East	retain for gov. use	convey to City at no cost	2003	2.44 mill.	2.44 mill.	Apr-13	8264-013-912	0.89 ac.	2014-12	NONE				6/3/2014		City of Industry	
62	vacant	North side of Gale	retain for gov. use	convey to City at no cost	2003	.209 mill.	.209 mill.	Apr-13	8264-013-915	0.16 ac.	2014-12	NONE				6/3/2014		City of Industry	
63	vacant/row	south side of San Jose Creek	retain for gov. use	convey to City at no cost	1991	.182 mill.	.182 mill.	Apr-13	8760-023-913	0.19 ac.	2014-12	NONE				6/3/2014		City of Industry	
64		Metrolink Station - Parking Station									2012-03	NONE				6/5/2012		City of Industry	
65	Electrical Substation	208 Waddingham	for sale	convey to City at FMV of land	37653	0.931 mill.	3.0 mill.	Apr-13	8719-005-905	3.86 ac.	2016-16	\$ 201,721.35				9/9/2016		City of Industry	
66	vacant/industrial	Garcia Lane	for sale	gov. use per zoning code	1981	0.53 mill.	2.239 mill.	Apr-13	8709-027-039	2.43 ac.				\$ 125,000.00					
67	water well	south side of San Jose Creek	retain for gov. use	convey to City at no cost	1990	0.085 mill.	0.171 mill.	Apr-13	8719-004-906	0.28 ac.	2014-12	NONE				6/3/2014		City of Industry	
68	ranch	Grand Ave. Diamond Bar	for sale	entitlements through San Bernardino and Orange Counties	Nov-78	12.1 mill.	85-122 mill.	Apr-13	8701-021-271,8701-022-270 &273, 1000-011-19-0000, 20-0000, 21-0000,22-0000, 1000-021-13-0000 & 14-0000, 1000-031-14-0000 & 15-0000	2,450 ac.					\$ 100,000,000.00	Mid to Late 2017			
70	vacant industrial	804 Azusa/Anaheim Puente	industrial per zoning code	convey to City at no cost	Mar-01	3.2 mill.	3.22 mill.	Apr-13	8264-025-901, 906 &911	4.11 ac.	2014-13	NONE				6/3/2014		City of Industry	
71	vacant/row	adjacent to 22122 Valley	retain for gov. use	convey to City at no cost	2004	.12 mill.	.575 mill.	Apr-13	none	0.6 ac.	2014-12	NONE				6/3/2014		City of Industry	
72	Puente Basin Water rights	Puente Basin Water Rights	for sale	convey to City at FMV	1981	.30 mill.	.30 mill.	Apr-13	8242-015-058 thru 8719-004-012	NA									
73	Industrial/ Commercial	Ind. Bus. Center	retain for gov. use	convey to Caltrans at no cost	1982 &1983	0.001 mill.	0.012 mill.	Apr-13	part of 8719-007-922	0.01 ac.	2014-21	NONE				11/12/2014 DOF		conveyed to Caltrans at no cost	
74	Industrial/ Commercial	Ind. Bus. Center	retain for gov. use	convey to Caltrans at no cost	1982 &1983	0.007 mill.	0.154 mill.	Apr-13	part of 8719-007-922	0.15 ac.	2014-21	NONE				11/12/2014 DOF		conveyed to Caltrans at no cost	
75	Industrial/ Commercial	Ind. Bus. Center	retain for gov. use	convey to Caltrans at no cost	1982 &1983	0.003 mill.	0.080 mill.	Apr-13	part of 8719-007-922	0.08 ac.	2014-21	NONE				11/12/2014 DOF		conveyed to Caltrans at no cost	

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76	Industrial/ Commercial	Ind. Bus. Center	retain for gov. use	convey to Caltrans at no cost	1982 & 1983	0.001 mill.	0.020 mill.	Apr-13	part of 8719-007-922	0.02 ac.	2014-21	NONE					11/12/2014 DOF	conveyed to Caltrans at no cost	
77	Industrial/ Commercial	Ind. Bus. Center	retain for gov. use	convey to Caltrans at no cost	1982 & 1983	0.096 mill.	2.207 mill.	Apr-13	part of 8719-007-917 & 8719-007-907	2.20 ac.	2014-21	NONE					11/12/2014 DOF	conveyed to Caltrans at no cost	
Totals												\$ 175,612,891.78	\$ -	\$ -	\$ 102,251,000.00				

	A	B	C	D	E	F	G	H	I	J	K	AJ	AK	AL	AM	AN	AO	AP	AQ	BB	BH	BI	
1																							
2																							
3																							
4																						Exhibit 2A	
5																							
31																							
58		Industry Business Center MP 99-31 # 16				Estimated Completion - Summer 2019																	
59																							
60		Placeworks		192		Professional Services	\$ -	\$ 172,502.00										172,502.00		\$ 152,005.00		20,497.00	
61		PBLA		193		Professional Services	56,500.00	1,856,835.00		700,000.00								2,613,335.00		2,974,676.75		(361,341.75)	
62		Leighton Consulting		194		Professional Services	104,799.85	2,643,123.00		1,900,000.00								4,647,922.85		2,717,644.75		1,930,278.10	
63		Leighton Consulting		195		Professional Services		315,504.00										315,504.00		-		315,504.00	
64		CNC Engineering		196		Professional Services	611,876.03	5,305,283.00		3,500,000.00								9,417,159.03		7,729,282.50		1,687,876.53	
65		CNC Engineering		197		Professional Services		1,262,016.00										1,262,016.00		-		1,262,016.00	
66		Thomsen Engineering		198		Professional Services	59,328.50	60,000.00										119,328.50		80,191.00		39,137.50	
67		Sage Environmental		199		Professional Services	91,952.00	244,441.00										336,393.00		248,472.06		87,920.94	
68		MX Graphics		200		Miscellaneous		18,771.00		40,500.00			23,189.06					82,460.06		62,699.56		19,760.50	
69		So Cal Sandbags		201		Improvement/Infrastructure	64,570.07	135,430.00		29,894.00			94,591.93					324,486.00		169,950.34		154,535.66	
70		So Cal Edison		202		Improvement/Infrastructure		3,200,000.00		4,403,000.00			1,681,000.00					9,284,000.00		7,603,000.00		1,681,000.00	
71		Verizon		203		Improvement/Infrastructure		694,080.00					(694,080.00)					-		-		-	
72		So Cal Gas Co		204		Improvement/Infrastructure		1,041,420.00										1,041,420.00		80,195.00		961,225.00	
73		Walnut Valley Water District		205		Improvement/Infrastructure		16,288,200.00										(88,035.60)		16,200,164.40		3,746,078.44	
74		Ind Public Utilities		206		Improvement/Infrastructure		11,829,600.00										(1,134,499.00)		10,695,101.00		-	
75		Time Warner Cable		207		Improvement/Infrastructure		50,000.00					(50,000.00)					-		-		-	
76		San Gabriel Valley News Paper		208		Miscellaneous	1,908.60	10,000.00					4694.88					16,603.48		11,908.60		4,694.88	
77		First American Title Company		209		Professional Services		15,000.00										2,392.15		17,392.15		3,392.15	
78		St Wtr Resources Cont Board		210		Fees	15,478.00	6,000.00					24,086.00					45,564.00		26,731.00		18,833.00	
79		L A County Health Department		211		Fees		4,000.00										4,000.00		-		4,000.00	
80		L A County Public Works		212		Fees		85,000.00										85,000.00		5,497.08		79,502.92	
81		L A County Sewer Maint District		213		Fees		240,000.00					(22,079.00)					217,921.00		-		217,921.00	
82		International Line Builders		214		Improvement/Infrastructure		50,000.00										(20,000.00)		30,000.00		50,000.00	
83		MC Cain		215		Improvement/Infrastructure	25,668.63	120,000.00										145,668.63		104,902.91		40,765.72	
84		Environs Landscape Arch		216		Professional Services		1,725,120.00										(28,507.72)		1,696,612.28		389,425.61	
85		Contractor By Public Bidding		217		Improvement/Infrastructure		2,258,746.00	A				11,503,995.85					27,499,603.15		41,262,345.00		13,762,741.85	
86		Contractor By Public Bidding		218		Improvement/Infrastructure		10,516,800.00											10,516,800.00		-		10,516,800.00
87		Kimley Horn & Assoc		219		Professional Services		200,000.00										(8,853.45)		191,146.55		57,409.15	
88		Kimley Horn & Assoc		220		Professional Services		1,051,680.00										(8,597.45)		1,043,082.55		1,051,680.00	
89		SCS Engineering		221		Professional Services		243,018.00		597,882.00								840,900.00		630,906.39		209,993.61	
90		WKE, INC.		222		Professional Services	5,780.00	80,000.00										85,780.00		17,189.47		68,590.53	
91		Bustko Engineering		223		Professional Services	36,888.50	1,971,600.00										2,008,488.50		1,836,222.56		172,265.94	
92		Sukut Construction, LLC		267		Remedial Grading		6,689,774.00		436,733.06								7,126,507.06		7,126,507.51		(0.45)	
93		C. A. Rasmussen Inc.		270		Mass Grading		20,329,607.00		1,002,870.81								21,332,477.81		21,476,259.18		(143,781.37)	
94		Sukut Construction, LLC		271		Mass Grading		22,693,112.00		5,018,745.28								27,711,857.28		27,624,357.28		87,500.00	
96		U S Bank ( C A Rasmussen Acct)																-		-		-	
97		International Line Builders		281				2,200,000.00											2,200,000.00		573,961.18		1,626,038.82
98		Contractor By Public Bidding		289				38,000,000.00						(13,262,345.00)				24,737,655.00		5,363,273.98		19,374,381.02	
99		All American Asphalt		290				18,784,000.00						(4,700,000.00)				14,084,000.00		3,054,416.77		11,029,583.23	
100		CASC Engineering & Consulting, LLC/ Retired		293														-		-		-	
101								1,074,750.18		172,390,662.00				(5,396,946.28)				26,213,502.08		211,911,593.13		93,866,556.22	
102																						B	
172		A) The original ROPs amount here was \$110,955,239 but it has been split up into items 267, 270, 271, 281, 289, and 290.																					
173		B) Total represents the follow:																					
174		Total estimated costs				\$ 211,911,593.13																	
175		Less over/under estimates				(26,213,502.08)																	
176		Subtotal				185,698,091.05																	
177		Less payments				(93,866,556.22)																	
178		Total				\$ 91,831,534.83																	
179																							

	A	B	C	D	E	F	G	H	I	J	K	L	M	AH	AI	AJ	AM	AV	AW	AX	AY	AZ
1																						
2	<b>Successor Agency To Industry Urban-Development Agency</b>																					
3	<b>Project Summary - Other Projects and Bond Proceed Projects</b>																					
4	<b>Exhibit 2B</b>																					
5	<b>Vendor</b>	<b>ROPS Line #</b>		<b>Description</b>		<b>Expenditures prior to the Current Awarded Budget</b>		<b>Future Contract</b>		<b>Current Awarded Budget</b>		<b>Budget Amendments</b>		<b>Total Estimated Cost From January 2012 To Completion Of Projects</b>		<b>Total All Payments January 2012 to July 27, 2017</b>		<b>Project Complete</b>		<b>Remaining Amount Of Estimated Project Costs To Spend</b>		
6																						
7																						
8	<b>Projects To Be Funded From Other Available Funds</b>																					
9	Landscaping Baker Parkway Slopes MP 99-31 # 61			Ongoing until property is sold																		
10																						
11	CNC Engineering	99		Professional Services		\$ 71,623.91		\$ 5,840.25		\$ 54,000.00		\$ 140,000.00		\$ 271,464.16		\$ 250,118.95					\$ 21,345.21	
12	Environs Landscape Architecture	100		Professional Services		16,729.08		383.44		62,000.00				79,112.52		71,047.52					8,065.00	
13	Sage Environmental	101		Professional Services				-						-		-					-	
14	Kasa Construction, Inc.	102		Improvement/Infrastructure				(0.42)		1,279,788.00		99,499.05		1,379,286.63		1,379,286.63					-	
15	Native Grow Nursery	103		Professional Services				-		60,490.70				60,490.70		52,584.48		(7,906.22)			-	
16	Hunter Landscape	104		Professional Services				-		38,835.00				38,835.00		38,835.00					-	
17	Jim Borer	105		Professional Services				-		4,000.00				4,000.00		4,000.00					-	
18	San Gabriel Valley Newspaper	106		Miscellaneous				-		3,295.96				3,295.96		3,295.96					-	
19	MX Graphics	107		Miscellaneous				-		2,366.92				2,366.92		2,366.92					-	
20	City of Industry Disposal	108		Miscellaneous		43.07		-						43.07		43.07					-	
21	Butsko Engineering	109		Professional Services				-						-		-					-	
22	International Line Builders	110		Professional Services				-						-		-					-	
23	Walnut Valley Water District	111		Miscellaneous				-		14,140.00				14,140.00		14,140.00					-	
24	LA County Health Dept	112		Professional Services				-		1,557.00				1,557.00		1,557.00					-	
25	Leighton Consulting	112A		Professional Services				-						-		-					-	
26	St Wtr Resources Cont Board			Miscellaneous				-		1,020.00				1,020.00		1,020.00					-	
27	Marina Landscape	276		Improvement/Infrastructure				713,176.15		445,290.00				1,158,466.15		452,416.15					706,050.00	
28	San Gabriel Valley Newspaper							-						-		-					-	
29																						
30						<b>88,396.06</b>		<b>719,399.42</b>		<b>1,966,783.58</b>		<b>239,499.05</b>		<b>3,014,078.11</b>		<b>2,270,711.68</b>		<b>(7,906.22)</b>			<b>735,460.21</b>	
31																						
32	<b>Diamond Bar Creek MP 99-31 # 26</b>			Estimated Completion - Summer 2018																		
33																						
34	CNC Engineering	148		Professional Services		223,607.58		62,897.98		540,000.00		320,000.00		1,146,505.56		765,086.65					381,418.91	
35	Thomsen Engineering	149		Professional Services		98,224.34		74,847.66		195,000.00		-		368,072.00		184,384.00					183,688.00	
36	Leighton Consulting	150		Professional Services		62,018.13		65,311.82		320,000.00		100,000.00		547,329.95		367,329.95					180,000.00	
37	Regional Water Quality Control	151		Professional Services				20,000.00		2,250.00				22,250.00		2,250.00					20,000.00	
38	Army Corp Engineers	152		Professional Services				1,000.00						1,000.00		-					1,000.00	
39	Calif Dep of Fish & Game	153		Professional Services				10,000.00						10,000.00		-					10,000.00	
40	State Water Resources	154		Miscellaneous				12,000.00						12,000.00		-					12,000.00	
41	MX Graphics	155		Miscellaneous				6,500.00		6,182.67				12,682.67		6,182.67					6,500.00	
42	Brown & Brown Ins	156		Miscellaneous				-		28,350.00		25000		53,350.00		28,350.00					25,000.00	
43	City of Industry Disposal	157		Miscellaneous		9,628.00		-						9,628.00		9,628.00					-	
44	San Gabriel Valley Newspaper	158		Miscellaneous				1,800.00		1,161.68				2,961.68		1,161.68					1,800.00	
45	LA County Health Dept	159		Miscellaneous				3,500.00						3,500.00		-					3,500.00	
46	So Calif Edison	160		Professional Services				50,000.00						50,000.00		-					50,000.00	
47	Walnut Water District	161		Professional Services				30,000.00						30,000.00		-					30,000.00	
48	LA County Sewer Maint District	162		Professional Services				20,000.00						20,000.00		-					20,000.00	
49	PBLA	163		Professional Services				(1,250.00)		75,000.00				73,750.00		67,895.00		(5,855.00)			-	
50	Native Grow Nursery	164		Improvement/Infrastructure				74,880.45						74,880.45		74,880.45					-	
51	Contractor TBD	165		Improvement/Infrastructure				1,085,921.00						1,085,921.00		-					1,085,921.00	
52	Sage Environmental	166		Professional Services		19,299.00		(1,990.00)		121,000.00		25,000.00		163,309.00		135,229.00					28,080.00	
53	WKE, Inc	167		Professional Services				-		56,000.00				56,000.00		-					56,000.00	
54	H & H Contractors Phase I	168		Improvement/Infrastructure				0.00		1,250,002.40				1,250,002.40		1,250,002.40					-	
55	Mariposa Landscape	168a		Professional Services				-		34,900.00				34,900.00		34,900.00					-	
56	H & H Contractors Phase II	266		Improvement/Infrastructure				0.00		4,014,079.05		256,832.85		4,270,911.90		4,270,911.90					-	
57						<b>\$ 412,777.05</b>		<b>\$ 1,515,418.91</b>		<b>\$ 6,643,925.80</b>		<b>\$ 726,832.85</b>		<b>\$ 9,298,954.61</b>		<b>\$ 7,198,191.70</b>		<b>\$ (5,855.00)</b>			<b>\$ 2,094,907.91</b>	
102																						
103	<b>Industry East Traffic Mitigation MP 99 - 31 # 65</b>			Estimated Completion - 2020																		
104																						
105	CNC Engineering	251		Professional Services		33,170.54		(1,269.28)		578,964.00				610,865.26		118,127.08					492,738.18	
106	Geotechnical Consultant	252		Professional Services				174,888.00						174,888.00		-					174,888.00	
107	RKA Consulting Group	253		Professional Services				1,052,548.75						1,052,548.75		44,489.28					1,008,059.47	
108	Contractor by Public Bid	254		Professional Services				1,322,066.00						1,322,066.00		-					1,322,066.00	
109	City Of Diamond Bar	275		Professional Services				780,000.00						780,000.00		-					780,000.00	
110						<b>33,170.54</b>		<b>3,328,233.47</b>		<b>578,964.00</b>		<b>-</b>		<b>3,940,368.01</b>		<b>162,616.36</b>		<b>-</b>			<b>3,777,751.65</b>	
111	<b>City / Agency Reimbursement Agreement</b>																					

