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

SPECIAL MEETING AGENDA JUNE 19, 2018 4:00 P.M.

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

Addressing the Agency:

- **Agenda Items:** *Members of the public may address the Successor Agency on any matter listed on the Agenda. In order to conduct a timely meeting, there will be a three-minute time limit per person for any matter listed on the Agenda. Anyone wishing to speak to the Successor Agency is asked to complete a Speaker's Card which can be found at the back of the room and at each podium. The completed card should be submitted to the Secretary prior to the Agenda item being called and prior to the individual being heard by the Successor Agency.*

- **Public Comments (Agenda Items Only):** *During oral communications, if you wish to address the Agency Board during this Special Meeting, under Government Code Section 54954.3(a), you may only address the Agency Board concerning any item that has been described in the notice for the Special Meeting.*

Americans with Disabilities Act:

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

Agendas and other writings:

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

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

5. OVERSIGHT BOARD MATTERS

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

RECOMMENDED ACTION: Receive and file the report.

- 5.2 Consideration of Resolution No. OB 2018-04 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF PROPERTY LOCATED AT 15432 NELSON AVENUE, CITY OF INDUSTRY AND AS IDENTIFIED ON THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 12

RECOMMENDED ACTION: Adopt Resolution No. OB 2018-04.

- 5.3 Consideration of Resolution No. OB 2018-05 – 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 AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF PROPERTY LOCATED AT THE SOUTH SIDE OF WORKMAN MILL ROAD AT CROSSROADS PARKWAY, COUNTY OF LOS ANGELES (APN: 8120-027-270) AND AS IDENTIFIED ON THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 14

RECOMMENDED ACTION: Adopt Resolution No. OB 2018-05.

- 5.4 Consideration of Resolution No. OB 2018-06 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF PROPERTY LOCATED AT SOUTH OF STAFFORD STREET, NORTH OF UPRR, AND WEST OF HACIENDA BOULEVARD, CITY OF INDUSTRY AND AS IDENTIFIED ON THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 22

RECOMMENDED ACTION: Adopt Resolution No. OB 2018-06.

- 5.5 Consideration of Resolution No. OB 2018-07 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE

SALE AND DISPOSITION OF PROPERTY LOCATED AT 15600 STAFFORD STREET AND 100 NORTH HACIENDA BOULEVARD, CITY OF INDUSTRY AND AS IDENTIFIED ON THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 23

RECOMMENDED ACTION: Adopt Resolution No. OB 2018-07.

- 5.6 Consideration of Resolution No. OB 2018-08 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF PROPERTY LOCATED AT 911 BIXBY DRIVE, CITY OF INDUSTRY AND AS IDENTIFIED ON THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 29

RECOMMENDED ACTION: Adopt Resolution No. OB 2018-08.

- 5.7 Consideration of Resolution No. OB 2018-09 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF PROPERTY LOCATED AT 841 7th AVENUE, CITY OF INDUSTRY AND AS IDENTIFIED ON THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 43

RECOMMENDED ACTION: Adopt Resolution No. OB 2018-09.

- 5.8 Consideration of Resolution No. OB 2018-10 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF PROPERTY LOCATED AT SOUTHWESTERLY AND NORTHWESTERLY CORNERS OF HACIENDA BOULEVARD AND STAFFORD STREET, CITY OF INDUSTRY AND AS IDENTIFIED ON THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 46

RECOMMENDED ACTION: Adopt Resolution No. OB 2018-10.

- 5.9 Consideration of Resolution No. OB 2018-11 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF PROPERTY LOCATED AT 15252 STAFFORD STREET, CITY OF INDUSTRY AND AS IDENTIFIED ON THE LONG-

RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 49

RECOMMENDED ACTION: Adopt Resolution No. OB 2018-11.

- 5.10 Consideration of Resolution No. OB 2018-12 - A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF PROPERTY LOCATED AT 15555 STAFFORD STREET, CITY OF INDUSTRY AND AS IDENTIFIED ON THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 48

RECOMMENDED ACTION: Adopt Resolution No. OB 2018-12.

- 5.11 Consideration of Resolution No. OB 2018-13 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF PROPERTY LOCATED AT 15660 STAFFORD STREET, CITY OF INDUSTRY AND AS IDENTIFIED ON THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 49

RECOMMENDED ACTION: Adopt Resolution No. CC 2018-13.

- 5.12 Consideration of Resolution No. OB 2018-14 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF PROPERTY LOCATED AT 555 EL ENCANTO ROAD, CITY OF INDUSTRY AND AS IDENTIFIED ON THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 53

RECOMMENDED ACTION: Adopt Resolution No. OB 2018-14.

- 5.13 Consideration of Resolution No. OB 2018-15 – 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 AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF PROPERTY LOCATED AT 425 PARRIOTT PLACE, CITY OF INDUSTRY AND AS IDENTIFIED ON THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 54

RECOMMENDED ACTION: Adopt Resolution No. OB 2018-15.

- 5.14 Consideration of Resolution No. OB 2018-16 – A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF PROPERTY LOCATED AT 17647 GALE AVENUE, CITY OF INDUSTRY AND AS IDENTIFIED ON THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 34

RECOMMENDED ACTION: Adopt Resolution No. OB 2018-16.