	A	B	C	D	E	F	G	H	I	J	K	L	M	AH	AI	AJ	AM	AV	AW	AX	AY	AZ
1																						
2																						
3	<b>Successor Agency To Industry Urban-Development Agency</b>																					
4	<b>Project Summary - Other Projects and Bond Proceed Projects</b>																					
5																						
		<b>Vendor</b>	<b>ROPS Line #</b>		<b>Description</b>			<b>Expenditures prior to the Current Awarded Budget</b>	<b>Future Contract</b>	<b>Current Awarded Budget</b>	<b>Budget Amendments</b>	<b>Total Estimated Cost From January 2012 To Completion Of Projects</b>	<b>Total All Payments January 2012 to July 27, 2017</b>	<b>Project Complete</b>	<b>Remaining Amount Of Estimated Project Costs To Spend</b>							
112		City of Industry	277						-	34,139,469.00		34,139,469.00	\$ 34,139,469.00									
113																						
114		<b>Total Projects To Be Funded From Other Available Funds</b>						\$ 534,343.65	\$ 5,563,051.80	\$ 43,329,142.38	\$ 966,331.90	\$ 50,392,869.73	\$ 43,770,988.74	\$ (13,761.22)	\$ 6,608,119.77							
115																						
116																						
117	<b>Projects To Be Funded From Bond Proceeds</b>																					
118	<b>Lemon Ave Interchange at Route 60 MP 3 - 10</b> Estimated Completion - Summer 2017																					
119		CNC Engineering	116		Professional Services			\$ 15,264.25	\$ (6,632.29)	\$ 150,000.00		\$ 158,631.97	\$ 177,765.28								\$ (19,133.31)	
120		Jacobs Civil	117		Professional Services				\$ 303,576.81	\$ 114,624.27	1,387,000.46	\$ 1,805,201.54	\$ 1,578,649.38								226,552.16	
121		Avant-Garde	118		Professional Services				103,977.19	150,000.00	175,000.00	428,977.19	406,330.94								22,646.25	
122		Caltrans (Right of Way Acquisition)	119		Improvement/Infrastructure			227,443.31	-	-	-	227,443.31	227,443.31								-	
123		Contractor TBD	120		Improvement/Infrastructure				3,543,160.00	-	-	3,543,160.00	-								3,543,160.00	
124		Caltrans (Construction Administration)	121		Improvement/Infrastructure				3,715,366.00	198,828.25	-	3,914,194.25	198,828.25								3,715,366.00	
125		LA County Public Works	122		Fees				335.16	1,600.00	-	1,935.16	13,884.43								(11,949.27)	
128		<b>Total Lemon Ave Interchange at Route 60</b>						<b>242,707.56</b>	<b>7,659,782.88</b>	<b>615,052.52</b>	<b>1,562,000.46</b>	<b>10,079,543.42</b>	<b>2,602,901.59</b>	<b>-</b>	<b>7,476,641.83</b>							
129																						
130	<b>Route 57/60 Confluence Project MP 99 - 31 # 22</b> Estimated Completion - Summer 2018																					
131																						
132		CNC Engineering	123		Professional Services			55,575.95	47,918.83	221,600.00		325,094.78	279,587.79								45,506.99	
133		WKE Inc (Environmental Phase)	124		Professional Services			716,116.09	25.22	80,000.00		796,141.31	815,820.81								(19,679.50)	
134		Atkins	125		Professional Services				-	3,804,631.96		3,804,631.96	690,105.78								(3,114,526.18)	
135		Casey O' Callaghan Golf Course	126		Professional Services				3,115.03	40,000.00		43,115.03	7,814.32								35,300.71	
136		Caltrans	127		Improvement/Infrastructure				4,400,000.00	-	-	4,400,000.00	-								4,400,000.00	
137		Contractor TBD	128		Improvement/Infrastructure				5,872,434.00	-	-	5,872,434.00	-								5,872,434.00	
138		The PFM Group	129		Professional Services				(410,142.20)	450,000.00		39,857.80	39,857.80								(0.00)	
139		Avant-Garde	130		Professional Services			167,378.32	(52,828.49)	142,000.00		256,549.83	262,529.83								(5,980.00)	
140		ARC Imaging Recourses	131		Professional Services			110.00	-	-		110.00	110.00								-	
141		MX Graphic	132		Miscellaneous				4,839.68	9,675.00		14,514.68	4,514.68								10,000.00	
142		WKE Inc (Design Phase)	133		Professional Services			254,642.87	(2,989,258.31)	7,099,000.00		4,364,384.56	4,235,117.25								129,267.31	
143		Prince Global	134		Professional Services			564,133.65	(82,860.09)	540,000.00		1,021,273.56	841,273.56								180,000.00	
144		Avant-Grade	295		Project Funding/Contract Administration				-	100,000.00		100,000.00	79,505.00								20,495.00	
145								<b>1,757,956.88</b>	<b>6,793,243.67</b>	<b>12,486,906.96</b>	<b>-</b>	<b>21,038,107.51</b>	<b>7,256,236.82</b>	<b>(3,114,526.18)</b>	<b>10,667,344.51</b>							
146	<b>Westbound Slip On-Ramp 57/60 MP 99-31 #22A</b> Estimated Completion - Late 2017																					
147																						
148		WKE Inc	224		Professional Services			1,169,473.12	(951,395.42)	200,000.00		418,077.70	418,077.70								(0.00)	
149		CNC Engineering	225		Professional Services			69,074.02	(32,395.29)	22,510.00		59,188.73	59,188.73								-	
150		Caltrans	226		Improvement/Infrastructure				3,341,024.35	4,820,000.00		8,161,024.35	1,652,757.50								6,508,266.85	
151		Avant-Garde	227		Professional Services				8,868.00	127,612.00		136,480.00	136,480.00								-	
152		Atkins	228		Professional Services				-	-		-	-								-	
153		MX Graphic	229		Miscellaneous				2,200.00	-		2,200.00	-								2,200.00	
154		ARC Imaging Recourses	230		Miscellaneous				-	-		-	-								-	
155		Avant Garde	294		Project Funding/Contract Administration				-	100,000.00		100,000.00	42,315.00								57,685.00	
156								<b>1,238,547.14</b>	<b>2,368,301.64</b>	<b>5,270,122.00</b>	<b>-</b>	<b>8,876,970.78</b>	<b>2,308,818.93</b>	<b>-</b>	<b>6,568,151.85</b>							
157																						
158		<b>Total Projects To Be Funded From Bond Proceeds</b>						<b>3,239,211.58</b>	<b>16,821,328.19</b>	<b>18,372,081.48</b>	<b>1,562,000.46</b>	<b>39,994,621.71</b>	<b>12,167,957.34</b>	<b>(3,114,526.18)</b>	<b>24,712,138.19</b>							
159																						
160		<b>Totals</b>						<b>\$ 3,773,555.23</b>	<b>\$ 22,384,379.99</b>	<b>\$ 61,701,223.86</b>	<b>\$ 2,528,332.36</b>	<b>\$ 90,387,491.44</b>	<b>\$ 55,938,946.08</b>	<b>\$ (3,128,287.40)</b>	<b>\$ 31,320,257.96</b>							
161																						



	A	B	C	D	E	G	AC	AD
1		Successor Agency To the Industry Urban-Development Agency						
2		Budget vs. Actual Disbursements Comparison ROPS 16-17B						
3		Detail Report						
4		Januray 1 Through June 30, 2017						Exhibit 3A
5								
6		Payee	ROPS Line Item	Project #	Total Outstanding ROPS Annual ROPS 16-17	Estimated Project Expenditures Approved On ROPS 16-17B	Actual Disbursements Paid During the Period	Remaining Amount Of Estimated Project Expenditures Budgeted For The Period
7						Period January 1 to June 30, 2017	Period January 1 to June 30, 2017	Period January 1 to June 30, 2017
8								
9		<b>Projects To Be Funded From Other Available Funds</b>						
10		<b>Landscaping Baker Parkway Slopes</b>		MP 99 31 #61				
11		CNC Engineering	99		35,000.00	\$ 15,000.00	\$ 5,167.64	\$ 9,832.36
12		Environs Landscape Architecture	100		16,000.00	6,000.00	1,545.00	\$ 4,455.00
14		Kasa Construction, Inc.	102				-	\$ -
27		Marina Landscape, Inc.	276		172,200.00	86,100.00	147,450.00	\$ (61,350.00)
28		San Gabriel Valley Newspaper	158, 208				-	\$ -
30		<b>Total Landscaping Baker Parkway Slopes</b>			<b>\$ 223,200.00</b>	<b>\$ 107,100.00</b>	<b>\$ 154,162.64</b>	<b>\$ (47,062.64)</b>
31								
32		<b>Diamond Bar Creek</b>		MP 99-31 #26				
33		CNC Engineering	148		400,000.00	100,000.00	4,528.36	95,471.64
34		Thomsen Engineering	149		184,000.00	59,000.00	312.00	58,688.00
35		Leighton Consulting	150		180,000.00	55,000.00	-	55,000.00
36		Regional Water Quality Control	151		20,000.00	10,000.00	-	10,000.00
37		Army Corp Engineers	152		1,000.00		-	-
38		Calif Dept of Fish & Game	153		10,000.00		-	-
39		State Water Resources Cont Board	154		12,000.00		-	-
40		MX Graphics	155		6,500.00		-	-
41		Brown & Brown Ins	156		25,000.00		-	-
42		City of Industry Disposal	157				-	-
43		San Gabriel Valley Newspaper	158		1,800.00	600.00	-	600.00
44		LA County Health Dept	159		3,500.00	1,500.00	-	1,500.00
45		So Calif Edison	160		50,000.00		-	-
46		Walnut Valley Water District	161		30,000.00		-	-
47		LA City Sewer Maint District	162		20,000.00		-	-
48		PBLA	163				-	-
49		Native Grow Nursery	164		-		-	-
50		Contractor - by public bidding	165		1,085,921.00	785,921.00	-	785,921.00
51		Sage Environmental	166		75,000.00	25,000.00	-	25,000.00
52		WKE, Inc	167		56,000.00		-	-
53		H & H Contractors	266				-	-
54		<b>Total Diamond Bar Creek</b>			<b>\$ 2,160,721.00</b>	<b>\$ 1,037,021.00</b>	<b>\$ 4,840.36</b>	<b>\$ 1,032,180.64</b>
55								

	A	B	C	D	E	G	AC	AD
1		Successor Agency To the Industry Urban-Development Agency						
2		Budget vs. Actual Disbursements Comparison ROPS 16-17B						
3		Detail Report						
4		Januray 1 Through June 30, 2017						Exhibit 3A
5								
6		Payee	ROPS Line Item	Project #	Total Outstanding ROPS Annual ROPS 16-17	Estimated Project Expenditures Approved On ROPS 16-17B	Actual Disbursements Paid During the Period	Remaining Amount Of Estimated Project Expenditures Budgeted For The Period
7						Period January 1 to June 30, 2017	Period January 1 to June 30, 2017	Period January 1 to June 30, 2017
56								
57		<b>Industry Business Center</b>		MP 99-31 #16				
58		The Planning Center	192		20,000.00		-	-
59		PBLA Engineering	193		600,000.00	100,000.00	369,400.00	(269,400.00)
60		Leighton Consulting	194		2,300,000.00	900,000.00	205,705.57	694,294.43
61		Leighton Consulting	195		-		-	-
62		CNC Engineering	196		3,200,000.00	1,400,000.00	836,278.09	563,721.91
63		CNC Engineering	197		1,262,016.00	150,000.00	-	150,000.00
64		Thomsen Engineering	198		45,000.00	10,000.00	-	10,000.00
65		Sage Environmental	199		80,000.00	20,000.00	64,333.06	(44,333.06)
66		MX Graphics	200		15,000.00	7,000.00	3,255.39	3,744.61
67		So Cal Sandbags	201		200,000.00	100,000.00	45,464.34	54,535.66
68		So Cal Edison	202		3,031,000.00		-	-
69		Verizon	203		694,080.00		-	-
70		So Cal Gas Co	204		1,041,420.00		80,195.00	(80,195.00)
71		Walnut Valley Water District	205		16,063,200.00	6,063,200.00	-	6,063,200.00
72		Ind Public Utilities	206		-		-	-
73		Time Warner Cable - Not Approved by DOF	207				-	-
74		San Gabriel Valley Newspaper	208		6,000.00	2,000.00	-	2,000.00
75		First American Title Company	209		14,000.00	9,000.00	-	9,000.00
76		St Wtr Resources Cont Board	210		25,000.00	12,000.00	5,253.00	6,747.00
77		L A County Health Department	211		4,000.00	2,500.00	-	2,500.00
78		L A County Dept Public Works	212		85,000.00	40,000.00	3,884.08	36,115.92
79		L A City Sewer Maint District	213		217,921.00		-	-
80		International Line Builders	214		50,000.00		-	-
81		MC Cain	215		40,000.00		-	-
82		Environs Landscape Arch	216		1,350,000.00	300,000.00	47,253.19	252,746.81
83		Contractor By Public Bidding	217		26,000,000.00		-	-
84		Contractor By Public Bidding	218		10,516,800.00		-	-
85		Kimley Horn & Assoc	219		160,000.00	60,000.00	-	60,000.00
86		Kimley Horn & Assoc	220		1,000,000.00	300,000.00	-	300,000.00
87		SCS Engineers	221		310,000.00	110,000.00	83,164.85	26,835.15
88		WKE, INC.	222		75,000.00	25,000.00	1,330.00	23,670.00
89		Bustko Engineering	223		750,000.00	300,000.00	86,337.24	213,662.76
90		Sukut Construction, LLC	267				-	-
91		C. A. Rasmussen Inc.	270				37,878.75	(37,878.75)
92		Sukut Construction, LLC	271				-	-
93		International Line Builders, Inc./Contractor - by public bidding	281		-		-	-
94		Contractor By Public Bidding/ Sukut Construction, LLC	289		-	11,237,655.00	5,363,123.98	5,874,531.02
95		All American Asphalt	290		18,784,000.00		670,135.87	(670,135.87)
96		City Of Walnut	291		2,877,094.00		-	-
97		CASC Engineering & Consulting, INC.	293				-	-
100		<b>Total Industry Business Center</b>			<b>\$ 90,816,531.00</b>	<b>\$ 21,148,355.00</b>	<b>\$ 7,902,992.41</b>	<b>\$ 13,245,362.59</b>

	A	B	C	D	E	G	AC	AD
1	Successor Agency To the Industry Urban-Development Agency							
2	Budget vs. Actual Disbursements Comparison ROPS 16-17B							
3	Detail Report							
4	Januray 1 Through June 30, 2017							Exhibit 3A
5								
6	Payee		ROPS Line Item	Project #	Total Outstanding ROPS Annual ROPS 16-17	Estimated Project Expenditures Approved On ROPS 16-17B	Actual Disbursements Paid During the Period	Remaining Amount Of Estimated Project Expenditures Budgeted For The Period
7						Period January 1 to June 30, 2017	Period January 1 to June 30, 2017	Period January 1 to June 30, 2017
101								
102	Industry East Traffic Mitigation			MP 99-31 #65				
103	CNC Engineering		251		500,000.00	200,000.00	1,705.26	198,294.74
104	Geotechnical Consultant		252		174,888.00	24,888.00	-	24,888.00
105	RKA Consulting Group		253		-	100,000.00	14,794.88	85,205.12
106	Contractor by Public Bid		254		1,322,066.00		-	-
107	City Of Diamond Bar		275		713,400.00		-	-
108	<b>Total Industry East Traffic Mitigation</b>				<b>\$ 2,710,354.00</b>	<b>\$ 324,888.00</b>	<b>\$ 16,500.14</b>	<b>\$ 308,387.86</b>
113								
114	<b>Total Projects To Be Funded From Other Available Funds</b>				<b>\$ 95,910,806.00</b>	<b>\$ 22,617,364.00</b>	<b>\$ 8,078,495.55</b>	<b>\$ 14,538,868.45</b>
115								
116	<b>Projects To Be Funded From Bond Proceeds</b>							
117								
118	<b>Lemon Ave Interchange at Route 60</b>			MP 03-10				
119	CNC Engineering		116		95,000.00	\$ 30,000.00	35,487.56	(5,487.56)
120	Jacobs Civil		117		200,000.00	100,000.00	172,248.87	(72,248.87)
121	Avant-Garde		118		100,000.00	20,000.00	24,058.75	(4,058.75)
122	Caltrans (Right of Way Acquisition)		119				-	-
123	Caltrans - contractor by public bidding		120		3,543,160.00	543,160.00	-	543,160.00
124	Caltrans (Construction Administration)		121		3,715,366.00	715,366.00	-	715,366.00
125	LA County Dept Public Works		122		3,000.00		11,949.27	(11,949.27)
127	<b>Total Lemon Ave Interchange at Route 60</b>				<b>\$ 7,656,526.00</b>	<b>\$ 1,408,526.00</b>	<b>\$ 243,744.45</b>	<b>\$ 1,164,781.55</b>
128								
129	<b>Route 57/60 Confluence Project</b>			MP 99-31 #22				
130	CNC Engineering		123		150,000.00	50,000.00	59,383.20	(9,383.20)
131	WKE Inc (Environmental Phase)		124				-	-
132	Atkins		125				-	-
133	Casey O'Callaghan Golf Design		126		38,000.00		2,699.29	(2,699.29)
134	Caltrans		127		4,400,000.00	1,400,000.00	-	1,400,000.00
135	Caltrans - by public bidding		128		5,872,434.00	3,872,434.00	-	3,872,434.00
136	The PFM Group		129				-	-
137	Avant-Garde ( Retired)		130				-	-
138	ARC Imaging Recourses		131				-	-
139	MX Graphics		132		10,000.00	2,000.00	-	2,000.00
140	WKE Inc (Design Phase)		133		3,700,000.00	1,000,000.00	181,216.93	818,783.07
141	Prince Global		134		300,000.00	70,000.00	70,000.00	-
142	Avant-Grade		295		100,000.00	20,000.00	35,277.50	(15,277.50)
143	<b>Total Route 57/60 Confluence Project</b>				<b>\$ 14,570,434.00</b>	<b>\$ 6,414,434.00</b>	<b>\$ 348,576.92</b>	<b>\$ 6,065,857.08</b>
144								

	A	B	C	D	E	G	AC	AD
1		<b>Successor Agency To the Industry Urban-Development Agency</b>						
2		<b>Budget vs. Actual Disbursements Comparison ROPS 16-17B</b>						
3		<b>Detail Report</b>						
4		<b>Januray 1 Through June 30, 2017</b>						<b>Exhibit 3A</b>
5								
6		<b>Payee</b>	<b>ROPS Line Item</b>	<b>Project #</b>	<b>Total Outstanding ROPS Annual ROPS 16-17</b>	<b>Estimated Project Expenditures Approved On ROPS 16-17B</b>	<b>Actual Disbursements Paid During the Period</b>	<b>Remaining Amount Of Estimated Project Expenditures Budgeted For The Period</b>
7						<b>Period January 1 to June 30, 2017</b>	<b>Period January 1 to June 30, 2017</b>	<b>Period January 1 to June 30, 2017</b>
145		<b>Westbound Slip On- Ramp 57/60</b>		MP 99-31 #22a				
146		WKE Inc	224				-	-
147		CNC Engineering	225				-	-
148		Caltrans	226		7,000,000.00		-	-
149		Avant-Garde (Retired)	227				-	-
150		Atkins	228				-	-
151		MX Graphics	229		2,200.00	1,000.00	-	1,000.00
152		ARC Imaging Recourses	230				-	-
153		Avant-Grade	294		100,000.00	20,000.00	21,482.50	(1,482.50)
154		<b>Total Westbound Slip On- Ramp 57/60</b>			<b>\$ 7,102,200.00</b>	<b>\$ 21,000.00</b>	<b>\$ 21,482.50</b>	<b>\$ (482.50)</b>
158								
159		<b>Total Projects To Be Funded From Bond Proceeds</b>			<b>29,329,160.00</b>	<b>7,843,960.00</b>	<b>613,803.87</b>	<b>7,230,156.13</b>
160								
161		<b>Administration</b>						
162								
163		US Bank	21		3,350.00		-	-
164		Bank of NY	22				-	-
165		US Bank	23		10,050.00		-	-
166		US Bank	25		6,700.00		-	-
167		Reimburse City of Industry - Salary	255		780,000.00	390,000.00	325,000.00	65,000.00
168		Various Vendor -Office Expenses	256		4,000.00	2,000.00	1,668.06	331.94
169		Various Vendor - Property Management	257		64,000.00	32,000.00	7,609.48	24,390.52
170		Various Vendor - Legal	258		342,000.00	179,800.00	157,595.58	22,204.42
171		Various Vendor - Accounting & Consulting	259		185,400.00	92,700.00	5,600.00	87,100.00
172		Various Vendor - Auditing & Review Services	260		160,000.00	80,000.00	35,175.00	44,825.00
173								-
174		<b>Total Administration</b>			<b>\$ 1,555,500.00</b>	<b>\$ 776,500.00</b>	<b>\$ 532,648.12</b>	<b>\$ 243,851.88</b>
175								
176		<b>Appraisal Fees</b>						
177		City Of Industry	282				-	-
178		<b>Total</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
179								
180		GeBrown & Brown Ins	263				-	-
181		<b>Total</b>			<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>
182								
183		<b>Property Maintenance</b>						
184		City of Industry	269		637,000.00	270,000.00	229,807.97	40,192.03
185		<b>Total</b>			<b>\$ 637,000.00</b>	<b>\$ 270,000.00</b>	<b>\$ 229,807.97</b>	<b>\$ 40,192.03</b>
186								
187		<b>Total All Expenditures</b>			<b>\$ 127,432,466.00</b>	<b>\$ 31,507,824.00</b>	<b>\$ 9,454,755.51</b>	<b>\$ 22,053,068.49</b>

	A	B	C	D	E	F	AC	AD
1		Successor Agency To the Industry Urban-Development Agency						
2		Budget vs. Actual Disbursements Comparison ROPS 17-18A						
3		Detail Report						
4		July 1 Through December 31, 2017						Exhibit 3B
5								
6		Payee	ROPS Line Item	Project #	Total Outstanding ROPS Annual ROPS 17-18	Estimated Project Expenditures Approved On ROPS 17-18A	Actual Disbursements Paid During the Period	Remaining Amount Of Estimated Project Expenditures Budgeted For The Period
7						Period July 1 to December 31, 2017	Period July 1 to December 31, 2017	Period July 1 to December 31, 2017
8								
9		<b>Projects To Be Funded From Other Available Funds</b>						
10		<b>Landscaping Baker Parkway Slopes</b>		MP 99 31 #61				
11		CNC Engineering	99		18,000.00	\$ 9,000.00	\$ -	\$ 9,000.00
12		Environs Landscape Architecture	100		14,000.00	7,000.00	166.30	6,833.70
14		Kasa Construction, Inc.	102				-	-
27		Marina Landscape, Inc.	276		940,000.00	188,912.50	-	188,912.50
28		San Gabriel Valley Newspaper	158, 208				-	-
29		City of Industry	297		65,100.00	-	-	-
30		<b>Total Landscaping Baker Parkway Slopes</b>			<b>\$ 1,037,100.00</b>	<b>\$ 204,912.50</b>	<b>\$ 166.30</b>	<b>\$ 204,746.20</b>
31								
32		<b>Diamond Bar Creek</b>		MP 99-31 #26				
33		CNC Engineering	148		400,000.00	300,000.00	-	300,000.00
34		Thomsen Engineering	149		184,000.00	125,000.00	-	125,000.00
35		Leighton Consulting	150		183,000.00	125,000.00	-	125,000.00
36		Regional Water Quality Control	151		20,000.00	10,000.00	-	10,000.00
37		Army Corp Engineers	152		1,000.00	1,000.00	-	1,000.00
38		Calif Dept of Fish & Game	153		10,000.00	10,000.00	-	10,000.00
39		State Water Resources Cont Board	154		12,000.00	12,000.00	-	12,000.00
40		MX Graphics	155		6,500.00	6,500.00	-	6,500.00
41		Brown & Brown Ins	156		25,000.00	13,000.00	-	13,000.00
42		City of Industry Disposal	157				-	-
43		San Gabriel Valley Newspaper	158		1,800.00	1,200.00	-	1,200.00
44		LA County Health Dept	159		3,500.00	1,500.00	-	1,500.00
45		So Calif Edison	160		50,000.00	50,000.00	-	50,000.00
46		Walnut Valley Water District	161		30,000.00	30,000.00	-	30,000.00
47		LA City Sewer Maint District	162		20,000.00	20,000.00	-	20,000.00
48		PBLA	163				-	-
49		Native Grow Nursery	164				-	-
50		Contractor - by public bidding	165		1,085,921.00	-	-	-
51		Sage Environmental	166		25,000.00	25,000.00	-	25,000.00
52		WKE, Inc.	167		56,000.00	50,000.00	-	50,000.00
53		H & H Contractors	266				-	-
54		<b>Total Diamond Bar Creek</b>			<b>\$ 2,113,721.00</b>	<b>\$ 780,200.00</b>	<b>\$ -</b>	<b>\$ 780,200.00</b>
55								

	A	B	C	D	E	F	AC	AD
1		Successor Agency To the Industry Urban-Development Agency						
2		Budget vs. Actual Disbursements Comparison ROPS 17-18A						
3		Detail Report						
4		July 1 Through December 31, 2017						Exhibit 3B
5								
6		Payee	ROPS Line Item	Project #	Total Outstanding ROPS Annual ROPS 17-18	Estimated Project Expenditures Approved On ROPS 17-18A	Actual Disbursements Paid During the Period	Remaining Amount Of Estimated Project Expenditures Budgeted For The Period
7						Period July 1 to December 31, 2017	Period July 1 to December 31, 2017	Period July 1 to December 31, 2017
56								
57		<b>Industry Business Center</b>		MP 99-31 #16				
58		The Planning Center	192		20,000.00	20,000.00	-	20,000.00
59		PBLA Engineering	193		500,000.00	250,000.00	-	250,000.00
60		Leighton Consulting	194		2,100,000.00	750,000.00	-	750,000.00
61		Leighton Consulting	195		315,504.00	-	-	-
62		CNC Engineering	196		2,400,000.00	1,200,000.00	24,232.44	1,175,767.56
63		CNC Engineering	197		1,262,016.00	150,000.00	-	150,000.00
64		Thomsen Engineering	198		39,000.00	20,000.00	-	20,000.00
65		Sage Environmental	199		85,000.00	50,000.00	-	50,000.00
66		MX Graphics	200		11,000.00	5,000.00	231.64	4,768.36
67		So Cal Sandbags	201		175,000.00	100,000.00	-	100,000.00
68		So Cal Edison	202		2,000,000.00	2,000,000.00	-	2,000,000.00
69		Verizon	203		694,080.00	694,080.00	-	694,080.00
70		So Cal Gas Co	204		1,041,420.00	1,041,420.00	-	1,041,420.00
71		Walnut Valley Water District	205		12,613,000.00	6,000,000.00	-	6,000,000.00
72		Ind Public Utilities	206		8,075,000.00	8,075,000.00	-	8,075,000.00
73		Time Warner Cable - Not Approved by DOF	207				-	-
74		San Gabriel Valley Newspaper	208		6,000.00	2,000.00	-	2,000.00
75		First American Title Company	209		14,000.00	5,000.00	-	5,000.00
76		St Wtr Resources Cont Board	210		25,000.00	12,000.00	-	12,000.00
77		L A County Health Department	211		4,000.00	1,300.00	-	1,300.00
78		L A County Dept Public Works	212		85,000.00	40,000.00	-	40,000.00
79		L A City Sewer Maint District	213		217,921.00	217,921.00	-	217,921.00
80		International Line Builders	214		50,000.00	50,000.00	-	50,000.00
81		MC Cain	215		40,000.00	40,000.00	-	40,000.00
82		Environs Landscape Arch	216		1,150,000.00	300,000.00	-	300,000.00
83		Contractor By Public Bidding	217		15,000,000.00		-	-
84		Contractor By Public Bidding	218		10,516,800.00		-	-
85		Kimley Horn & Assoc	219		140,000.00	50,000.00	-	50,000.00
86		Kimley Horn & Assoc	220		1,040,000.00	300,000.00	-	300,000.00
87		SCS Engineers	221		275,000.00	120,000.00	-	120,000.00
88		WKE, INC.	222		69,000.00	50,000.00	-	50,000.00
89		Bustko Engineering	223		330,000.00	250,000.00	-	250,000.00
90		Sukut Construction, LLC	267				-	-
91		C. A. Rasmussen Inc.	270				-	-
92		Sukut Construction, LLC	271				-	-
93		International Line Builders, Inc./Contractor - by public bidding	281		2,100,000.00		-	-
94		Contractor By Public Bidding/ Sukut Construction, LLC	289		23,000,000.00	16,000,000.00	-	16,000,000.00
95		All American Asphalt	290		12,000,000.00	10,500,000.00	-	10,500,000.00
96		City Of Walnut	291		1,704,530.00	200,000.00	-	200,000.00
97		TBD	298		1,002,000.00	1,002,000.00	-	1,002,000.00
100		<b>Total Industry Business Center</b>			<b>\$ 100,100,271.00</b>	<b>\$ 49,495,721.00</b>	<b>\$ 24,464.08</b>	<b>\$ 49,471,256.92</b>

	A	B	C	D	E	F	AC	AD
1		Successor Agency To the Industry Urban-Development Agency						
2		Budget vs. Actual Disbursements Comparison ROPS 17-18A						
3		Detail Report						
4		July 1 Through December 31, 2017						Exhibit 3B
5								
6		Payee	ROPS Line Item	Project #	Total Outstanding ROPS Annual ROPS 17-18	Estimated Project Expenditures Approved On ROPS 17-18A	Actual Disbursements Paid During the Period	Remaining Amount Of Estimated Project Expenditures Budgeted For The Period
7						Period July 1 to December 31, 2017	Period July 1 to December 31, 2017	Period July 1 to December 31, 2017
101								
102		<b>Industry East Traffic Mitigation</b>		MP 99-31 #65				
103		CNC Engineering	251		475,000.00	150,000.00	-	150,000.00
104		Geotechnical Consultant	252		174,888.00	150,000.00	-	150,000.00
105		RKA Consulting Group	253		900,000.00	750,000.00	-	750,000.00
106		Contractor by Public Bid	254		1,322,066.00		-	-
107		City Of Diamond Bar	275		713,400.00	713,400.00	-	713,400.00
108		<b>Total Industry East Traffic Mitigation</b>			<b>\$ 3,585,354.00</b>	<b>\$ 1,763,400.00</b>	<b>\$ -</b>	<b>\$ 1,763,400.00</b>
113								
114		<b>Total Projects To Be Funded From Other Available Funds</b>			<b>\$ 106,836,446.00</b>	<b>\$ 52,244,233.50</b>	<b>\$ 24,630.38</b>	<b>\$ 52,219,603.12</b>
115								
116		<b>Projects To Be Funded From Bond Proceeds</b>						
117								
118		<b>Lemon Ave Interchange at Route 60</b>		MP 03-10				
119		CNC Engineering	116		30,000.00	\$ 25,000.00	1,031.74	23,968.26
120		Jacobs Civil	117		250,000.00	200,000.00	-	200,000.00
121		Avant-Garde	118		65,000.00	35,000.00	-	35,000.00
122		Caltrans (Right of Way Acquisition)	119				-	-
123		Caltrans - contractor by public bidding	120		7,258,526.00	7,258,526.00	-	7,258,526.00
124		Caltrans (Construction Administration)	121		-		-	-
125		LA County Dept Public Works	122		12,000.00	12,000.00	-	12,000.00
127		<b>Total Lemon Ave Interchange at Route 60</b>			<b>\$ 7,615,526.00</b>	<b>\$ 7,530,526.00</b>	<b>\$ 1,031.74</b>	<b>\$ 7,529,494.26</b>
128								
129		<b>Route 57/60 Confluence Project</b>		MP 99-31 #22				
130		CNC Engineering	123		80,000.00	40,000.00	-	40,000.00
131		WKE Inc. (Environmental Phase)	124				-	-
132		Atkins	125				-	-
133		Casey O'Callaghan Golf Design	126		38,000.00	38,000.00	-	38,000.00
134		Caltrans	127		977,000.00	977,000.00	-	977,000.00
135		Caltrans - by public bidding	128		11,194,897.00	917,889.00	-	917,889.00
136		The PFM Group	129				-	-
137		Avant-Garde ( Retired)	130				-	-
138		ARC Imaging Recourses	131				-	-
139		MX Graphics	132		10,000.00	5,000.00	-	5,000.00
140		WKE Inc. (Design Phase)	133		3,500,000.00	1,200,000.00	-	1,200,000.00
141		Prince Global	134		160,000.00	70,000.00	-	70,000.00
142		Avant-Grade	295		70,000.00	30,000.00	-	30,000.00
143		<b>Total Route 57/60 Confluence Project</b>			<b>\$ 16,029,897.00</b>	<b>\$ 3,277,889.00</b>	<b>\$ -</b>	<b>\$ 3,277,889.00</b>
144								

	A	B	C	D	E	F	AC	AD
1		Successor Agency To the Industry Urban-Development Agency						
2		Budget vs. Actual Disbursements Comparison ROPS 17-18A						
3		Detail Report						
4		July 1 Through December 31, 2017						Exhibit 3B
5								
6		Payee	ROPS Line Item	Project #	Total Outstanding ROPS Annual ROPS 17-18	Estimated Project Expenditures Approved On ROPS 17-18A	Actual Disbursements Paid During the Period	Remaining Amount Of Estimated Project Expenditures Budgeted For The Period
7						Period July 1 to December 31, 2017	Period July 1 to December 31, 2017	Period July 1 to December 31, 2017
145		<b>Westbound Slip On- Ramp 57/60</b>		MP 99-31 #22a				
146		WKE Inc.	224				-	-
147		CNC Engineering	225				-	-
148		Caltrans	226		3,207,454.00	1,769,630.00	-	1,769,630.00
149		Avant-Garde (Retired)	227				-	-
150		Atkins	228				-	-
151		MX Graphics	229		2,200.00	1,000.00	-	1,000.00
152		ARC Imaging Recourses	230				-	-
153		Avant-Grade	294		20,000.00	15,000.00	-	15,000.00
154		<b>Total Westbound Slip On- Ramp 57/60</b>			<b>\$ 3,229,654.00</b>	<b>\$ 1,785,630.00</b>	<b>\$ -</b>	<b>\$ 1,785,630.00</b>
158								
159		<b>Total Projects To Be Funded From Bond Proceeds</b>			<b>26,875,077.00</b>	<b>12,594,045.00</b>	<b>1,031.74</b>	<b>12,593,013.26</b>
160								
161		<b>Administration</b>						
162								
163		US Bank	21		2,000.00	2,000.00	-	2,000.00
164		Bank of NY	22				-	-
165		US Bank	23		5,000.00	5,000.00	-	5,000.00
166		US Bank	25		2,000.00	2,000.00	-	2,000.00
167		Reimburse City of Industry - Salary	255		593,730.00	296,865.00	-	296,865.00
168		Various Vendor -Office Expenses	256		4,000.00	2,000.00	978.72	1,021.28
169		Various Vendor - Property Management	257		10,800.00	5,400.00	-	5,400.00
170		Various Vendor - Legal	258		696,000.00	348,000.00	-	348,000.00
171		Various Vendor - Accounting & Consulting	259		-	-	-	-
172		Various Vendor - Auditing & Review Services	260		268,470.00	134,235.00	-	134,235.00
173								
174		<b>Total Administration</b>			<b>\$ 1,582,000.00</b>	<b>\$ 795,500.00</b>	<b>\$ 978.72</b>	<b>\$ 794,521.28</b>
175								
176		<b>Appraisal Fees</b>						
177		City Of Industry	282				-	-
178		<b>Total</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
179								
180		GeBrown & Brown Ins	263		49,000.00	49,000.00	30,301.00	18,699.00
181		<b>Total</b>			<b>\$ 49,000.00</b>	<b>\$ 49,000.00</b>	<b>\$ 30,301.00</b>	<b>\$ 18,699.00</b>
182								
183		<b>Property Maintenance</b>						
184		City of Industry	269		637,000.00	330,564.00	-	330,564.00
185		<b>Total</b>			<b>\$ 637,000.00</b>	<b>\$ 330,564.00</b>	<b>\$ -</b>	<b>\$ 330,564.00</b>
186								
187		<b>Total All Expenditures</b>			<b>\$ 135,979,523.00</b>	<b>\$ 66,013,342.50</b>	<b>\$ 56,941.84</b>	<b>\$ 65,956,400.66</b>