6. **CLOSED SESSION**

- 6.1 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
Case: City of Diamond Bar v. Oversight Board of the Successor Agency to the Industry Urban-Development Agency; Successor Agency to the Industry Urban-Development Agency; et al.
Superior Court of California, County of Sacramento
Case No. 34-2017-80002718-CU-WM-GDS
- 6.2 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
Case: City of Chino Hills v. Oversight Board of the Successor Agency to the Industry Urban-Development Agency; Successor Agency to the Industry Urban-Development Agency; et al.
Superior Court of California, County of Sacramento
Case No. 34-2017-80002719-CU-WM-GDS
- 6.3 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
Case: City of Diamond Bar v. City of Industry; City of Industry City Council; Successor Agency to the Industry Urban-Development Agency; Board of Directors of the Successor Agency to the Industry Urban-Development Agency; Oversight Board of the Successor Agency to the Industry Urban- Development Agency; et al.
Superior Court of California, County of Los Angeles
Case No. BS171295
- 6.4 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
Case: City of Chino Hills v. City of Industry, City of Industry City Council; Successor Agency to the Industry Urban-Development Agency; Board of Directors of the Successor Agency to the Industry Urban-Development Agency; Oversight Board of the Successor

Agency to the Industry Urban-Development Agency; et al.
Superior Court of California, County of Los Angeles
Case No. BS171398

6.5 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
Case: City of Diamond Bar v. City of Industry; Successor Agency to the
Industry Urban-Development Agency; Oversight Board of the Successor
Agency to the Industry Urban- Development Agency; et al.
Superior Court of California, County of Los Angeles
Case No. BS173224

6.6 CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
Case: City of Chino Hills v. City of Industry, *et al.*
Superior Court of California, County of Los Angeles
Case No. BS172995

7. Adjournment.

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

ITEM NO. 5.1



SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY

STAFF REPORT

Date: June 8, 2018
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: Yamini Pathak, Acting 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 2018.

Pages 6-7 Exhibit 1 Inventory of Properties

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

Properties being sold to 3rd parties

Property nos. 40, 41, 47, 66 and 72 are listed for sale (highlighted in white). Property #34 and #43, management is currently in negotiations with buyers.

As of May 31, 2018 the Successor Agency has sold properties to outside third parties generating \$129,255,143.84 in sales proceeds. These monies have been deposited into the trust account held by US Bank.

Properties being sold to the City of Industry

The City of Industry has purchase Successor Agency properties generating \$46,357,747.94 in sales proceeds and is in the process of purchasing additional properties highlighted in the color green for an estimated purchase price of approximately \$16,909,002. This amount will be updated once the agreements have been finalized and approved by the Successor Agency Board.

Property #68 – Tres Hermanos Ranch is subject to litigation and escrow cannot be opened until there is some resolution with the pending litigation.

Chairman and Members of the Oversight Board
June 8, 2018

Pages 8-10 Exhibit 2A & B Project Summary Report Through May 24, 2018

Exhibit 2A reflects only the costs incurred on the Industry Business Center (“IBC”) project which the Successor Agency has spent an additional \$19,526,027 for the period November 23, 2017 through May 24, 2018. 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 \$13,839,791 for the period November 23, 2017 through May 24, 2018.

| 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 May 24, 2018 | Project Complete | Remaining Amount Of Estimated Project Costs To Spend Per Amended Contract |
| Projects To Be Funded From Other Available Funds | | | | | | |
| Industry Business Center MP 99-31 # 16 | Exh. 2A Estimated Completion - Summer 2019 | \$ 211,911,593.13 | \$ (26,213,502.08) | \$ (129,248,673.08) | \$ - | \$ 56,449,417.97 |
| Landscaping Baker Parkway Slopes MP 99-31 # 61 | Exh. 2B Ongoing until property is sold | 3,014,078.11 | | (2,555,358.55) | (7,906.22) | 450,813.34 |
| Diamond Bar Creek MP 99-31 # 26 | Exh. 2B Estimated Completion - late 2018 | 9,298,954.61 | | (7,237,284.31) | (5,855.00) | 2,055,815.30 |
| Industry East Traffic Mitigation MP 99 - 31 # 65 | Exh. 2B Estimated Completion - late 2019 | 3,940,368.01 | | (306,644.31) | - | 3,633,723.70 |
| City / Agency Reimbursement Agreement | Exh. 2B | 34,139,469.00 | | (34,139,469.00) | - | - |
| Subtotal Exhibit 2B | | \$ 50,392,869.73 | \$ - | \$ (44,238,756.17) | \$ (13,761.22) | \$ 6,140,352.34 |
| Total Projects To Be Funded From Other Available Funds | | \$ 262,304,462.86 | \$ (26,213,502.08) | \$ (173,487,429.25) | \$ (13,761.22) | \$ 62,589,770.31 |
| Projects To Be Funded From Bond Proceeds | | | | | | |
| Lemon Ave Interchange at Route 60 MP 3 - 10 | Exh. 2B Estimated Completion - mid 2019 | \$ 10,079,543.42 | | \$ (7,153,396.34) | \$ - | \$ 2,926,147.08 |
| Route 57/60 Confluence Project MP 99 - 31 # 22 | Exh. 2B Estimated Completion - mid 2019 | 21,038,107.51 | | (14,737,624.01) | (3,114,526.18) | 3,185,957.32 |
| Westbound Slip On-Ramp 57/60 MP 99-31 #22A | Exh. 2B Estimated Completion - mid 2019 | 8,876,970.78 | | (5,419,115.60) | - | 3,457,855.18 |
| Total Projects To Be Funded From Bond Proceeds | | \$ 39,994,621.71 | \$ - | \$ (27,310,135.95) | \$ (3,114,526.18) | \$ 9,569,959.58 |
| Total All Projects | | \$ 302,299,084.57 | \$ (26,213,502.08) | \$ (200,797,565.20) | \$ (3,128,287.40) | \$ 72,159,729.89 |

**Pages 11-14 Exhibit 3 Budget vs Actual Expenditures ROPS 17-18B Period
January 1, 2018 to June 30, 2018**

Exhibit 3 shows the comparison period to date actual expenditures versus the approved amount in ROPS 17-18B period for the six months ending June 30, 2018 Below is a summary of the expenditures from January 1 to May 24, 2018.