Successor Agency to the IUDA  
 Projected Cash Flow For Projects  
 August 1, 2017 to June 30, 2019

Exhibit 4

**Industry Business Center (IBC):**

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

17-18A Budget	17-18B Budget	18-19A Budget	18-19B Budget	
8/1/17 to 12/31/17	1/1/18 to 6/30/18	7/1/18 to 12/31/18	1/1/19 to 6/30/19	Totals
\$ 5,300,000.00	\$ 5,000,000.00	\$ -	\$ -	\$ 10,300,000.00
\$ 100,000,000.00	\$ 24,951,000.00	\$ -	\$ -	\$ 124,951,000.00
\$ (2,049,790.14)	\$ 2,428,031.42	\$ 3,355,437.14	\$ 2,693,427.86	\$ 6,427,106.28
\$ (44,483,758.71)	\$ (29,291,022.69)	\$ (16,266,211.70)	\$ (2,299,661.48)	\$ (92,340,654.58)
\$ 58,766,451.15	\$ 3,088,008.73	\$ (12,910,774.56)	\$ 393,766.38	\$ 49,337,451.70
				\$ -
\$ 122,506,485.39	\$ 181,272,936.54	\$ 184,360,945.27	\$ 171,450,170.71	\$ 124,753,273.70
\$ 181,272,936.54	\$ 184,360,945.27	\$ 171,450,170.71	\$ 171,843,937.09	\$ 174,090,725.40

**Other Projects:**

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

\$ (137,205.55)	\$ (165,100.00)	\$ (165,665.00)	\$ (269,881.81)	\$ (737,852.36)
\$ (2,094,907.91)	\$ -	\$ -	\$ -	\$ (2,094,907.91)
\$ (2,771,988.46)	\$ (617,970.72)	\$ (140,000.00)	\$ (247,792.47)	\$ (3,777,751.65)
\$ (5,004,101.92)	\$ (783,070.72)	\$ (305,665.00)	\$ (517,674.28)	\$ (6,610,511.92)
\$ 5,004,101.92	\$ 783,070.72	\$ 305,665.00	\$ 517,674.28	\$ 6,610,511.92
\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -

**Projects To Be Funded By Bond Proceeds:**

Lemon Ave Interchange at Route 60 MP 3 - 10				
Route 57/60 Confluence Project MP 99 - 31 # 22				
Westbound Slip On-Ramp 57/60 MP 99-31 #22A				
Net				
Transfers From Land Sales/investment income				
Beginning Cash Balance				
Ending Cash Balance				

\$ (7,337,188.24)	\$ (162,521.95)	\$ -	\$ -	\$ (7,499,710.19)
\$ (10,522,482.72)	\$ (282,038.28)	\$ -	\$ -	\$ (10,804,521.00)
\$ (4,012,745.00)	\$ (2,555,406.85)	\$ -	\$ -	\$ (6,568,151.85)
\$ (21,872,415.96)	\$ (2,999,967.08)	\$ -	\$ -	\$ (24,872,383.04)
				\$ -
\$ 24,872,383.04	\$ 2,999,967.08	\$ -	\$ -	\$ 24,872,383.04
\$ 2,999,967.08	\$ (0.00)	\$ -	\$ -	\$ -

Successor Agency to the IUDA  
Projected Cash Flow For Projects

Exhibit 5

August 1, 2017 to June 30, 2019

(1)(2)(3)(4) Net Proceeds From Property Sales period 8/1/2017 to 6/30/2018

	Amounts	Totals
	\$ 135,251,000.00	\$ 135,251,000.00
<b>IBC Project Costs To Be Spent</b>		
ROPS 17-18A	8/1/17 to 12/31/17 (44,483,758.71)	
ROPS 17-18B	1/1/18 to 6/30/18 (29,291,022.69)	
ROPS 18-19A	7/1/18 to 12/31/18 (16,266,211.70)	
ROPS 18-19B	1/1/19 to 6/30/19 (2,299,661.48)	
Estimated remaining project costs to be spent IBC	(92,340,654.58)	(92,340,654.58)
<b>Other Project Costs To Be Spent</b>		
Landscaping Baker Parkway Slopes	(737,852.36)	
Diamond Bar Creek	(2,094,907.91)	
Industry East Traffic Mitigation	(3,777,751.65)	
Estimated remaining project costs to be spent Other Projects	(6,610,511.92)	(6,610,511.92)
<b>(5) Estimated excess cash generated from rental income and notes receivable collections 8/1/2017 to 6/30/2019</b>	13,037,618.20	13,037,618.20
<b>Beginning cash balances at 8/1/2017</b>	122,506,485.39	122,506,485.39
<b>Estimated excess funds</b>	<u>\$ 171,843,937.09</u>	<u>\$ 171,843,937.09</u>
<b>Projects To Be Funded By Bond Proceeds:</b>		
Lemon Ave Interchange at Route 60 MP 3 - 10	(7,499,710.19)	
Route 57/60 Confluence Project MP 99 - 31 # 22	(10,804,521.00)	
Westbound Slip On-Ramp 57/60 MP 99-31 #22A	(6,568,151.85)	
Estimated remaining project costs to be spent on projects to be funded by bond proceeds	(24,872,383.04)	(24,872,383.04)
<b>Beginning cash balances at 8/1/2017</b>	24,872,383.04	24,872,383.04
<b>Estimated excess (shortfall) of funds</b>	-	-
<b>Estimated excess funds - combined</b>	<u>\$ 171,843,937.09</u>	<u>\$ 171,843,937.09</u>

- 1) Sales price for Tres Hermanos Ranch \$100,000,000
- 2) Properties #'s 29, 34, 46, 72 of \$22.9M sales price based upon original estimate for commercial property at date submission of Long Range Management Plan
- 3) No sales price included for properties #'s 14, 15, 22, 23, 46, 47, 48, 49, 54 waiting on appraisals
- 4) Does not include sales price for IBC (#40) and Grand Crossing (#41), Majestic Reality has first rights to purchase property
- 5) Rental Income receipts dependent upon when Grand Crossing property is sold
- 6) Collections on notes receivable through 6/30/2019 with no early payoff of notes maturity dates May/June 2022

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

ITEM NO. 5.2

**CLIENT MEMORANDUM**

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**TO:** OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY  
**FROM:** VARNER & BRANDT LLP  
**SUBJECT:** TRANSMITTAL OF AUGUST 24, 2017 OVERSIGHT BOARD MEETING AGENDA ITEM #5.2  
**DATE:** AUGUST 15, 2017

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

**Agenda Item No.:** 5.2

**Subject:** **Disposition of Tres Hermanos Ranch Property.** Consideration of approval of the disposition of certain real property commonly known as Tres Hermanos Ranch (the “Property”) identified as Asset No. 68 in the Successor Agency’s approved long-range property management plan (“LRPMP”) to the City of Industry (the “City”) in accordance with the provisions of the LRPMP.

**Legislative Authority of the Oversight Board:**

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

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

***Background:*** The LRPMP of the Successor Agency governs the disposition and use of the real property assets of the former redevelopment agency. (HSC Section 34191.3(a)). Once a successor agency receives its finding of completion, a successor agency must dispose of assets and properties of the former redevelopment agency in accordance with the provisions of the LRPMP and at the direction of the Oversight Board. (HSC Sections 34181(a) and 34191.3). Approval of the Successor Agency's LRPMP occurred on February 21, 2014. The Property is identified as Property No. 68 on the LRPMP and reflected as a "for sale" property. The staff recommendation for the disposition of the Property requires the Successor Agency to first offer the Property to the City and then to the public. The LRPMP specifically states that the Successor Agency will evaluate "for sale" properties "upon acceptable development plans," including information regarding construction schedules, assessed value of the proposed project, identification of the end user and potential job creation, and the identification of proposed tenants.

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

Initially, the City engaged R.P. Laurain & Associates ("Laurain") to appraise the Property. The City received the appraisal on January 18, 2016; however, the appraisal conducted by Laurain was based on the assumption of a non-existent, hypothetical condition that would encumber the Property with a covenant restricting use to open space, public use or preservation use. Based on the hypothetical condition, the appraiser determined the fair market value of the Property to be \$41,650,000.00. The City offered to purchase the Property for \$41,650,000.00.

The Oversight Board requested a new appraisal of the Property without the hypothetical condition and aimed at achieving the highest and best use. The Successor Agency engaged Larry W. Heglar & Associates to appraise the Property ("Heglar"). Heglar provided an Appraisal Report dated December 7, 2016, wherein Heglar valued the Property at \$100,000,000 based on its current zoning designations. The City submitted a revised offer to purchase the Property for \$100,000,000.

*Application:*

Pursuant to the Department of Finance's letter, dated February 21, 2014, approving the LRPMP, any Successor Agency actions taken pursuant to an approved LRPMP are subject to the Oversight Boards approval per HSC section 34181(f). The proposed disposition of the Property to the City is consistent with the LRPMP and properly before the Oversight Board for consideration.

The proposed Purchase and Sale Agreement between the Successor Agency and the City provides that the sale of the Property is made on an "AS IS" basis and includes a full release of claims. Closing costs will be split between the parties. A non-refundable deposit equal to 10% of the purchase price (i.e., \$10,000,000.00) is required and completion of the transaction must occur within 30 days after approval of the purchase agreement. The Successor Agency approved the new purchase agreement on January 13, 2017.<sup>1</sup> On January 23, 2017, the Oversight Board considered the City's revised offer. At that meeting, the Oversight Board requested additional information regarding the City's planned development of the Property.

In addition to the City's offer, the Successor Agency also received an unsolicited bid from GH America Investments Group, Inc. ("GH America") to purchase the Property for \$101,000,000. GH America revised its original offer in 2016 and again in 2017, with its current offer at \$108,000,000. At the request of the Oversight Board, GH America provided a presentation concerning its intended use of the Property, which included approximately 1,881 residential units, mixed use, commercial and open space preservation. Under HSC Section 34191.3, the Oversight Board must first consider the City's offer (consistent with the provisions of the LRPMP) before the Property can be marketed or offered to third parties, like GH America.

Pursuant to the LRPMP, the City's offer, approved by the Successor Agency, now comes before the Oversight Board for consideration and approval. In evaluating the proposed disposition of the Property to the City, the Oversight Board must keep in mind that they have fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from the distributions of property tax and other revenues (HSC Sections 34179(i)). With that in mind, the disposition of any property must be done expeditiously and in a manner aimed at maximizing value. (HSC Section 34181(a)).

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<sup>1</sup> If approved, the "Effective Date" on the Purchase and Sale Agreement, which currently shows January 13, 2017, will need to be revised.

**RESOLUTION NO. OB 2017-05**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING THE SALE AND DISPOSITION OF CERTAIN REAL PROPERTY COMMONLY KNOWN AS TRES HERMANOS RANCH IDENTIFIED ON THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 68**

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

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

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

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

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

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

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

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

**WHEREAS**, the Successor Agency intends to sell the Property to the City of Industry (“Purchaser”) for a purchase price of \$100,000,000, which represents an amount equal to the fair market value of the Property, as determined by an appraisal report dated December 7, 2016 and prepared by Larry W. Heglar & Associates; and

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

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

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

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

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

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

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

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

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

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



**PASSED, APPROVED AND ADOPTED** by the Oversight Board at a duly noticed meeting of the Oversight Board held on August 24, 2017, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

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

**ATTEST:**

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

**RESOLUTION NO. OB 2017-05**  
**ATTACHMENT A**  
**PURCHASE AGREEMENT**  
**[ATTACHED BEHIND THIS PAGE]**



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

**MEMORANDUM**

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

**FROM:** James M. Casso, Agency Counsel

**DATE:** January 13, 2017

**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 \$100,000,000.00.

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, is in compliance with California law.

**DISCUSSION:** The City will purchase the Property from the Agency for the appraised value as open space of \$100,000,000.00. The appraisal was performed by Larry W. Heglar & Associates. The agreement requires the City to provide a \$10,000,000.00 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 \$100,000,000.00. The City has agreed to pay the appraised market value of \$100,000,000.00. 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 2017-02

**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 January 13, 2017. The purchase price is \$100,000,000.00, which represents an amount equal to or greater than the current fair market value of the Property, as determined by Larry W. Heglar of Larry W. Heglar & Associates; 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 AND ADOPTED** this 13<sup>th</sup> day of January, 2017, 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, Chairperson

ATTEST:

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Diane M. Schlichting, Agency 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 January 13, 2017, (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 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 One Hundred Million Dollars (\$100,000,000.00) (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

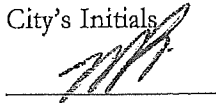
PROPERTY; AND (viii) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE.

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



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

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.

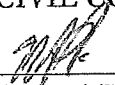
H. Survival. The Parties representations and warranties shall survive the Closing for one (1) year.


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.

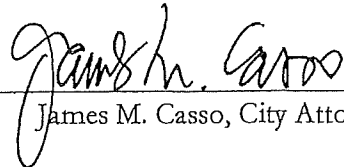
CITY OF INDUSTRY

By:   
Mark D. Radecki, Mayor


ATTEST:

  
Cecelia Dunlap, Deputy City Clerk

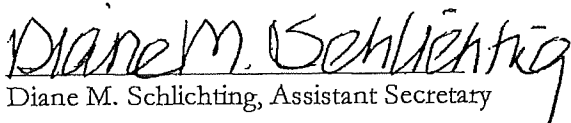
APPROVED AS TO FORM:

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:

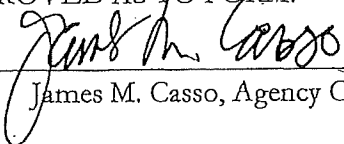
By:   
James M. Casso, Agency Counsel

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:

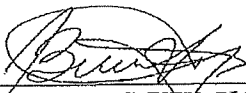

SOUTH 80° 26' 22" WEST 357.29 FEET, NORTH 39° 50' 49" WEST 184.88 FEET; NORTH 08° 58' 26" WEST, 186.31 FEET TO THE SOUTHWESTERLY LINE OF PARCEL 1 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 83 PAGES 62 AND 63 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID 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 13-03#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

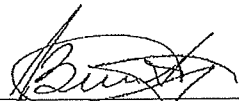

  
VLADISLAV SKREJEV, PLS 8363  
CNC Engineering  
Job No. MP 12-03#3      Legal No.900  
Checked by:       August 30, 2016



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 Claramella	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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4. Description of the Land	4
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.

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' 25" WEST, 186.31 FEET TO THE SOUTHWESTERLY LINE OF PARCEL 1 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 83 PAGES 62 AND 63 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID LAST MENTIONED SOUTHWESTERLY LINE NORTH 61° 55' 24" WEST 2446.02 FEET; THENCE SOUTH 26° 04' 36" WEST 915.27 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 1500.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15° 00' 00", AN ARC DISTANCE OF 392.70 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 120.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 78° 55' 24" WEST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 60° 00' 00", AN ARC DISTANCE OF 125.66 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, SOUTH 48° 55' 24" EAST 170.71 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 2500.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE 16° 02' 34", AN ARC DISTANCE OF 700.00 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 1125.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 25° 02' 02" WEST; THENCE EASTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 73° 27' 26", AN ARC DISTANCE OF 1442.33 FEET; THENCE TANGENT TO SAID COMPOUND CURVE NORTH 41° 34' 36" EAST 225.00 FEET; THENCE SOUTH 61° 55' 24" EAST 70.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 100.00 FEET; THENCE EASTERLY ALONG SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 60° 00' 00", AN ARC DISTANCE OF 104.72 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE SOUTH HAVING A RADIUS OF 75.00 FEET; A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 31° 55' 24" EAST; THENCE EASTERLY ALONG SAID REVERSE CURVE THROUGH A CENTRAL ANGLE OF 78° 30' 00" AN ARC DISTANCE OF 102.76 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 350.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 46° 34' 36" EAST; THENCE SOUTHEASTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 22° 30' 00", AN ARC DISTANCE OF 137.44 FEET; THENCE TANGENT TO SAID LAST COMPOUND CURVE SOUTH 20° 55' 24" EAST 105.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTH AND HAVING A RADIUS OF 265.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 112° 00' 00", AN ARC DISTANCE OF 518.01 FEET; THENCE TANGENT TO LAST MENTIONED CURVE NORTH 47° 04' 36" EAST 137.02 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 200.00 FEET; THENCE EASTERLY ALONG

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

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

PARCEL II: (San Bernardino County)

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

PARCEL NO. 1:

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

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

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

PARCEL NO. 2:

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

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

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

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

Form No. 1068-2  
ALTA Plain Language Commitment

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

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

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

## SCHEDULE B

### SECTION ONE REQUIREMENTS

The following requirements must be met:

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

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

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



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

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

**SCHEDULE B**

**SECTION TWO**

**EXCEPTIONS**

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

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

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

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

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

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

13. General and special taxes and assessments for the fiscal year 2015-2016.
- |                     |                   |
|---------------------|-------------------|
| First Installment:  | \$1,171.60, PAID  |
| Penalty:            | \$0.00            |
| Second Installment: | \$1,171.57, PAID  |
| Penalty:            | \$0.00            |
| Tax Rate Area:      | 024034            |
| A. P. No.:          | 1000-011-22-0-000 |

14. Water rights, claims or title to water, whether or not shown by the public records.  
(Affects Los Angeles and San Bernardino County Properties)

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

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

21. An easement for road and incidental purposes, recorded March 07, 1975 as Instrument No. 287 of Official Records.  
In Favor of: The Metropolitan Water District of Southern California, a public corporation  
Affects: As described therein
22. Terms and provisions of an unrecorded lease dated November 01, 1975, by and between Josephine Scott Crocker, as Trustee, WM. Keith Scott, as Trustee, Della 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 asset 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 e-mail 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.

First American 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

**Privacy** 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 ensure 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.

**B. 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 B 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
  - \* land division
  - \* improvements on the land
  - \* 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 B 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**

**ALTA 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 protectionThis 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.



2. (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6. 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 AND MAIL TAX  
STATEMENTS TO:

City of Industry  
15625 East Stafford Street, Suite 100  
City of Industry, California 91744  
Attention: Diane M. 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 January 13, 2017, 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 \_\_\_\_\_, 2017.

**GRANTOR:**

**GRANTEE:**

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

**CITY OF INDUSTRY**

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

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

ATTEST:

ATTEST:

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

\_\_\_\_\_  
Diane M. Schlichting, Chief Deputy City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

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

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

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:

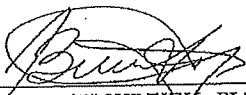

SOUTH 80° 26' 22" WEST 357.29 FEET, NORTH 39° 50' 49" WEST 184.88 FEET; NORTH 08° 58' 26" WEST, 186.31 FEET TO THE SOUTHWESTERLY LINE OF PARCEL 1 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 83 PAGES 62 AND 63 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID 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

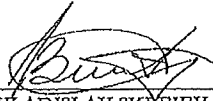

  
\_\_\_\_\_  
VLADISLAV SKREJEV, PLS 8363  
CNC Engineering  
Job No. MP 12-03#3 Legal No.900  
Checked by  August 30, 2016



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 \_\_\_\_\_, 2017, 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 Joint Escrow Instructions Tres Hermanos Ranch dated as of January 13, 2017, (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.

**ASSIGNOR:**

**ASSIGNEE:**

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

**CITY OF INDUSTRY**

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

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

ATTEST:

ATTEST:

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

\_\_\_\_\_  
Diane M. Schlichting, Chief Deputy City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

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

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

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:

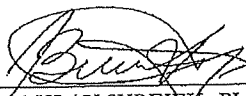

SOUTH 80° 26' 22" WEST 357.29 FEET, NORTH 39° 50' 49" WEST 184.88 FEET; NORTH 08° 58' 26" WEST, 186.31 FEET TO THE SOUTHWESTERLY LINE OF PARCEL 1 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 83 PAGES 62 AND 63 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID 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

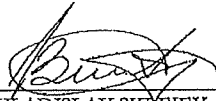

  
VLADISLAV SKREJEV, PLS 8363  
CNC Engineering  
Job No. MP 12-03#3    Legal No.900  
Checked by  August 30, 2016



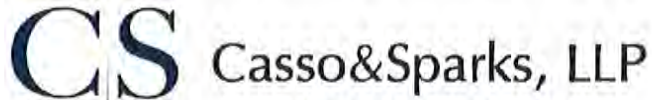
EXHIBIT E

LIST OF ENVIRONMENTAL REPORTS

EXHIBIT F  
TITLE POLICY



REPORT PREPARED  
BY  
JAMES M. CASSO  
CITY OF INDUSTRY CITY ATTORNEY  
AND  
SUCCESSOR AGENCY LEGAL COUNSEL



ATTORNEYS AT LAW  
13200 Crossroads Parkway North, Suite 345  
City of Industry, CA 91746  
Telephone: 626.269.2980

James M. Casso  
Principal  
[jcasso@cassosparks.com](mailto:jcasso@cassosparks.com)  
[www.cassosparks.com](http://www.cassosparks.com)

August 22, 2017

The Honorable Santos Kreimann  
Chairman  
Oversight Board of the Successor Agency  
to the Industry Urban-Development Agency  
15625 East Stafford Street  
City of Industry, CA 91744

Dear Chairman Kreimann:

As you are aware, we serve as City Attorney for the City of Industry (the "City") and as Agency General Counsel for the Successor Agency to the former Industry Urban-Development Agency ("Successor Agency") and we have been asked by the City and the Successor Agency to submit this letter in support of the City's offer to purchase the property commonly known as Tres Hermanos.

**The Dissolution Act:**

In December 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos*, finding Assembly Bill X1 26, which dissolved California's redevelopment agencies, largely constitutional. The California Legislature then adopted a number of bills, including AB 1484, to facilitate the dissolution. For purposes of this letter, AB X1 26 and AB 1484 are collectively referred to as the "Dissolution Act," and reference the California Health & Safety Code. Unless otherwise indicated, all statutory references herein refer to the Health and Safety Code.

Pursuant to the provisions of Section 34191.5, each successor agency is required to prepare a long-range property management plan ("LRPMP") which addresses the disposition and use of real properties of the former redevelopment agency. The LRPMP is then submitted to the successor agency's oversight board and California Department of Finance ("DOF") for approval. Once the LRPMP is approved by DOF, the successor agency is required to comply with the LRPMP to dispose of all real properties of the former redevelopment agency.

**The Successor Agency's LRPMP:**

On or about October 8, 2013, the Oversight Board to the Successor Agency approved the Successor Agency's LRPMP. DOF, however, requested certain revisions to the LRPMP, and on or about February 6, 2014, the Oversight Board approved the Successor Agency's revised LRPMP. A copy of the Oversight Board's resolution and the LRPMP, relative to Tres Hermanos, only, is attached hereto as Exhibit A. Consistent with the requirements of State law, the Oversight Board's resolution and the LRPMP were submitted to DOF on or about February 11, 2014, for review and approval.

The Successor Agency's LRPMP was approved by DOF on or about February 21, 2014. A copy of the letter from DOF is attached hereto as Exhibit B. DOF's letter to the Successor Agency states, in pertinent part, as follows:

"...based on our review and application of the law, we are approving the Agency's use or disposition of all the properties listed on the LRPMP."

DOF's letter goes on to state:

"Pursuant to [Health & Safety Code] Section 34191.3 the approved LRPMP shall govern, and supersede all other provisions relating to, the disposition and use of all the real property assets of the former redevelopment agency."

**The Tres Hermanos Property and the LRPMP:**

Tres Hermanos is listed as Property No. 68 on the LRPMP's property list. Consistent with the provisions of Section 34191.5(c)(1)(H), the LRPMP provides a brief history of previous development proposals for the property. Specifically, the LRPMP sets forth the following:

"History of Development Proposals: There have been a series of reports and studies on the use of the property for the development of reservoirs and other public uses."

In accordance with the requirements of Section 34191.5(c)(2), the LRPMP also sets forth the disposition of the Tres Hermanos property:

"Staff recommends ***the property be offered for sale to the City and if the City has no interest in acquiring the property would be made generally available for sale.***"  
(Emphasis added)

Given the mandate set forth in Section 34191.5(c)(2), Tres Hermanos must first be offered for sale to the City. Only in the event that the City has no interest in purchasing the property can it be offered to the public for sale. Moreover, based on various webinars offered by DOF concerning the interpretation of the maximization of value provision set forth in Section 34177(e) of the Dissolution Act, the DOF has opined that the term "maximizing value" does not necessarily equate to a monetary value, but instead, to the overall value a project may have on a community. Discretion is given to the various legislative bodies on what constitutes a maximization of value.

Before the Oversight Board is the City's second offer to purchase Tres Hermanos. In response to the City's initial offer of \$41,650,000.00 on September 29, 2016, in which the City was willing to accept a deed restriction limiting the future use of the property, the Oversight Board, after consideration and debate, requested a re-appraisal of the property. The Oversight Board wanted an appraisal that valued the property without any restrictions on the future use of Tres Hermanos.

The City's current offer to purchase the Tres Hermanos property is for the unrestricted, "re-appraised value" of \$100,000,000.00. As you are aware, on January 13, 2017, the Successor Agency approved the City's offer. Consistent with the requirements set forth in the Dissolution Act and the approved LRPMP, the Oversight Board must now consider the Purchase and Sale Agreement.

***Oversight Board Approval of the Sale is Ministerial:***

The provisions of Section 34191.3 control the disposition of real property. Pursuant to Section 34191.3, the LRPMP “shall govern, and supersede all provisions relating to, the disposition and use of the real property assets of the former redevelopment agency”. Only in the event that DOF has not approved an LRPMP by January 1, 2016, do Sections 34177(e) and 34181(a) of the Dissolution Act apply.

Because the Agency’s LRPMP was approved prior to January 1, 2016, in accordance with the provisions of Section 34191.3, the LRPMP controls the disposition of property. Since DOF’s approval on February 21, 2014, the LRPMP has been in effect. In approving the LRPMP, DOF stated that the “disposition of all the properties” shall be governed by the LRPMP. In other words, the Oversight Board already has exercised its approval of the LRPMP and now its only option is to ensure disposition of any property is consistent with the LRPMP. As previously discussed, the sale of Tres Hermanos to the City is consistent and compliant with the LRPMP. At this point, the Oversight Board’s action on this matter is purely ministerial.

***I. The Statement of Objections from the County of Los Angeles:***

As you are aware, in September 2016, the County of Los Angeles (“County”) provided a letter to the Oversight Board stating its objections to the City’s purchase of Tres Hermanos. A copy of the County’s letter, without its attachments, is attached hereto as Exhibit C. In its letter, the County chiefly objected to the process by which the City was attempting to acquire the property and the purchase price the City offered for the property. Each of these issues is addressed in detail below.

**a. The City must comply with the process set forth in the LRPMP to purchase Tres Hermanos.**

In its letter, the County contends that the Agency should comply with process set forth in the LRPMP for the sale of Tres Hermanos, which the County asserts is the following:

“The properties the staff recommends be offered for sale utilize the process outlined below. It is anticipated that any sale including those properties above would have to meet the basic criteria of agreement to pay a reasonable price based on a current appraisal and submission of a Development Plan and Schedule acceptable to the City. The properties would be distributed to broker and interested parties. Competing proposals would be evaluated based upon the following criteria to determine which prospective buyer to work with on finalizing a project to forward to the Successor Agency and Oversight Board for approval.

- Agreement to pay a reasonable price based upon a current appraisal.
- A development plan scheduled through construction acceptable to the City.
- An estimate of the assessed value of the project.
- Identification of the end user, the job creation and if the user is a local company.

-Identification of the type of intended tenants if the project is speculative.

It is planned that the appraisals for each property will be the responsibility of the prospective buyer and would be undertaken by an appraiser selected from a pre-approved list determined by issuing a Requests for Qualifications.” (See *County Letter* at p. 3.)

Interestingly, the County has directly cited to the language set forth in Attachment B of the LRPMP, however, the County has notably omitted the first paragraph of the Attachment, which reads as follows:

“Attachment B contains those properties to be made available for sale. *The properties include those to be offered to tenants and/or the City first and if no interest offered generally for sale.*” (See LRPMP at Attachment B.) (Emphasis added)

Despite the County’s contentions, it is abundantly clear from the first paragraph of Attachment B of the LRPMP that certain properties (including Tres Hermanos) are to be offered to the City first. Only in instances where the City is not interested can the properties be offered generally for sale. The process set forth in the LRPMP is only applicable to those properties that are offered “generally for sale”. It is only logical that those properties to which the City has the first right to purchase do not require the process, because it is pointless—if the City exercises its right to purchase the property, then there are no developers or alternative proposals to select.

The County further contends that there are four allowable categories for property disposition including retention for governmental use, retention for future development, sale of the property, and use of the property to fulfill an enforceable obligation, but that “there is no category where the City has priority to purchase a property”. (See *County Letter* at p. 3.) This argument is meritless. There is no need for a separate “category” to allow the City to purchase the property because the Dissolution Act expressly allows the sale of property to the City (before any alternative is considered). The City’s first right to purchase (which is a sale of property) is explicitly set forth in the LRPMP, and the LRPMP was approved by both the Oversight Board and the DOF.

By making an offer to purchase Tres Hermanos prior to the property being put out for “general sale”, the City is exercising its first right to purchase in accordance with the provisions set forth in the LRPMP.

**b. The City’s \$100 million offer for Tres Hermanos does not maximize value.**

In its letter, the County consistently argues that the City’s offer does not maximize value, as required under the Dissolution Act. Since the time of the County’s letter, the City conducted a second appraisal and is now offering \$100 million dollars for the property, which is consistent with the “new” appraised value, without any additional restriction on the use of the land. While the County’s letter mentioned a deed restriction limiting the use of the land, when a buyer offers the appraised value, it is unreasonable to assume that a buyer also would accept a deed restriction governing the future use of a property without considering the adverse impact on value and correspondingly reducing the purchase price. Further, as has been stated by the City on numerous occasions, particularly at Oversight Board meetings, the future use of Tres Hermanos is governed by Government Code Section 37351. In pertinent part, Government Code Section 37351 provides: “[A

city] may purchase, . . . , real estate situated inside or outside the city limits as in necessary or proper for municipal purposes.” Under California law, the future use of Tres Hermanos, under the ownership of the City of Industry, must be for a “municipal purpose” regardless of whether that deed restriction is added.

***II. Compliance with Government Code Section 65402:***

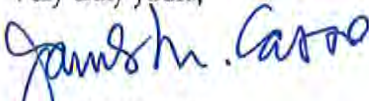
The City of Chino Hills submitted a letter to the Oversight Board requesting that the Board direct the City of Industry to comply with the provisions of Government Code Section 65402. A similar letter was sent by the City of Diamond Bar to the City of Industry. Please be advised that the City has repeatedly confirmed, and continues to confirm, that it will comply with all applicable requirements of federal, State and local laws and regulations.

***III. Conclusion:***

The Dissolution Act requires the Oversight Board to dispose of property in accordance with the provisions of the LRPMP. The City has a first right to acquire Tres Hermanos. The City has offered to pay the appraised value of Tres Hermanos. For these reasons, and based on the information set forth herein, the Oversight Board is required to approve the sale of the Tres Hermanos Property to the City.

I will be available at the Oversight Board’s meeting to answer any questions regarding this matter.

Very truly yours,



James M. Casso  
City Attorney & Agency General Counsel

Enclosures

cc: Oversight Board of the Successor Agency to the Industry Urban-Development Agency  
Mayor Mark Radecki & Industry Councilmembers  
Paul J. Philips, City Manager  
Supervisor Hilda Solis, First District  
Jeffrey Prang, Assessor, County of Los Angeles  
Michael Cohen, Finance Director, California Department of Finance  
Bill Lockyer, Esq., Independent Reform Advisor, City of Industry  
Anthony Bouza, Esq.  
Sean Varner, Esq. Oversight Board Legal Counsel

# **EXHIBIT A**



**RESOLUTION NO. OB 2014-01**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING DEPARTMENT OF FINANCE'S REVISIONS TO THE SUCCESSOR AGENCY'S LONG-RANGE PROPERTY MANAGEMENT PLAN**

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

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

**WHEREAS**, the Successor Agency must expeditiously wind down the affairs of the former redevelopment agency as directed by the Oversight Board in accordance with California Health and Safety Code Section 34177(h); and

**WHEREAS**, the Successor Agency must prepare a long-range property management plan that addresses the disposition and use of the real properties of the former redevelopment agency in accordance with California Health and Safety Code Section 34191.5; and

**WHEREAS**, the Oversight Board previously approved the Successor Agency's long-range property management plan at a meeting duly noticed and held on October 8, 2013, and subsequently delivered the approved long-range property management plan to the Department of Finance for approval; and

**WHEREAS**, the Department of Finance requested that the Successor Agency make certain revisions to the Oversight Board-approved long-range property management plan, specifically requesting the Successor Agency (i) complete each cell contained in the inventory data form used to identify all of the Successor Agency's real property assets and (ii) change the permissible use designation for two properties; and

**WHEREAS**, the Successor Agency requests the Oversight Board approve the Department of Finance's revisions to the Oversight Board approved long-range property management plan and inventory data form, attached hereto as Attachment A; and

**WHEREAS**, all actions taken pursuant to the approved long-range property management plan, as revised, must first be brought before the Oversight Board for approval in accordance with California Health and Safety Code Section 34181(f); and

**WHEREAS**, the Oversight Board has determined that the Department of Finance's revisions to the approved long-range property management plan and inventory data form attached hereto as Attachment A, are valid and prepared in accordance with California Health and Safety Code Section 34191.5(c) and further, that such revisions are consistent with the



requirements of the Successor Agency to wind down the affairs of the Former Agency in accordance with California Health and Safety Code Section 34177(h); and

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

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

**Section 1. Approval of Revisions to the Long-Range Property Management Plan.** The Oversight Board hereby approves the Department of Finance's requested revisions to the Oversight Board approved long-range property management plan and inventory data form, in the form attached hereto as Attachment A. All actions taken under the revised long-range property management plan must be brought before the Oversight Board for approval.

**Section 2. Authorization of Successor Agency.** Upon approval of this resolution ("Resolution") by the California Department of Finance, the Oversight Board authorizes and directs the Executive Director and/or Assistant Secretary of the Successor Agency, jointly and severally, to execute and deliver any and all documents which they may deem necessary or advisable in order to effectuate the approval of the long-range property management plan.

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

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

**Section 5. Effect.** This Resolution shall take effect upon approval of the California Department of Finance in accordance with California Health and Safety Code Section 34179(h).