Chairman and Members of the Oversight Board
June 8, 2018

Successor Agency To the Industry Urban-Development Agency
Budget vs. Actual Disbursements Comparison ROPS 17-18B

Summary Report
January 1 Through June 30, 2018

Exhibit 3

| Payee | ROPS Line Item | Project # | Estimated Project Expenditures Approved On ROPS 17-18B | Actual Disbursements Paid During the Period | Remaining Amount Of Estimated Project Expenditures Budgeted For The Period |
|---|----------------|---------------|--|---|--|
| | | | January 1 Through June 30, 2018 | Period January 1 to May 24, 2018 | January 1 Through June 30, 2018 |
| Projects To Be Funded From Other Available Funds | | | | | |
| Landscaping Baker Parkway Slopes | | MP 99-31 #61 | \$ 204,912.50 | \$ 143,221.14 | \$ 61,691.36 |
| Diamond Bar Creek | | MP 99-31 #26 | 247,100.00 | 33,099.60 | 214,000.40 |
| Industry Business Center | | MP 99-31 #16 | 19,955,830.00 | 15,935,939.28 | 4,019,890.72 |
| Industry East Traffic Mitigation | | MP 99-31 #65 | 324,888.00 | 70,175.52 | 254,712.48 |
| City / Agency Reimbursement Agreement | | | - | - | - |
| Total Projects To Be Funded From Other Available Funds | | | \$ 20,732,730.50 | \$ 16,182,435.54 | \$ 4,550,294.96 |
| Projects To Be Funded From Bond Proceeds | | | | | |
| Lemon Ave Interchange at Route 60 | | MP 03-10 | 85,000.00 | 3,115,811.95 | (3,030,811.95) |
| Route 57/60 Confluence Project | | MP 99-31 #22 | 6,864,834.00 | 5,425,722.09 | 1,439,111.91 |
| Westbound Slip On- Ramp 57/60 | | MP 99-31 #22a | 1,443,824.00 | 1,133,483.37 | 310,340.63 |
| Total Projects To Be Funded From Bond Proceeds | | | \$ 8,393,658.00 | \$ 9,675,017.41 | \$ (1,281,359.41) |
| Administration | | | 786,500.00 | 193,490.43 | 593,009.57 |
| General Insurance | 263 | | - | - | - |
| Property Maintenance 01-01-2016 through 06-30-2016 | 269 | | 233,564.00 | - | 233,564.00 |
| Appraisal Fees | 282 | | - | - | - |
| Total All Expenditures | | | \$ 30,146,452.50 | \$ 26,050,943.38 | \$ 4,095,509.12 |

Page 15-16 Exhibit 4 and 5 Projected Cash Flows May 1, 2018 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 \$68.6 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 not included the sales price of \$41.6 for the Tres Hermanos Ranch property in the above cash flow until there is a resolution to the pending litigation.

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

Chairman and Members of the Oversight Board
June 8, 2018

| Successor Agency to the IUDA Projected Cash Flow For Projects | | | Exhibit 5 | |
|--|--------------------|-----------------|------------------|------------------|
| May 1, 2018 to June 30, 2019 | | | Amounts | Totals |
| Net Proceeds From Property Sales period 5/1/2018 to June 30, 2019 | | | \$ 24,019,002.00 | \$ 24,019,002.00 |
| IBC Project Costs To Be Spent | | | | |
| ROPS 17-18B | 5/1/18 to 6/30/18 | (12,906,728.71) | | |
| ROPS 18-19A | 7/1/18 to 12/31/18 | (42,857,079.11) | | |
| ROPS 18-19B | 1/1/19 to 6/30/19 | (9,565,960.51) | | |
| Estimated remaining project costs to be spent IBC | | | (65,329,768.33) | (65,329,768.33) |
| Other Project Costs To Be Spent | | | | |
| Landscaping Baker Parkway Slopes | | (481,094.24) | | |
| Diamond Bar Creek | | (2,056,545.30) | | |
| Industry East Traffic Mitigation | | (3,637,321.20) | | |
| Estimated remaining project costs to be spent Other Projects | | | (6,174,960.74) | (6,174,960.74) |
| Estimated excess cash generated from rental income and notes receivable collections 5/1/2018 to 6/30/2019 | | | 10,812,114.42 | 10,812,114.42 |
| Beginning cash balances at May 1, 2018 | | | 105,201,405.23 | 105,201,405.23 |
| Estimated excess funds | | | \$ 68,527,792.58 | \$ 68,527,792.58 |
| Projects To Be Funded By Bond Proceeds: | | | | |
| Lemon Ave Interchange at Route 60 MP 3 - 10 | | (2,926,147.08) | | |
| Route 57/60 Confluence Project MP 99 - 31 # 22 | | (3,630,510.89) | | |
| Westbound Slip On-Ramp 57/60 MP 99-31 #22A | | (3,457,855.18) | | |
| Estimated remaining project costs to be spent on projects to be funded by bond proceeds | | | (10,014,513.15) | (10,014,513.15) |
| Beginning cash balances at May 1, 2018 | | | 10,014,513.15 | 10,014,513.15 |
| Estimated excess (shortfall) of funds | | | - | - |
| Estimated excess funds - combined | | | \$ 68,527,792.58 | \$ 68,527,792.58 |

The cash flow schedules have assumed the following parameters:

- 1) Sales price for Tres Hermanos Ranch is not included until a resolution of the pending litigation.
- 2) 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.
- 3) Rental income receipts has been estimated through June 2019 assuming that the Grand Crossing property is not sold prior do that date.
- 4) 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.