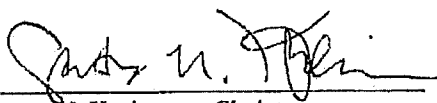
**PASSED, APPROVED AND ADOPTED** by the Oversight Board at a duly noticed meeting of the Oversight Board held on February 6, 2014, by the following vote:

Ayes: Board Member Duarte, Board Member Frutos, Board Member Gregoryk,  
Board Member Radecki, Vice Chairman Cipriani, and Chairman Kreimann

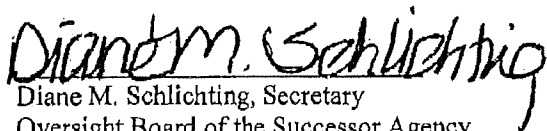
Noes: None

Absent: Board Member Martinez

Abstain: None

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

ATTEST:

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

**RESOLUTION NO. OB 2014-01**  
**ATTACHMENT A**  
**REVISIONS TO LONG-RANGE PROPERTY MANAGEMENT PLAN**  
**[ATTACHED BEHIND THIS PAGE]**



No.	Property Type	HSC 34191.5 (c)(2)		HSC 34191.5 (c)(1)(A)				SALE PROPERTY			HSC 34191.5 (c)(1)(B)				HSC 34191.5 (c)(1)(C)				HSC 34191.5 (c)(1)(D)		HSC 34191.5 (c)(1)(E)		HSC 34191.5 (c)(1)(F)	HSC 34191.5 (c)(1)(G)	HSC 34191.5 (c)(1)(H)
		Permissible Use	Permissible Use Detail	Acquisition Date	Value at Time of Purchase	Estimated Current Value	Value Basis	Date of Estimated Current Value	Proposed Sale Value	Proposed Sale Date	Purpose for which property was acquired	No.	Address	APN #	Lot Size	Current Zoning	Estimate of Parcel Value	Current Income/Revenue	Estimate of Income/Revenue	Contractual requirements for use of Income/Revenue**	History of Environmental Contamination, Studies, and/or Remediation, and Designation as a Brownfield Site	Description of Property's Potential for Transit Oriented Development	Advancement of Planning Objectives of the Successor Agency	History of previous development proposals and activity	
1	vacant/industrial	for sale	industrial per zoning code	Nov-05	17.77 mill.	6.6 mill.	\$16 SF land	Apr-13	new appraisal	ASAP	new industrial	1	333 Hacienda	8202-027-913	9.5 ac.	industrial	6.6 mill.	sale price	Ind. Business Center Obligations	phase I	none	yes	see staff report		
2	vacant industrial bldg.	for sale	industrial per zoning code	Dec-10	6.944 mill.	4.96 mill.	\$18 SF land	Apr-13	new appraisal	ASAP	new industrial	2	333 Turnbull	8208-014-900	6.63 ac.	industrial	4.96 mill.	sale price	Ind. Business Center Obligations	phase I	none	yes	see staff report		
4	industrial bldg	for sale	Auto zone-new car dealership	Jul-09	7.45 mill.	5.1 mill.	\$213 SF bldg	Apr-13	New appraisal	ASAP	auto mall	4	17370 Gale	8264-001-945	1.32 ac.	automobile zone	1.72 mill.	sale price	Ind. Business Center Obligations	phase I	none	yes	see staff report		
5	industrial bldg	for sale or lease	industrial per zoning code	Jan-08	5.9 mill.	3.37 mill.	\$85 SF bldg	13-Apr	new appraisal	ASAP	underpass row	5	19835 E. Walnut	8760-009-900	1.96 ac.	industrial	1.878 mill.	\$16-18k month	Ind. Business Center Obligations	phase 1	none	yes	see staff report		
7	vacant/industrial	for sale	industrial per zoning code	Dec-10	3.33 mill.	2.52 mill.	\$14 SF land	Apr-13	new appraisal	ASAP	new industrial	7	14624 Nelson	8208-006-902	4.13 ac.	industrial	2.52 mill.	sale price	Ind. Business Center Obligations	phase I	none	yes	see staff report		
8	vacant/industrial	for sale	industrial per zoning code	Jul-10	6.1 mill.	4.49 mill.	\$14 SF land	Apr-13	new appraisal	ASAP	new industrial	8	14700 Nelson	8208-006-900 8208-006-901	7.36 ac.	industrial	4.49 mill.	sale price	Ind. Business Center Obligations	phase I	none	yes	see staff report		
9	vacant/industrial	for sale	industrial per zoning code	May-08	6.7 mill.	4.877 mill.	\$18 SF land	Apr-13	new appraisal	ASAP	new industrial	9	15000 Nelson	8208-011-902	6.22 ac.	industrial	4.877 mill.	sale price	Ind. Business Center Obligations	phase I	none	yes	see staff report		
10	vacant industrial bldg.	for sale	convey to City at FMV	Dec-07	5.7 mill.	1.99 mill.	\$22 SF land	Apr-13	new appraisal	ASAP	new industrial	10	13530 Nelson	8562-016-901	2.08 ac.	industrial	1.99 mill.	sale price	Ind. Business Center Obligations	phase I	none	yes	see staff report		
11	vacant/industrial	for sale	industrial per zoning code	Aug-08	3.95 mill.	1.955 mill	\$22 SF land	Apr-13	new appraisal	ASAP	relocation of existing business	11	15130 Nelson	8208-011-903 8208-024-906	2.04 ac.	industrial	1.955 mill.	sale price	Ind. Business Center Obligations	phase I	none	yes	see staff report		
12	landscape area	for sale	convey to City at FMV	Dec-11	17.750 mill	0.834 mill	\$22 SF land	Apr-13	new appraisal	ASAP	new industrial	12	15432 Nelson	8208-024-907	0.87 ac.	industrial	0.834 mill	sale price	Ind. Business Center Obligations	phase I	none	yes	see staff report		
13	vacant	retain for gov. use	convey to City at no cost	1983	.125 mill.	.125 mill.	none	Apr-13	none	ASAP	part of larger acq.	13	2525 Workman Mill	8125-059-916	0.13 ac.	industrial	.125 mill.	none	none	phase 1	none	yes	none		
14	vacant/landscape area	for sale	industrial per zoning code	1981	.183 mill.	.805 mill.	\$22 SF land	Apr-13	new appraisal	ASAP	part of larger acq.	14	SW corner Workman Mill & Crossroads	8120-027-270	0.84 ac.	industrial	.805 mill.	sale price	Ind. Business Center Obligations	phase 1	none	yes	none		
15	vacant/industrial	for sale	industrial per zoning code	1976	.77 mill.	2.78 mill.	\$18 SF land	Apr-13	new appraisal	ASAP	part of larger acq.	15	Crossroads PKY South	8125-025-940 8125-025-914	3.55 ac.	industrial	2.78 mill.	sale price	Ind. Business Center Obligations	phase 1	none	yes	none		
16	vacant/industrial	for sale	industrial per zoning code	Dec-10	1.465 mill.	1.292 mill.	\$22 SF land	Apr-13	new appraisal	ASAP	new industrial	16	151 Long Lane	8208-033-908	1.87 ac.	industrial	1.292 mill.	sale price	Ind. Business Center Obligations	phase I	none	yes	none		
17	vacant/industrial	for sale	industrial per zoning code	May-04	13.5 mill.	2.89 mill.	\$18 SF land	Apr-13	new appraisal	ASAP	new industrial	17	125 N. Orange	8208-033-906	3.69 ac.	industrial	2.89 mill.	sale price	Ind. Business Center Obligations	phase I	none	yes	none		
18	commercial office bldg	for sale	industrial per zoning code	Feb-05	4.0 mill.	1.75 mill.	\$22 SF land	Apr-13	new appraisal	ASAP	new industrial	18	111 Hudson	82018-024-905	1.83 ac.	industrial	1.75 mill.	sale price	Ind. Business Center Obligations	phase I	none	yes	none		
19	commercial office bldg	for sale	existing bank building	Feb-09	6.2 mill.	5.1 mill.	\$213 SF bldg	Apr-13	new appraisal	ASAP	part of civic center	19	150 Hacienda	8208-025-951	.59 ac.	institutional	NA	\$27,600 mo. rent	Ind. Business Center Obligations	phase I	none	yes	none		
20	vacant/institutional	for sale	existing bank building	Feb-09	1.475 mill.	0.937 mill	\$213 SF bldg	Apr-13	new appraisal	ASAP	part of civic center	20	220 Hacienda	8208-025-952	0.15 ac.	institutional	NA	\$5,675 mo rent	Ind. Business Center Obligations	phase I	none	yes	none		
21	vacant	for sale	gov. use per zoning code	Jan-80	0.127 mill.	0.5096	\$30 SF land	Apr-13	new appraisal	ASAP	part of civic center	21	244 Hacienda	8208-025-923	0.39 ac.	institutional	0.5096 mill.	sale price	Ind. Business Center Obligations	NA	none	yes	see prop. # 50		
22	vacant	for sale	gov. use per zoning code	Jan-79	2.869 mill.	2.689 mill.	\$18 SF land	Apr-13	new appraisal	ASAP	part of civic center	22	South of Stafford North of UPRR	8208-025-940	3.43 ac.	institutional	2.689 mill.	sale price	Ind. Business Center Obligations	site remediated	none	yes	see also prop. #45		
23	office building	for sale	gov. use per zoning code	Mar-05	1.195 mill.	1.882 mill.	\$30 SF land	Apr-13	new appraisal	ASAP	part of civic center	23	15800 Stafford	8208-025-948	1.44 ac.	institutional	1.882 mill.	sale price	Ind. Business Center Obligations	phase I	none	yes	none		
24	vacant/landscape	for sale	gov. use per zoning code	Jan-82	.025 mill.	0.144 mill. Or 1.0 mill.	\$30 SF land or \$213 SF bldg	Apr-13	new appraisal	ASAP	part of civic center	24	15710 & 15718 Stafford	8245-001-901 8245-001-914	0.41 ac.	institutional	0.144 mill. or 1.0 mill.	sale price	Ind. Business Center Obligations	none	none	yes	see staff report		
25	vacant/landscape	retain for gov. use	convey to City at no cost	Jan-99	.022 mill.	.022 mill.	none	Apr-13	none	ASAP	part of civic center	25	South of Stafford west of Glendora	8245-001-913	0.10 ac.	industrial	.022 mill.	None	none	none	none	none	yes	none	
26	vacant/landscape	retain for gov. use	convey to City at no cost	1982	.133 mill	.133 mill.	none	Apr-13	none	ASAP	part of civic center	26	South of UPRR West of Hacienda	8208-022-902 8208-022-903	0.61 ac.	industrial	.133 mill.	None	none	phase 1	none	yes	none		
27	vacant	retain for gov. use	convey to City at no cost	1982	.083 mill.	.083 mill.	none	Apr-13	none	ASAP	part of civic center	27	South of UPRR East of Russell	8245-001-911	0.38 ac.	industrial	0.083	None	none	phase 1	none	yes	none		
28	vacant/parking	for sale	gov. use per zoning code	1976	1.35 mill.	4.846 mill.	\$18 SF land	Apr-13	new appraisal	ASAP	new industrial	28	East of Parriott Pl	8208-027-911 8208-027-912	6.18 ac.	institutional	4.846 mill.	sale price	Ind. Business Center Obligations	phase I	none	yes	see staff report		
29	power plant	for sale	existing power plant	Mar-01	12.5 mill.	8.0 mill.	\$16 SF land	Apr-13	new appraisal	ASAP	for power plant	29	911 Bixby	8242-013-901	11.48 ac.	institutional	8.0 mill.	\$1,000 mo.	Ind. Business Center Obligations	phase1	none	yes	see staff report		
30	vacant/commercial	for sale	industrial per zoning code	Mar-2001 & Jun 2010	5.525 mill.	5.987 mill.	\$18 SF land	Apr-13	new appraisal	ASAP	new industrial	30	East of Azusa North of Railroad	8264-025-903 8264-025-904 8264-025-914 8264-025-915 8264-025-917	10.11 ac.	industrial	5.987 mill.	sale price	Ind. Business Center Obligations	phase I	none	yes	see staff report		
31	vacant/commercial	for sale	commercial with zone change	Apr-06	38.8 mill.	16.6 mill.	\$20 SF land	Apr-13	new appraisal	ASAP	auto mall	31	17201-17301 Gale	8264-001-943 8264-001-944 8264-001-928	19.08 ac.	automobile zone	16.6 mill.	sale price	Ind. Business Center Obligations	phase I	none	yes	see staff report		
32	commercial retail bldg	for sale	new car dealership per automobile zone	Jul-03	7.5 mill.	5.86 mill.	25 SF land	Apr-13	new appraisal	ASAP	auto mall	32	17475 Gale	8264-001-942 8264-001-941	5.38 ac.	automobile zone	5.86 mill.	sale price	Ind. Business Center Obligations	phase I	none	yes	see staff report		
33	vacant/commercial	for sale	new car dealership per automobile zone	Apr-05	16.7 mill.	9-12 mill.	bldg less restrictions	Apr-13	new appraisal	ASAP	auto mall	33	17545 Gale	8264-012-919	5.99 ac.	automobile zone	6.5 mill.	\$79,166 per mo.	Ind. Business Center Obligations	phase I	none	yes	see staff report		
34	existing automobile dealership	for sale	new car dealership per automobile zone	Jan-04	40.5 mill.	6.8 mill.	\$25 SF land	Apr-13	new appraisal	ASAP	auto mall	34	17647 Gale	8264-013-913 8264-013-914 8264-012-923	6.25 ac.	automobile zone	6.8 mill.	sale price	Ind. Business Center Obligations	phase I	none	yes	see staff report		
35	remnant/row	for sale	new car dealership per automobile zone	Jan-04	40.5 mill.	3.0-3.2 mill.	value minus lease	Apr-13	keep for lease revenues	ASAP	auto mall	35	17723 Gale	8264-013-916 8264-004-907	4.02 ac.	automobile zone	4.4 mill.	\$23,417 mo. Beginning 10/2013	Ind. Business Center Obligations	phase I	none	yes	see staff report		
36	remnant	retain for gov. use	convey to City at no cost	2003	.422 mill.	.422 mill.	none	Apr-13	none	ASAP	new industrial	36	17439 Railroad	8264-004-909	0.44 ac.	industrial	.422 mill.	none	none	phase 1	none	yes	none		
37	remnant	retain for gov. use	convey to City at no cost	2001	.144 mill	.144 mill.	none	Apr-13	none	ASAP	new industrial	37	adjacent to Fairway	8760-028-270 8760-010-938 8760-010-935	0.15 ac.	industrial	.144 mill.	none	none	phase 1	none	yes	none		
38	remnant	retain for gov. use	convey to City at no cost	Dec-88	.12 mill.	.12 mill.	none	Apr-13	none	ASAP	new industrial	38	West side of Fairway south of UPRR	8760-028-903	0.55 ac.	industrial	.12 mill.	none	none	phase 1	none	yes	none		
39	vacant/industrial	retain for gov. use	convey to City at no cost	1982	.65 mill.	.65 mill.	none	Apr-13	none	ASAP	new industrial	39	800 feet east of Garcial Ln Cul DE Sac	8709-027-036	0.3 ac.	industrial	.65 mill.	none	none	phase 1	none	yes	none		
40	industrial/commercial	for sale/leased to Majestic Realty	industrial/commercial per approved plans	1982 & 1983	27.632 mill.	26.0 mill.	\$1 SF land	Apr-13	new appraisal	ASAP	industrial/commercial	40	Ind. Bus. Center	8719-009-902,904,905,906 & 908 8719-007-920,921,922,906,907,924,917 & 923	600 ac.	industrial	26.0 mill.	lease revenues after obligations met to be determined	Lease with Majestic has been found to be an enforceable obligation	final EIR's approved	none	yes	see staff report		



41	industrial/commercial	for sale/leased to Majestic Realty	built out industrial/commercial	1980,1981 &1982	11.2 mill.	50 mill.	lease	Apr-13	new appraisal	ASAP	industrial/commercial	41	Grand Crossing	8709-008-021,022,023,024,025,026,027,028,029, &030 8709-006-004,005,006,003,007,008,001,002,010, & 012 8709-027-037,034 & 032 8709-028-014 8719-006-016,017,014,015,013,012,019 &020 8719-007-033,040,047,038,048042,043 &039	425 ac.	industrial	259 mill.	\$4.2 mill. Year	Ind. Business Center Obligations	final Eir approved	none	yes	built out	
43	vacant	for sale	gov. use per zoning code	Mar-99	1.6 mill.	.632 mill.	\$22 SF land	Apr-13	new appraisal	ASAP	purchased for ROW	43	841 7th Ave	8217-001-901	0.66 ac.	institutional	.632 mill.	sale price	Ind. Business Center Obligations	phase I	none	yes	see staff report	
44	YAL Office	retain for gov. use	convey to City at no cost	Jun-01	0.444	0.471	\$85 SF bldg	Apr-13	none	ASAP	for YAL use	44	205 Hudson	8208-024-900	0.5 ac.	institutional	0.471	none	Ind. Business Center Obligations	phase I	none	yes	see staff report	
45	Heliport	for sale	gov. use per zoning code	1982	.24 mill.	0.878 mill.	\$18 SF land	Apr-13	new appraisal	ASAP	part of civic center	45	15252 Stafford	8208-025-939	1.12 ac.	institutional	.878 mill.	sale price	Ind. Business Center Obligations	phase 1	none	yes	see staff report	
46	parking & common areas for parcels 19 & 20	for sale	gov. use per zoning code	1982	.12 mill.	combined with	other parcels	Apr-13	new appraisal	ASAP	part of civic center	46	NW & SW corners of Hacienda & Stafford	82028-025-938 8208-025-941	0.57 ac.	institutional	.745 mill.	sale price	Ind. Business Center Obligations	phase 1	none	yes	see staff report	
47	parking	for sale	gov. use per zoning code	Apr-75	0.076 mill.	combined with	other parcels	1-Apr	new appraisal	ASAP	part of civic center	47	15625 Stafford	8208-025-907, 908, 909 &926	5.5 ac.	institutional	combined w/ other parcels	sale price	Ind. Business Center Obligations	phase 1	none	yes	see staff report	
48	vacant	for sale	gov. use per zoning code	2002	1.85 mill.	1.85 mill.	\$30 SF land	Apr-13	new appraisal	ASAP	part of civic center	48	W side of Hacienda N of stafford	8208-025-937	1.415 ac. With #46 added	institutional	1.85 mill.	sale price	Ind. Business Center Obligations	phase 1	none	yes	see staff report	
49	Post Office & Fire Prevention	for sale	gov. use per zoning code	Nov-79	0.0519 mill.	3.6 mill.	\$30 SF land	Apr-13	new appraisal	ASAP	part of civic center	49	15660 Stafford	8208-025-942	2.79 ac.	institutional	5.5 mill. With #23 combined w/ other parcels	sale price	Ind. Business Center Obligations	phase 1	none	yes	see staff report	
50	vacant/parking	for sale	gov. use per zoning code	Aug-09	4.65 mill.	3.2 mill.	\$30 SF land	Apr-13	new appraisal	ASAP	part of civic center	50	242 &244 Hacienda N side of stafford w of Glendora	8208-025-954	2.46 ac.	institutional	combined w/ other parcels	sale price	Ind. Business Center Obligations	phase I	none	yes	see staff report	
51	vacant/parking	for sale	gov. use per zoning code	1985	5.12 mill.	6.25 mill.	\$25 SF land	Apr-13	new appraisal	ASAP	part of civic center	51	N side of Soiro w of Glendora	8208-025-943	5.74 ac.	institutional	6.25 mill.	sale price	Ind. Business Center Obligations	phase 1	none	yes	see staff report	
52	vacant landscape area	retain for gov. use	convey to City at no cost	1985	.52 mill.	.52 mill.	none	Apr-13	none	ASAP	part of civic center	52	N side of Soiro w of Glendora	8208-025-944	0.92 ac.	institutional	.52 mill.	none	Ind. Business Center Obligations	none	none	yes	none	
53	Convelescent Hospital	for sale	offer to City first	Dec-76	3.36 mill.	5.06 mill.	\$18 SF land	Apr-13	new appraisal	ASAP	to continue hospital	53	555 El Encanto	8208-027-901 & 828-027-902	6.46 ac.	institutional	5.06 mill.	sale price	Ind. Business Center Obligations	none	none	yes	see staff report	
54	vacant	for sale	gov. use per zoning code	1978	1.9 mill.	6.1 mill.	\$16 SF land	Apr-13	new appraisal	ASAP	hospital expansion	54	w side of Parriott	8208-027-911 & 912	8.79 ac.	institutional	5.36 mill.	sale price	Ind. Business Center Obligations	potential park and ride	yes	yes	see staff report	
55	Homestead Nuseum	retain for gov. use	convey to City at no cost	1980	2.1 mill.	6.87 mill.	\$16 SF land	Apr-13	none	ASAP	museum	55	15415 Don Julian	8208-027-906 &907	9.86 ac.	institutional	6.87 mill.	none	Ind. Business Center Obligations	none	none	yes	see staff report	
56	vacant	retain for gov. use	convey to City at no cost	1980	.086 mill.	.086 mill.	none	Apr-13	none	ASAP	part of civic center	56	NW &SW corners Don Julian & Hacienda	8208-027-909 &941	0.37 ac.	industrial	.355 mill.	none	Ind. Business Center Obligations	none	none	yes	see staff report	
57	Pump Station	retain for gov. use	convey to City at no cost	1995	.28 mill.	1.25 mill.	\$22 SF land	Apr-13	none	ASAP	pump station	57	747 Anaheim Puente	8242-012-902	1.3 ac.	industrial	1.25 mill.	none	Ind. Business Center Obligations	none	none	yes	see staff report	
58	vacant	for sale	industrial per zoning code	Feb-02	13.49 mill.	12.28 mill.	\$14 SF land	Apr-13	new appraisal	ASAP	new industrial	58	17300 Chestnut	8264-024-909, 918 &908	20.14 ac	industrial	12.28 mill.	sale price	Ind. Business Center Obligations	phase I	none	yes	see staff report	
59	industrial bldg	for sale	industrial per zoning code	Sep-02	2.717 mill.	2.776 mill.	\$85 SF bldg.	Apr-13	new appraisal	ASAP	new industrial	59	1123 Hatcher	8264-004-908	3.08 ac.	industrial	2.414 mill.	sale price	Ind. Business Center Obligations	phase I	none	yes	see staff report	
60	vacant/row	for sale	industrial per zoning code	Dec-08	3.55 mill.	1.79 mill.	\$22 SF land	Apr-13	new appraisal	ASAP	new industrial	60	1129 & 1135 Hatcher	8264-004-910 &911	1.87 ac.	industrial	1.79 mill.	sale price	Ind. Business Center Obligations	phase I	none	yes	see staff report	
61	vacant/row	retain for gov. use	convey to City at no cost	2003	2.44 mill.	2.44 mill.	\$30 SF land	Apr-13	none	ASAP	auto mall	61	Auto Mall East	8264-013-912	0.89 ac.	industrial automobile zone	2.44 mill.	none	Ind. Business Center Obligations	phase 1	none	yes	see staff report	
62	vacant	retain for gov. use	convey to City at no cost	2003	.209 mill.	.209 mill.	\$30 SF land	Apr-13	none	ASAP	auto mall	62	North side of Gale south side of San Jose Creek	8264-013-915	0.16 ac.	industrial automobile zone	.209 mill.	none	Ind. Business Center Obligations	phase 1	none	yes	none	
63	vacant/creek	retain for gov. use	convey to City at no cost	1991	.182 mill.	.182 mill.	\$22 SF land	Apr-13	none	ASAP	part of larger acq.	63	south side of San Jose Creek	8760-023-913	0.19 ac.	industrial	.182 mill.	none	Ind. Business Center Obligations	phase 1	none	yes	none	
65	Electrical Substation	retain for gov. use	convey to City at FMV of land	Feb-03	0.931 mill.	3.0 mill.	\$18 SF land	Apr-13	new appraisal	ASAP	electrical substation	65	208 Waddingham	8719-005-905	3.86 ac.	institutional	3.0 mill.	sale price	Ind. Business Center Obligations	phase 1	none	yes	see staff report	
66	vacant/industrial	for sale	gov. use per zoning code	1981	.53 mill.	2.239 mill.	\$22 SF land	Apr-13	new appraisal	ASAP	new industrial	66	Garcia Lane south side of San Jose Creek	8709-027-035	2.43 ac.	institutional	2.239 mill.	sale price	Ind. Business Center Obligations	phase I	none	yes	see staff report	
67	water well	retain for gov. use	convey to City at no cost	1990	.085 mill.	.171 mill.	14 SF land	Apr-13	none	ASAP	new industrial	67		8719-004-906	0.28 ac.	institutional	.171 mill.	none	Ind. Business Center Obligations	none	none	yes	none	
68	ranch	for sale	entitlements through San Bernardino and Orange Counties	Nov-78	12.1 mill.	85-122 mill.	comps	Apr-13	new appraisal	ASAP	potential reservoir	68	Grand Ave. Diamond Bar	8701-021-271,8701-022-270 &273 1000-011-19, 20, 21,22, 1000-021-13 & 14 1000-031-14 & 15	2,450 ac.	farming	85-122 mill.	sale price	Ind. Business Center Obligations	none	none	yes	see staff report	
70	vacant industrial	industrial per zoning code	convey to City at no cost	Mar-01	3.2 mill.	3.22 mill.	\$18 SF land	Apr-13	none	ASAP	new industrial	70	804 Azusa/Anaheim Puente adjacent to 22122 Valley	8264-025-901, 906 &911 part of 8709-026-004	4.11 ac.	industrial	3.2 mill.	none	Ind. Business Center Obligations	phase 1	none	yes	see staff report	
71	vacant/row	retain for gov. use	convey to City at no cost	2004	.12 mill.	.575 mill.	\$22 SF land	Apr-13	none	ASAP	part of larger acq.	71			0.6 ac.	industrial	.575 mill.	none	Ind. Business Center Obligations	phase 1	none	yes	none	
72	Puente Basin Water rights	retain for gov. use	convey to City at FMV	1981	.30 mill.	Apr-13	TBD by new appraisal	TBD	new appraisal	ASAP	obtained as result of a Superior Court Decision	72	Puente Basin Water Dist. Covers eastern portion of City	8242-015-058 thru 8719-004-012	NA	NA	.30 mill.	sale price	Ind. Business Center Obligations	none	none	none	yes	none



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

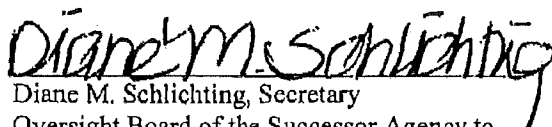
I, Diane M. Schlichting, Secretary of the Oversight Board of the Successor Agency to the Industry Urban-Development Agency, do hereby certify that the foregoing Resolution No. OB 2014-01 was duly passed and adopted at a special meeting of the Oversight Board of the Successor Agency to the Industry Urban-Development Agency on February 6, 2014, by the following vote, to wit:

AYES: BOARD MEMBERS: Duarte, Frutos, Gregoryk, Radecki,  
VC/Cipriani, and C/Kreimann

NOES: BOARD MEMBERS: None

ABSENT: BOARD MEMBERS: Martinez

ABSTAIN: BOARD MEMBERS: None

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

**RESOLUTION NO. OB 2013-15**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING THE SUCCESSOR AGENCY'S LONG-RANGE PROPERTY MANAGEMENT PLAN**

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

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

**WHEREAS**, the Successor Agency must expeditiously wind down the affairs of the former redevelopment agency as directed by the Oversight Board in accordance with California Health and Safety Code Section 34177(h); and

**WHEREAS**, the Successor Agency must prepare a long-range property management plan that addresses the disposition and use of the real properties of the former redevelopment agency in accordance with California Health and Safety Code Section 34191.5; and

**WHEREAS**, the long-range property management plan, once approved by the Oversight Board and the Department of Finance, will govern and supersede all other provisions of the Health and Safety Code relating to the disposition and use of the real property assets of the former redevelopment agency; and

**WHEREAS**, the long-range property management plan must provide an inventory of all properties of the former redevelopment agency held by the Successor Agency, including specific property data, valuation, current use, and current or future development, and also address the proposed use, retention or disposition of all the properties held, as required by Health and Safety Code Section 34191.5(c); and

**WHEREAS**, the property held by the Successor Agency may not be transferred to a city, county or city and county unless the long-range property management plan has been approved by the Oversight Board and the Department of Finance; and

**WHEREAS**, the Successor Agency requests the Oversight Board approve its long-range property management plan in the form attached hereto as Attachment A, in accordance with California Health and Safety Code Section 34191.5(b); and

**WHEREAS**, all actions taken pursuant to the approved long-range property management plan must first be brought before the Oversight Board for approval in accordance with California Health and Safety Code Section 34181(f); and

**WHEREAS**, the transfer of any governmental use property under the approved long-range property management plan will be subject to a deed restriction requiring the transferred property to be utilized only for a governmental purpose and upon the discontinuance of such governmental use, the property will transfer back to the Successor Agency, or its successor.

**WHEREAS**, the Oversight Board has determined that the long-range property management plan attached hereto as Attachment A is valid and prepared in accordance with California Health and Safety Code Section 34191.5(c) and that the preparation of the long-range property management plan is consistent with the requirements of the Successor Agency to wind down the affairs of the Former Agency in accordance with California Health and Safety Code Section 34177(h); and

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

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

**Section 1. Approval of Long-Range Property Management Plan.** The Oversight Board hereby approves the Successor Agency's long-range property management plan in the form attached hereto as Attachment A, and all actions taken thereunder must be brought before the Oversight Board for approval. All proceeds received from the sale of such properties listed in the long-range property management plan will be utilized to satisfy outstanding enforceable obligations or transferred to the Los Angeles County Auditor-Controller for distribution to the taxing entities. Each governmental use property under the approved long-range property management plan will be subject to a deed restriction requiring the transferred property to be utilized only for a governmental purpose and upon the discontinuance of such governmental use, the property will transfer back to the Successor Agency, or its successor.

**Section 2. Authorization of Successor Agency.** Upon approval of this resolution ("Resolution") by the California Department of Finance, the Oversight Board authorizes and directs the Executive Director and/or Assistant Secretary of the Successor Agency, jointly and severally, to execute and deliver any and all documents which they may deem necessary or advisable in order to effectuate the approval of the long-range property management plan.

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

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

**Section 5. Effect.** This Resolution shall take effect upon approval of the California Department of Finance in accordance with California Health and Safety Code Section 34179(h).




**PASSED, APPROVED AND ADOPTED** by the Oversight Board at a duly noticed meeting of the Oversight Board held on October 8, 2013, by the following vote:

Ayes: . Board Member Duarte, Board Member Frutos, Board Member Gregoryk,  
Board Member Martinez, Board Member Radecki, VC/Cipriani & C/Kreimann

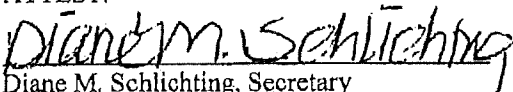
Noes: None

Absent: None

Abstain: None

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

ATTEST:

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

**RESOLUTION NO. OB 2013-15**  
**ATTACHMENT A**  
**LONG-RANGE PROPERTY MANAGEMENT PLAN**  
**[ATTACHED BEHIND THIS PAGE]**





## EXHIBIT 1

### Long Range Property Management Plan Successor Agency to the Industry Urban-Development Agency Approved October 3, 2013

The following outline incorporates all 68 properties/assets that have been identified as owned by the Successor Agency to the Industry Urban-Development Agency. The properties have been placed into different categories based upon the specifics of the property and approach to its disposition. A staff report has been prepared for each property including a description of the property, the background associated with its acquisition, proposals that have been made and the staff recommendation for its disposition.

- A. Properties that have no commercial value, including remnant pieces, landscape areas, ROW, slope area and properties that are governmental use. The staff recommends that these properties be conveyed at no cost to the City. The City will in some cases approach adjacent property owners to take properties at no cost and for those that remain in the City ownership the City will be responsible for their maintenance. There are 21 properties in this category listed below (Attachment A, staff report and maps).
- Property # 13 on Property List (Landscape Area)
  - Property #14 on Property list (ROW)
  - Property # 15 on property list (Landscape Area)
  - Property #25 on Property List (Landscape Area)
  - Property #26 on Property List (Remnant)
  - Property #27 on Property List (Remnant)
  - Property #37 on Property List Remnant)
  - Property # 38 on Property List (Remnant)
  - Property #39 on Property List (Remnant)
  - Property #52 on Property List (Landscape Area)
  - Property #56 on Property List (Landscape Area)
  - Property #61 on Property List (ROW)
  - Property #62 on Property List (ROW)
  - Property #63 on Property List (Part of San Jose Creek)
  - Property #71 on Property List (Remnant; ROW)
  - Property # 36 on Property List (Remnant, ROW)
  - Property #67 on Property List (Water Well)
  - Property # 57 on Property List (747 Anaheim Puente Road, Pump Station)
  - Property #70 on Property List (804 Azusa Ave., vacant Industrial)
  - Property #44 on Property List (205 Hudson, YAL office)
  - Property #55 on Property List, (15415 Don Julian, Homestead Museum)

B. Properties for Sale. Those properties to be marketed through direct contact with interested parties and through the use of brokers. Proposals would be evaluated based upon acceptable development plans.

- Property # 53 on Property List (555 El Encanto Road, El Encanto Hospital)
- Property # 41 on Property List (Grand Crossing)
- Property # 29 on Property List (911 Bixby, Mission Energy)
- Property # 33 on Property List (17545 Gale, Best Buy)
- Property # 35 on Property List (17723 Gale, Mazda)
- Property # 40 on Property List (Industry Business Center 600 acres)
- Property # 43 on Property List, 841 S. 7<sup>th</sup> street (YAL community youth center)
- Property # 45, 22 and part of 46 on Property List, Stafford Street (Sheriff Helipad)
- Property # 49 and 23 on Property List, 15660 Stafford (Post Office & LA County Fire Prevention plus adjacent vacant property)
- property # 48 and part of 46 on Property List, West side of Hacienda north of Stafford (Sheriff parking)
- Property # 51, on Property List, North side of Stafford west of Glendora (portion Park & Ride)
- Property # 54 on Property List, west side of Parriott Place (adjacent to El Encanto)
- Property #66 on Property List (Garcia Lane Fire Station site)
- Property # 68 on Property List (Tres Hermanos Ranch)
- Property # 65 on Property List (208 Waddingham Way, electrical substation)
- Property # 72 on Property List (Puente Basin Water Rights)
- Property # 10 on Property List (13530 Nelson)
- Property # 12 on Property List (15432 Nelson)
- 19. Property # 59 & 60 on Property List (1123, 1129 & 1135 Hatcher)
- 20. Property #2 on Property List, 333 Turnbull Canyon
- 21. Property # 4 on Property List, 17370 Gale Ave.
- Property #9 on Property List, 15000 Nelson
- Property # 24, 15710 and 15718 Rausch Road
- Property # 7 & 8, 14624 & 14700 Nelson Ave.
- Property # 1 on Property List (333 Hacienda Blvd.)
- Property # 11 on Property List, 15130 Nelson (Los Altos Cheese)
- Property # 16 on Property List, 151 Long Lane
- Property # 17 on Property List Nelson, 125 N. Orange
- Property # 18 on Property List, 111 Hudson
- Property # 32, 17475 Gale (Auto Mall vacant)
- Property # 34, 17647 Gale (Auto Mall vacant)
- Property #28, east side of Parriott Place (6.18 acres)
- Property # 30 on Property List, east side of Azusa north of Rail Road (10.1 acres)
- Property # 58 on Property List (17300 Chestnut)
- Property #19; 20, 21, 50 & 47 Property List (15625 Stafford Street)
- Property # 5 on Property List (19835 E. Walnut Dr.)
- Property # 31 on Property List (17201-17301 Gale Ave.)