Annual Debt Service

As of May 31, 2018, the Successor Agency has total debt service outstanding of principal and interest payments amounting to \$497,428,762 out of the original 2015 debt service of payments of \$716,947,920 a difference of \$219,519,158. The Successor Agency redeemed \$44,905,000 of bond principal in early 2017 and 2018.

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
SCHEDULE OF LONG-TERM DEBT
SENIOR TAX ALLOCATION REVENUE REFUNDING BONDS
31-May-18

| Year Ending June 30, | Date | Principal | Interest Rate | Interest | Debt Service | Annual Debt Service |
|----------------------------|----------|-----------------------|---------------|----------------------|-----------------------|------------------------|
| | 7/1/2018 | - | | 8,532,950 | 8,532,950 | |
| 2019 | 1/1/2019 | 58,165,000 | 2.79-5.00% | 8,532,950 | 66,697,950 | 75,230,901 |
| | 7/1/2019 | - | | 7,681,570 | 7,681,570 | |
| 2020 | 1/1/2020 | 59,805,000 | 3.00-5.00% | 7,681,570 | 67,486,570 | 75,168,141 |
| | 7/1/2020 | - | | 6,709,456 | 6,709,456 | |
| 2021 | 1/1/2021 | 61,730,000 | 3.47-5.04% | 6,709,456 | 68,439,456 | 75,148,913 |
| | 7/1/2021 | - | | 5,541,442 | 5,541,442 | |
| 2022 | 1/1/2022 | 58,425,000 | 3.82-5.04% | 5,541,442 | 63,966,442 | 69,507,884 |
| | 7/1/2022 | - | | 4,360,381 | 4,360,381 | |
| 2023 | 1/1/2023 | 61,950,000 | 4.04-5.04% | 4,360,381 | 66,310,381 | 70,670,761 |
| | 7/1/2023 | - | | 3,022,625 | 3,022,625 | |
| 2024 | 1/1/2024 | 64,595,000 | 4.24-5.04% | 3,022,625 | 67,617,625 | 70,640,251 |
| | 7/1/2024 | 6,835,000 | | 1,434,371 | 8,269,371 | |
| 2025 | 1/1/2025 | 44,390,000 | 5.00-5.04% | 1,285,915 | 45,675,915 | 53,945,286 |
| | 7/1/2025 | - | | 166,830 | 166,830 | |
| 2026 | 1/1/2026 | 3,285,000 | 5.04% | 166,830 | 3,451,830 | 3,618,661 |
| | 7/1/2026 | - | | 83,983 | 83,983 | |
| 2027 | 1/1/2027 | 3,330,000 | 5.04% | 83,983 | 3,413,983 | 3,497,965 |
| | | <u>\$ 422,510,000</u> | | <u>\$ 74,918,762</u> | <u>\$ 497,428,762</u> | <u>\$ 497,428,762</u> |

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
- Agreements in process 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. | | | | | \$ 1,768,000.00 | | Jul-18 | |
| 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. | | | | | \$ 1.00 | | Jul-18 | |
| 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. | | | | | \$ 1.00 | | Jul-18 | |
| 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. | | | | | \$ 453,000.00 | | Jul-18 | |
| 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. | | | | | \$ 179,000.00 | | Jul-18 | |
| 24 | small office bldg | 15710 & 15718 Stafford | for sale | gov. use per zoning code | Jan-82 | .025 mill. | 0.144 mill. Or 1.0 mill. | Apr-13 | 8245-001-901 8245-001-914 | 0.41 ac. | 2014-26 | \$ 696,569.00 | | | | | 2/13/2015 | Industry Security Services, Inc. |
| 25 | vacant/landscape area | South of Stafford west of Glendora | retain for gov. use | convey to City at no cost | Jan-99 | .022 mill. | .022 mill. | Apr-13 | 8245-001-913 | 0.10 ac. | 2014-12 | NONE | | | | | 6/3/2014 | City of Industry |
| 26 | vacant/landscape area | South of UPRR West of Hacienda | retain for gov. use | convey to City at no cost | 1982 | .133 mill. | .133 mill. | Apr-13 | 8208-022-902 8208-022-903 | 0.61 ac. | 2014-12 | NONE | | | | | 6/3/2014 | City of Industry |
| 27 | vacant | South of UPRR East of Russell | retain for gov. use | convey to City at no cost | 1982 | .083 mill. | .083 mill. | Apr-13 | 8245-001-911 | 0.38 ac. | 2014-12 | NONE | | | | | 6/3/2014 | City of Industry |
| 28 | vacant/parking | East of Parriott Pl | for sale | gov. use per zoning code | 1976 | 1.35 mill. | 4.846 mill. | Apr-13 | 8208-027-911 8208-027-912 | 6.18 ac. | 2014-26 | \$ 8,523,372.16 | | | | | 11/19/2015 | CT Parriott, LLC (CT Realty Corp.) |
| 29 | power plant | 911 Bixby | for sale | existing power plant | Mar-01 | 12.5 mill. | 8.0 mill. | Apr-13 | 8242-013-901 | 11.48 ac. | | | | | | | Jul-18 | |
| 30 | vacant/commercial | East of Azusa North of Railroad | for sale | industrial per zoning code | Mar-2001 & Jun 2010 | 5.525 mill. | 5.987 mill. | Apr-13 | 8264-025-903 8264-025-904 8264-025-914 8264-025-915 8264-025-917 | 10.11 ac. | 2014-26 | \$ 39,648,092.55 | | | | | 12/19/2016 | CT Chestnut, LLC (CT Realty Corp.) Sales price for Properties 30 & 58 |
| 31 | vacant/commercial | 17201-17301 Gale | for sale | commercial with zone change | 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 | 8264-013-913 8264-013-914 8264-012-923 | 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. | | | | | | | | Pending |
| 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 | 8254-004-907 8254-004-909 | 0.44 ac. | 2014-12 | NONE | | | | | 6/3/2014 | City of Industry |
| 37 | remnant | adjacent to Fairway | retain for gov. use | convey to City at no cost | 2001 | .144 mill. | .144 mill. | Apr-13 | 8750-028-270 8750-010-938 8750-010-935 | 0.15 ac. | 2014-12 | NONE | | | | | 6/3/2014 | City of Industry |
| 38 | remnant | West side of Fairway south of UPRR | retain for gov. use | convey to City at no cost | Dec-88 | .12 mill. | .12 mill. | Apr-13 | 8760-028-903 | 0.55 ac. | 2014-12 | NONE | | | | | 6/3/2014 | City of Industry |
| 39 | vacant/industrial | 800 feet east of Garcia Ln | retain for gov. use | convey to City at no cost | 1982 | .65 mill. | .65 mill. | Apr-13 | 8709-027-036 | 0.3 ac. | 2014-12 | NONE | | | | | 6/3/2014 | City of Industry |
| 40 | industrial/commercial | Ind. Bus. Center | for sale/leased to Majestic Realty | industrial/commercial per approved plans | 1982 & 1983 | 27.632 mill. | 26 mill. | Apr-13 | 8719-009-902,904,905,906 9 & 908 8719-007-920,921,922,906,907, 924,917 & 923 | 597.54 ac | | | | | | | | |