## Attachment B

Attachment B contains those properties to be made available for sale. The properties include those to be offered to tenants and/or the City first and if no interest offered generally for sale.

The properties the staff recommends be offered for sale utilize the process outlined below. It is anticipated that any sale including those properties above would have to meet the basic criteria of agreement to pay a reasonable price based on a current appraisal and submission of a Development Plan and Schedule acceptable to the City. The properties would be distributed to brokers and interested parties. Competing proposals would be evaluated based upon the following criteria to determine which prospective buyer to work with on finalizing a project to forward to the Successor Agency and Oversight Board for approval.

- Agreement to pay a reasonable price based upon a current appraisal
- A development Plan and schedule through construction acceptable to the City
- An estimate of the assessed value of the project
- Identification of the end user, the job creation and if the user is a local company
- Identification of the type of intended tenants if the project is speculative

It is planned that the appraisals required for each property will be the responsibility of the prospective buyer and would be undertaken by an appraiser selected from a pre approved list determined by issuing a Request for Qualifications. Keyser Marston would assist with the RFQ and selection process for Brokers and appraisers as well as review and selection of proposals.

June 2013

**Property Description**

**Address:** Tres Hermanos Ranch, # 68 on Property List

**Size:** 2,450 acres, cattle ranch

**Date Purchased:** November 1978

**IUDA Purchase Price:** \$12,100,000

**Estimated Current Value:** \$85,750,000 to \$122,500,000 (preliminary by Keyser Marston)

**Reason Acquired:** Purchased as potential site for reservoir

**Plan and Zoning:** Property is located in both Los Angeles and San Bernardino Counties, not entitled for development

**Lease Revenue:** Leased to Russ Wood for pasture land, \$600 per month

**Environmental:** None

**Potential for Transit-Oriented Development:** None

**History of Development Proposals:** There have been a series of reports and studies on the use of the property for the development of reservoirs and other public uses.

**Staff Recommendation:** Staff recommends the property be offered for sale to the City and if the City has no interest in acquiring the property would be made generally available for sale.



**PROPERTY SALES**


**GROUP B**

<b><u>Property No.</u></b>	<b><u>Address</u></b>	<b><u>Estimated Sales Price</u></b>
11.	15130 Nelson	\$1.955M
16.	151 Long Lane	\$1.292M
22.	So. of Stafford/No. of UPRR	\$2.689M
23.	15600 Stafford	see below
49.	15660 Stafford	\$5.5M (with #23)
24.	15710 & 15718 Stafford	\$1.0M
45.	15252 Stafford	\$0.878M
51.	No. side of Stafford/W of Glendora	\$6.25M
54.	West side of Parriott	\$5.36M
59.	1123 Hatcher	\$2.41M
60.	1129 & 1135 Hatcher	\$1.79M
68.	Grand Ave/Diamond Bar	\$85-\$122M
<hr/>		
12 Properties	Sub-total:	\$114-\$151M

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

I, Diane M. Schlichting, Secretary of the Oversight Board of the Successor Agency to the Industry Urban-Development Agency, do hereby certify that the foregoing Resolution No. OB 2013-19 was duly passed and adopted at a special meeting of the Oversight Board of the Successor Agency to the Industry Urban-Development Agency on October 8, 2013, by the following vote, to wit:

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

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

# **EXHIBIT B**



EDMUND G. BROWN JR. ■ GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

February 21, 2014

Mr. Kevin Radecki, City Manager  
City of Industry  
15625 East Stafford Street  
City of Industry, CA 91744

Dear Mr. Radecki:

Subject: Long-Range Property Management Plan

Pursuant to Health and Safety Code (HSC) section 34191.5 (b), the City of Industry Successor Agency (Agency) submitted a Long-Range Property Management Plan (LRPMP) to the California Department of Finance (Finance) on October 24, 2013. The Agency subsequently submitted a revised LRPMP to Finance on February 11, 2014. Finance has completed its review of the LRPMP, which may have included obtaining clarification for various items.

The Agency received a Finding of Completion on May 9, 2013. Further, based on our review and application of the law, we are approving the Agency's use or disposition of all the properties listed on the LRPMP. Our approval of the LRPMP also took into account the following Oversight Board (OB) Resolutions:

- OB Resolution No. 2013-15 approving all proceeds received from the sale of properties on the LRPMP will be utilized to satisfy outstanding enforceable obligations or transferred to the Los Angeles County Auditor-Controller for distribution to the taxing entities.
- OB Resolution No. 2014-01 approving revisions to the LRPMP.

Further, the Agency proposes to lease Property Nos. 5, 29, 33, 35, 40, and 41 until an optimum time to sell is determined. Per HSC section 34187 (b), the Agency is required to dispose of all remaining assets and terminate its existence within one year of the final debt payment. To insure compliance, the lease agreements should not extend beyond the Agency's final debt payment.

The following errors were noted during our review, but do not require a revised plan to be submitted:

- Property No. 1 – Incorrect Assessor's Parcel Number (APN) for the property located at 333 Hacienda Boulevard. The correct APN is 8208-027-913.
- Property No. 15 – Incorrect APNs for the property located at Crossroads Parkway South. The correct APNs are 8125-021-940 and 8125-021-941.
- Property No. 16 – Incorrect APN for the property located at 151 Long Lane. The correct APN is 8202-033-908.

Mr. Kevin Radecki  
February 21, 2014  
Page 2

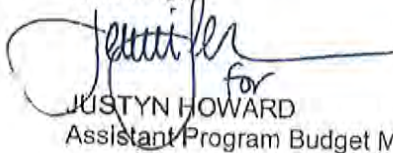
- Property No. 17 – Incorrect APN for the property located at 125 N. Orange Avenue. The correct APN is 8202-033-906.
- Property No. 18 – Incorrect APN for the property located at 11 Hudson Avenue. The correct APN is 8208-024-905.
- Property No. 60 – Incorrect address. The correct address is 1123 Hatcher Avenue instead of 1129 Hatcher Avenue.
- Property Nos. 65 and 72 – Incorrect permissible use for the property located at 208 Waddingham Way and for the Puente Basin water rights. According to the asset descriptions, the correct permissible use is Sale of Property.
- Property No. 66 – Incorrect APN for the property located at Garcia Lane. The correct APN is 8709-027-039.

In accordance with HSC section 34191.4, upon receiving a Finding of Completion from Finance and approval of a LRPMP, all real property and interests in real property shall be transferred to the Community Redevelopment Property Trust Fund of the Agency, unless that property is subject to the requirements of an existing enforceable obligation. Pursuant to HSC section 34191.3 the approved LRPMP shall govern, and supersede all other provisions relating to, the disposition and use of all the real property assets of the former redevelopment agency.

Agency actions taken pursuant to a Finance approved LRPMP are subject to oversight board (OB) approval per HSC section 34181 (f). Any subsequent OB actions addressing the Agency's implementation of the approved LRPMP should be submitted to Finance for approval.

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

Sincerely,



for  
JUSTYN HOWARD

Assistant Program Budget Manager

cc: Mr. Dean Yamagata, Contracted Finance Manager, City of Industry  
Ms. Kristina Burns, Manager, Los Angeles County Department of Auditor-Controller  
Ms. Elizabeth Gonzalez, Bureau Chief, Local Government Audit Bureau, California State  
Controller's Office  
California State Controller's Office

# **EXHIBIT C**



SACHI A. HAMAI  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

September 29, 2016

Oversight Board of the Successor Agency to the  
Industry-Urban Development Agency,  
Santos Kreimann, Chair  
City of Industry City Hall  
15651 Stafford Street  
City of Industry, CA 91744

Dear Oversight Board Members:

### PROPOSED PURCHASE AND SALE OF THE TRES HERMANOS RANCH

The County of Los Angeles, as a local taxing entity, hereby submits its Statement of Objections to the proposed purchase and sale of the Tres Hermanos Ranch (the Property). The County believes the proposed sale to the City of Industry is not consistent with the approved Long Range Property Management Plan and Dissolution Law, and does not provide appropriate value to the taxing entities.

Attached is a detailed report expressing our objections to the proposed sale. The County respectfully requests that your Oversight Board reject the current proposed sale of the Property to the City of Industry. The County further recommends your Board undertake an independent appraisal of the Property that incorporates current zoning conditions in order to determine a current and fair value of the Property consistent with the Long Range Property Management Plan. If you have any questions regarding this submission, please contact Doug Baron of this office at (213) 974-8355, or [dbaron@ceo.lacounty.gov](mailto:dbaron@ceo.lacounty.gov).

Sincerely,

DAVID P. HOWARD  
Assistant Chief Executive Officer

SAH:JJ:DPH  
DSB:RM:acn

Attachment

c: Michael Gregoryk, Vice Chair  
Darin DeKnikker, Board Member  
Cindy Chen, Board Member  
Yolanda Duarte, Board Member  
Congressman Esteban Torres, Board Member  
Sean Varner, Legal Counsel to the Oversight Board

J:\CHRONO 2016\CHRON 2016 (WHD)\MASTER PLANING & SUSTAINABILITY\Proposed Purchase and Sale of the Tres Hermanos Ranch.doc

*"To Enrich Lives Through Effective And Caring Service"*

**Please Conserve Paper – This Document and Copies are Two-Sided  
Intra-County Correspondence Sent Electronically Only**

Board of Supervisors  
HILDA L. SOLIS  
First District

MARK RIDLEY-THOMAS  
Second District

SHEILA KUEHL  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

**STATEMENT OF OBJECTIONS**

**TO**

**THE PROPOSED SALE OF THE TRES HERMANOS RANCH PROPERTY TO  
THE CITY OF INDUSTRY**

**BY**

**THE COUNTY OF LOS ANGELES**

**September, 2016**



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## SUMMARY

The Successor Agency to the Industry Urban Development Agency is seeking the approval of its Oversight Board to sell the 2,450-acre Tres Hermanos Ranch Property (the "Ranch Property") for \$41.65 million. The property is currently held in trust by the Successor Agency on behalf of all the taxing entities. The approved Long Range Property Management Plan (LRPMP) lists the current value of the property at \$85.75 - \$122.5 million. In July, 2015 GH America submitted a \$101 million bid to the Successor Agency to purchase the Ranch Property. The County therefore objects to the proposed offer of \$41.65 million by the City of Industry, and encourages the Oversight Board to reject that offer. Specifically, the County of Los Angeles has the following objections:

- The City believes that it has a right to purchase the property. The County does not question this authority in general. The acquisition of the property must comply with Dissolution Law and the approved LRPMP. Dissolution Law requires an expeditious wind down of the affairs of the former Redevelopment Agency and that dispositions be done to maximize value to the taxing entities. The property at issue here is on a list of properties for sale subject to valuation maximization.
- In July, 2015 the Successor Agency received a bid for the Ranch Property from GH America for \$101 million. That bid was apparently rejected by the Successor Agency, and was not forwarded to the Oversight Board for consideration.
- Retention for Government Use is an allowable category in the LRPMP. However, the Successor Agency chose not to identify the Ranch Property as government use, and instead listed the property for sale. Had the Successor Agency proposed to retain the property for government use, a deed restriction would have been required.
- The City's bid of \$41.65 million is based on an appraisal by R.P. Laurain & Associates. That appraisal is flawed, as it includes a hypothetical assumption that the Ranch Property is encumbered with a covenant that restricts its use to open space. In reality, no such covenant exists, and is not consistent with current zoning designations. The current highest and best use of the property requires a sales price consistent with the valuation listed in the Industry LRPMP.

### **The City's Right to Purchase**

The City believes that it has a right to purchase the property. The first sentence of Attachment B (attached) of the approved LRPMP states: "Attachment B contains those properties to be made available for sale. The properties include those to be offered to tenants and/or the City first and if no interest offered generally for sale." However, the remainder of Attachment B describes a "process" that should be followed for all properties in this Attachment. It appears that the Agency did not follow this process in selecting the City as the buyer of the property. The process is as follows:

*The properties the staff recommends be offered for sale utilize the process outlined below. It is anticipated that any sale including those properties above would have to meet the basic criteria of agreement to pay a reasonable price based on a current appraisal and submission of a Development Plan and Schedule acceptable to the City. The properties would be distributed to brokers and interested parties. Competing proposals would be evaluated based upon the following criteria to determine which prospective buyer to work with on finalizing a project to forward to the Successor Agency and Oversight Board for approval.*

- Agreement to pay a reasonable price based upon a current appraisal*
- A development Plan and schedule through construction acceptable to the City*
- An estimate of the assessed value of the project*
- Identification of the end user, the job creation and if the user is a local company*
- identification of the type of intended tenants if the project is speculative*

*It is planned that the appraisals required for each property will be the responsibility of the prospective buyer and would be undertaken by an appraiser selected from a pre approved list determined by issuing a Request for Qualifications. Keyser Marston would assist with the RFQ and selection process for Brokers and appraisers as well as review and selection of proposals.*

The LRPMP has four allowable categories for property disposition: 1) Retention of the property for government use; 2) Retention of the property for future development; 3) Sale of the property; and 4) Use of the property to fulfill an enforceable obligation. Note there is no category where the City has priority to purchase a property. The Agency's approved LRPMP places the Ranch Property in the category of "Properties for Sale."

The original LRPMP was approved by the Oversight Board on October 8, 2013, and subsequently approved by the California Department of Finance on February 21, 2014. The Successor Agency received a bid for the property from a private entity in July, 2015. It apparently did not entertain that bid. Nor did the

Successor Agency submit the offer to the Oversight Board for approval or rejection as required by law. In September, 2016, the City of Industry submitted a bid to purchase the Ranch Property. This process is contrary to the Successor Agency's responsibility to expeditiously wind down the affairs of the former redevelopment agency and maximize the value returned to the taxing entities. The Successor Agency and the City understand this dual requirement. From the City Attorney's memorandum to the City Council of September 1, 2016: "The Dissolution Act requires the Successor Agency to dispose of all Agency owned property expeditiously, and in a manner that maximizes value."

### **GH America, Inc. & Current Value**

In July, 2015, GH America, Inc. offered to purchase the Ranch Property for \$101 million. According to a presentation made to the Oversight Board by GH America (attached), their offer was based on a master planned community of 1,881 residential units, including affordable housing, 38 acres of general commercial and mixed use development, and significant open space preservation.

It is unknown why the Successor Agency rejected this offer, or chose not to bring the offer before the Oversight Board for consideration. The GH America offer of \$101 million is within the range of the current value listed in the approved LRPMP (\$85.75 - \$122.5 million), and therefore is consistent with Dissolution Law that requires the Successor Agency, in addition to expeditiously winding down the affairs of the former redevelopment agency, to maximize the value of property dispositions. The City's significantly lower offer of \$41 million would not maximize value.

Another indicator of the true value of the Ranch Property can be found in the R.P. Laurain & Associated Appraisal (see below). In its analysis, a number of comparable properties are examined. One of the comparable properties, a ranch property with modest improvements, was valued at \$40,514 per acre. Using that valuation, the Ranch Property, at 2,450-acres, would be valued at \$99.3 million.

### **Government Use**

Dissolution Law allows for the retention of certain property if it is for official government use. However, according to the resolution of the Oversight Board approving the LRPMP (Resolution No. OB 2013-15), a deed restriction is required:

*WHEREAS, the transfer of any governmental use property under the approved long-range property management plan will be subject to a deed restriction requiring the transferred property to be utilized only for a governmental purpose and upon the discontinuance of such governmental use, the property will transfer back to the Successor Agency, or its successor.*

The City's bid to purchase the Ranch Property is described as being for municipal purposes. However, the Purchase and Sale Agreement and Grant Deed approved by the City Council of the City of Industry on September 8, 2016, include nondiscrimination/nonsegregation clauses, but do not appear to include any covenants that place an open space restriction on the Ranch Property. And, Resolution No. SA 2016-15 includes the sentence, "Any future development at the property will be subject to additional environmental review and independent analysis as required by CEQA."

Therefore, given the lack of an open space requirement in the Purchase and Sale Agreement and Grant Deed, it appears the City could resell the Ranch Property at a future date without the open space requirement. The revenue owed to affected taxing entities from such non-open space use would also never be realized.

#### **R.P. Laurain & Associates Appraisal**

The City of Industry's offer of \$41.65 million for the Ranch Property is based on an appraisal by R.P. Laurain & Associates. The appraisal, done at the request of the City, clearly states that the appraisal is based on the assumption that the entire Ranch Property will be encumbered with a covenant that will restrict the use of the Ranch Property to open space, public use or preservation use. Laurain describes this assumption as a "hypothetical condition" defined as:

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

and

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

The condition that a covenant exists on the Ranch Property that restricts its future use to open space is not only hypothetical, but is contrary to the current zoning of the Ranch Property. According to the GH America offer, the zoning for the Ranch Property includes: 690-acres designated AG (Agriculture) and 30-acres designated RH-30 (High Density Residential) in the City of Diamond Bar; and 1,680-acres designated R-A (Agriculture-Ranch), 14-acres designated RM-3 (Very High Density Residential), 18-acres designated C-G (General Commercial), and 20-acres designated M-U (Mixed Use) in the City of Chino Hills. Additionally, the Laurain Appraisal acknowledges that the various

designations include agriculture/ranches, commercial, mixed use, very high density residential development, and very low density development.

Additional notes regarding the Laurain Appraisal can be found in the memorandum from Allan D. Kotin & Associates attached to this report. In summary, the Laurain Appraisal is not appropriate for the Ranch Property, as it does not reflect the current zoning at the Ranch Property.