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

Legend:
 Completed sale to third party
 Agreements in process 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 | |
|--------|--|---|------------------------------------|---|------------------|---------------------------|----------------------------------|---------------------------------|--|--------------------------|---------------------------------------|--|---------------------|------------|---|------------------------------------|----------------|--|--|
| 41 | Industrial/commercial | Grand Crossing | for sale/leased to Majestic Realty | built out Industrial/commercial | 1980,1981 &1982 | 11.2 mill. | 50 mill. | Apr-13 | 8709-008-021,022,023,024,025,026,027,028,029, &030 8709-006-004,005,006,003,007,008,001,002,010, & 012 8709-027-037,034 & 032 8709-028-014 8719-006-016,017,014,015,013,012,019 &020 8719-007-033,040,047,038,0480 | 425 ac. | | | | | | | | | |
| 43 | YAL Building | 841 7th Ave | for sale | gov. use per zoning code | Mar-99 | 1.6 mill. | 0.632 mill. | Apr-13 | 8217-001-901 | 0.56 ac. | 2014-26 | | | | | | | Pending | |
| 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 | Helipad | 15252 Stafford | for sale | gov. use per zoning code | 1982 | 0.24 mill. | 0.878 mill. | Apr-13 | 8208-025-939 | 1.12 ac. | | | | | \$ 146,000.00 | | Jul-18 | | |
| 46 | parking & common areas for parcels 19 & 20 | NW & SW corners of Haciends & 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. | | | | | \$ 9,000.00 | | Jul-18 | | |
| 47 | parking | 15625 Stafford | for sale | gov. use per zoning code | 27485 | 0.076 mill. | combined w/ other parcels | Apr-13 | 8208-025-907, 908, 909 &926 | 5.5 ac. | | | | | | | | | |
| 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 | | | | | \$ 172,000.00 | | Jul-18 | | |
| 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. | | | | | \$ 362,000.00 | | Jul-18 | | |
| 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-75 | 3.36 mill. | 5.06 mill. | Apr-13 | 8208-027-901 | 5.02 ac. | | | | | \$ 800,000.00 | | Jul-18 | | |
| 54 | vacant | w side of Parnott | for sale | gov. use per zoning code | 1978 | 1.9 mill. | 6.12 mill. | Apr-13 | 8208-027-911 & 912 | 8.79 ac. | | | | | \$ 720,000.00 | | Jul-18 | | |
| 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 south side of San Jose Creek | 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 | 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. | | | | | | | | | |
| 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 804 Atusa/Anaheim Puente | 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. | | | | | | | Jun-13 | Purchase price \$41,650,000 currently in litigation | |
| 70 | vacant industrial | adjacent to 22122 Valley | retain for gov. use | 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 | Puente Basin Water rights | 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 | 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 | |
| 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 | \$ - | \$ - | \$ 17,809,002.00 | | | | |

| | 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 | | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 61 | | PBLA | | 193 | | Professional Services | 56,500.00 | 1,856,835.00 | | 700,000.00 | - | - | - | - | - | - | - | - | - | - | - | |
| 62 | | Leighton Consulting | | 194 | | Professional Services | 104,799.85 | 2,643,123.00 | | 1,900,000.00 | - | - | - | - | - | - | - | - | - | - | - | |
| 63 | | Leighton Consulting | | 195 | | Professional Services | - | 315,504.00 | | - | - | - | - | - | - | - | - | - | - | - | - | |
| 64 | | CNC Engineering | | 196 | | Professional Services | 611,876.03 | 5,305,283.00 | | 3,500,000.00 | - | - | - | - | - | - | - | - | - | - | - | |
| 65 | | CNC Engineering | | 197 | | Professional Services | - | 1,262,016.00 | | - | - | - | - | - | - | - | - | - | - | - | - | |
| 66 | | Thomsen Engineering | | 198 | | Professional Services | 59,328.50 | 60,000.00 | | - | - | - | - | - | - | - | - | - | - | - | - | |
| 67 | | Sage Environmental | | 199 | | Professional Services | 91,952.00 | 244,441.00 | | - | - | - | - | - | - | - | - | - | - | - | - | |
| 68 | | MX Graphics | | 200 | | Miscellaneous | - | 18,771.00 | | 40,500.00 | 23,189.06 | - | - | - | - | - | - | - | - | - | - | |
| 69 | | So Cal Sandbags | | 201 | | Improvement/Infrastructure | 64,570.07 | 135,430.00 | | 29,894.00 | 94,591.93 | - | - | - | - | - | - | - | - | - | - | |
| 70 | | So Cal Edison | | 202 | | Improvement/Infrastructure | - | 3,200,000.00 | | 4,403,000.00 | 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 | | - | - | - | - | - | - | - | - | - | - | - | - | |
| 73 | | Walnut Valley Water District | | 205 | | Improvement/Infrastructure | - | 16,288,200.00 | | - | - | - | - | - | - | - | - | - | - | - | - | |
| 74 | | Ind Public Utilities | | 206 | | Improvement/Infrastructure | - | 11,829,600.00 | | - | - | - | - | - | - | - | - | - | - | - | - | |
| 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 | | - | 4,694.88 | - | - | - | - | - | - | - | - | - | - | |
| 77 | | First American Title Company | | 209 | | Professional Services | - | 15,000.00 | | - | - | - | - | - | - | - | - | - | - | - | - | |
| 78 | | St Wtr Resources Cont Board | | 210 | | Fees | 15,478.00 | 6,000.00 | | - | 24,086.00 | - | - | - | - | - | - | - | - | - | - | |
| 79 | | L A County Health Department | | 211 | | Fees | - | 4,000.00 | | - | - | - | - | - | - | - | - | - | - | - | - | |
| 80 | | L A County Public Works | | 212 | | Fees | - | 85,000.00 | | - | - | - | - | - | - | - | - | - | - | - | - | |
| 81 | | L A County Sewer Maint District | | 213 | | Fees | - | 240,000.00 | | - | (22,079.00) | - | - | - | - | - | - | - | - | - | - | |
| 82 | | International Line Builders | | 214 | | Improvement/Infrastructure | - | 50,000.00 | | - | - | - | - | - | - | - | - | - | - | - | - | |
| 83 | | MC Cain | | 215 | | Improvement/Infrastructure | 25,668.63 | 120,000.00 | | - | - | - | - | - | - | - | - | - | - | - | - | |
| 84 | | Environs Landscape Arch | | 216 | | Professional Services | - | 1,725,120.00 | | - | - | - | - | - | - | - | - | - | - | - | - | |
| 85 | | Contractor By Public Bidding | | 217 | | Improvement/Infrastructure | - | 2,258,746.00 | A | - | 11,503,995.85 | 27,499,603.15 | - | - | - | - | - | - | - | - | - | |
| 86 | | Contractor By Public Bidding | | 218 | | Improvement/Infrastructure | - | 10,516,800.00 | | - | - | - | - | - | - | - | - | - | - | - | - | |
| 87 | | Kimley Horn & Assoc | | 219 | | Professional Services | - | 200,000.00 | | - | - | - | - | - | - | - | - | - | - | - | - | |
| 88 | | Kimley Horn & Assoc | | 220 | | Professional Services | - | 1,051,680.00 | | - | - | - | - | - | - | - | - | - | - | - | - | |
| 89 | | SCS Engineering | | 221 | | Professional Services | - | 243,018.00 | | 597,882.00 | - | - | - | - | - | - | - | - | - | - | - | |
| 90 | | WKE, INC. | | 222 | | Professional Services | 5,780.00 | 80,000.00 | | - | - | - | - | - | - | - | - | - | - | - | - | |
| 91 | | Bustko Engineering | | 223 | | Professional Services | 36,888.50 | 1,971,600.00 | | - | - | - | - | - | - | - | - | - | - | - | - | |
| 92 | | Sukut Construction, LLC | | 267 | | Remedial Grading | - | 6,689,774.00 | | 436,733.06 | - | - | - | - | - | - | - | - | - | - | - | |
| 93 | | C. A. Rasmussen Inc. | | 270 | | Mass Grading | - | 20,329,607.00 | | 1,002,870.81 | - | - | - | - | - | - | - | - | - | - | - | |
| 94 | | Sukut Construction, LLC | | 271 | | Mass Grading | - | 22,693,112.00 | | 5,018,745.28 | - | - | - | - | - | - | - | - | - | - | - | |
| 96 | | U S Bank (C A Rasmussen Acct) | | | | | - | - | | - | - | - | - | - | - | - | - | - | - | - | - | |
| 97 | | International Line Builders | | 281 | | | - | 2,200,000.00 | | - | - | - | - | - | - | - | - | - | - | - | - | |
| 98 | | Contractor By Public Bidding/ Sukut | | | | | - | 38,000,000.00 | | - | -13262345 | - | - | - | - | - | - | - | - | - | - | |
| 99 | | All American Asphalt | | 290 | | | - | 18,784,000.00 | | - | (4,700,000.00) | - | - | - | - | - | - | - | - | - | - | |
| 100 | | CASC Engineering & Consulting, LLC/ Retired | | 293 | | | - | - | | - | - | - | - | - | - | - | - | - | - | - | - | |
| 101 | | South Coast Air Quality (AQMD) | | | | | - | - | | - | - | - | - | - | - | - | - | - | - | - | - | |
| 102 | | | | | | | 1,074,750.18 | 172,390,662.00 | | 17,629,625.15 | (5,396,946.28) | 26,213,502.08 | 211,911,593.13 | 129,248,673.08 | 56,449,417.97 | | | | | | | |
| 103 | | | | | | | | | | | | | | | | | | | | | | |
| 173 | | 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. | | | | | | | | | | | | | | | | | | | | |
| 174 | | B) Total represents the follow: | | | | | | | | | | | | | | | | | | | | |
| 175 | | Total estimated costs | | | | | \$ 211,911,593.13 | | | | | | | | | | | | | | | |
| 176 | | Less over/under estimates | | | | | (26,213,502.08) | | | | | | | | | | | | | | | |
| 177 | | Subtotal | | | | | 185,698,091.05 | | | | | | | | | | | | | | | |
| 178 | | Less payments | | | | | (129,248,673.08) | | | | | | | | | | | | | | | |
| 179 | | Total | | | | | \$ 56,449,417.97 | | | | | | | | | | | | | | | |
| 180 | | | | | | | | | | | | | | | | | | | | | | |

| | A | B | C | D | E | F | G | H | I | J | K | L | M | AH | AI | AJ | AM | AV | AW | AX | AY | AZ |
|-----|--|-------------|---|------------------------------------|---|--|---|-----------------|---|------------------------|---|-------------------|---|--|----|---|----|------------------|----|---|----|----|
| 1 | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Successor Agency To Industry Urban-Development Agency | | | | | | | | | | | | | | | | | | | | | |
| 3 | Project Summary - Other Projects and Bond Proceed Projects | | | | | | | | | | | | | | | | | | | | | |
| 4 | Exhibit 2B | | | | | | | | | | | | | | | | | | | | | |
| 5 | Vendor | ROPS Line # | | Description | | Expenditures prior to the Current Awarded Budget | | Future Contract | | Current Awarded Budget | | Budget Amendments | | Total Estimated Cost From January 2012 To Completion Of Projects | | Total All Payments January 2012 to May 24, 2018 | | Project Complete | | Remaining Amount Of Estimated Project Costs To Spend Per Amended Contract (AJ-AV+AX-AZ) | | |
| 6 | | | | | | | | | | | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | | | | | | | | | | | |
| 8 | Projects To Be Funded From Other Available Funds | | | | | | | | | | | | | | | | | | | | | |
| 9 | Landscaping Baker Parkway Slopes MP 99-31 # 61 | | | | | | | | | | | | | | | | | | | | | |
| 10 | | | | Ongoing until property is sold | | | | | | | | | | | | | | | | | | |
| 11 | CNC Engineering | 99 | | Professional Services | | \$ 71,623.91 | | \$ 5,840.25 | | \$ 54,000.00 | | \$ 140,000.00 | | \$ 271,464.16 | | \$ 266,187.95 | | \$ - | | \$ 5,276.21 | | |
| 12 | Envrons Landscape Architecture | 100 | | Professional Services | | 16,729.08 | | 383.44 | | 62,000.00 | | - | | 79,112.52 | | 75,142.52 | | - | | 3,970.00 | | |
| 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 | Jlm 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 | | 716,899.02 | | - | | 441,567.13 | | |
| 28 | San Gabriel Valley Newspaper | | | | | - | | - | | - | | - | | - | | - | | - | | - | | |
| 29 | | | | | | | | | | | | | | | | | | | | | | |
| 30 | | | | | | \$ 88,396.06 | | \$ 719,399.42 | | \$ 1,966,783.58 | | \$ 239,499.05 | | \$ 3,014,078.11 | | \$ 2,555,358.55 | | \$ (7,906.22) | | \$ 450,813.34 | | |
| 31 | | | | | | | | | | | | | | | | | | | | | | |
| 32 | Diamond Bar Creek MP 99-31 # 26 | | | | | | | | | | | | | | | | | | | | | |
| 33 | | | | Estimated Completion - Summer 2018 | | | | | | | | | | | | | | | | | | |
| 34 | CNC Engineering | 148 | | Professional Services | | \$ 223,607.58 | | \$ 62,897.98 | | \$ 540,000.00 | | \$ 320,000.00 | | \$ 1,146,505.56 | | \$ 804,179.26 | | \$ - | | \$ 342,326.30 | | |
| 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 | | 25,000.00 | | 53,350.00 | | 28,350.00 | | - | | 25,000.00 | | |
| 43 | City of Industry Disposal | 157 | | Miscellaneous | | 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 | | - | | - | | 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 | | - | | - | | 4,014,079.05 | | 256,832.85 | | 4,270,911.90 | | 4,270,911.90 | | - | | - | | |
| 57 | | | | | | \$ 412,777.05 | | \$ 1,515,418.91 | | \$ 6,643,925.80 | | \$ 726,832.85 | | \$ 9,298,954.61 | | \$ 7,237,284.31 | | \$ (5,855.00) | | \$ 2,055,815.30 | | |
| 102 | | | | | | | | | | | | | | | | | | | | | | |
| 103 | Industry East Traffic Mitigation MP 99 - 31 # 65 | | | | | | | | | | | | | | | | | | | | | |
| 104 | | | | Estimated Completion - 2020 | | | | | | | | | | | | | | | | | | |
| 105 | CNC Engineering | 251 | | Professional Services | | \$ 33,170.54 | | \$ (1,269.28) | | \$ 578,964.00 | | \$ - | | \$ 610,865.26 | | \$ 217,911.48 | | \$ - | | \$ 392,953.78 | | |
| 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 | | 88,732.83 | | - | | 963,815.92 | | |
| 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 | | | | | | \$ 33,170.54 | | \$ 3,328,233.47 | | \$ 578,964.00 | | \$ - | | \$ 3,940,368.01 | | \$ 306,644.31 | | \$ - | | \$ 3,633,723.70 | | |
| 111 | City / Agency Reimbursement Agreement | | | | | | | | | | | | | | | | | | | | | |

| | A | B | C | D | E | F | G | H | I | J | K | L | M | AH | AI | AJ | AM | AV | AV | AX | AY | AZ |
|-----|--|-------------|---|--|------------------|------------------------|-------------------|--|---|-------------------|---|---|---|----|----|----|----|----|----|----|----|----|
| 1 | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Successor Agency To Industry Urban-Development Agency | | | | | | | | | | | | | | | | | | | | | |
| 3 | Project Summary - Other Projects and Bond Proceed Projects | | | | | | | | | | | | | | | | | | | | | |
| 4 | Exhibit 2B | | | | | | | | | | | | | | | | | | | | | |
| 5 | Vendor | ROPS Line # | Description | Expenditures prior to the Current Awarded Budget | Future Contract | Current Awarded Budget | Budget Amendments | Total Estimated Cost From January 2012 To Completion Of Projects | Total All Payments January 2012 to May 24, 2018 | Project Complete | Remaining Amount Of Estimated Project Costs To Spend Per Amended Contract (AJ-AV+AX-AZ) | | | | | | | | | | | |
| 112 | City of Industry | 277 | | - | - | 34,139,469.00 | - | 34,139,469.00 | \$ 34,139,469.00 | - | - | | | | | | | | | | | |
| 113 | | | | | | | | | | | | | | | | | | | | | | |
| 114 | Total Projects To Be Funded From Other Available Funds | | | \$ 534,343.65 | \$ 5,563,051.80 | \$ 43,329,142.38 | \$ 966,331.90 | \$ 50,392,869.73 | \$ 44,238,756.17 | \$ (13,761.22) | \$ 6,140,352.34 | | | | | | | | | | | |
| 115 | | | | | | | | | | | | | | | | | | | | | | |
| 116 | | | | | | | | | | | | | | | | | | | | | | |
| 117 | Projects To Be Funded From Bond Proceeds | | | | | | | | | | | | | | | | | | | | | |
| 118 | Lemon Ave Interchange at Route 60 MP 3 - 10 | | | Estimated Completion - Summer 2017 | | | | | | | | | | | | | | | | | | |
| 119 | CNC Engineering | 116 | Professional Services | \$ 15,264.25 | \$ (6,632.29) | \$ 150,000.00 | \$ - | \$ 158,631.97 | \$ 207,241.47 | \$ - | \$ (48,609.50) | | | | | | | | | | | |
| 120 | Jacobs Civil | 117 | Professional Services | - | 303,576.81 | 114,624.27 | 1,387,000.46 | 1,805,201.54 | 1,939,318.15 | - | (134,116.61) | | | | | | | | | | | |
| 121 | Avant-Garde | 118 | Professional Services | - | 103,977.19 | 150,000.00 | 175,000.00 | 428,977.19 | 433,600.94 | - | (4,623.75) | | | | | | | | | | | |
| 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 | 4,133,079.79 | - | (589,919.79) | | | | | | | | | | | |
| 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 | Total Lemon Ave Interchange at Route 60 | | | \$ 242,707.56 | \$ 7,659,782.88 | \$ 615,052.52 | \$ 1,562,000.46 | \$ 10,079,543.42 | \$ 7,153,396.34 | \$ - | \$ 2,926,147.08 | | | | | | | | | | | |
| 129 | | | | | | | | | | | | | | | | | | | | | | |
| 130 | Route 57/60 Confluence Project MP 99 - 31 # 22 | | | Estimated Completion - Summer 2018 | | | | | | | | | | | | | | | | | | |
| 131 | | | | | | | | | | | | | | | | | | | | | | |
| 132 | CNC Engineering | 123 | Professional Services | \$ 55,575.95 | \$ 47,918.83 | \$ 221,600.00 | \$ - | \$ 325,094.78 | \$ 333,455.96 | \$ - | \$ (8,361.18) | | | | | | | | | | | |
| 133 | WKE Inc (Environmental Phase) | 124 | Professional Services | 716,116.09 | 25.22 | 80,000.00 | - | 796,141.31 | 830,755.74 | - | (34,614.43) | | | | | | | | | | | |
| 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 | 14,626.32 | - | 28,488.71 | | | | | | | | | | | |
| 136 | Caltrans | 127 | Improvement/Infrastructure | - | 4,400,000.00 | - | - | 4,400,000.00 | 392,604.07 | - | 4,007,395.93 | | | | | | | | | | | |
| 137 | Contractor TBD | 128 | Improvement/Infrastructure | - | 5,872,434.00 | - | - | 5,872,434.00 | 6,562,798.19 | - | (690,364.19) | | | | | | | | | | | |
| 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 | 4,635,102.08 | - | (270,717.52) | | | | | | | | | | | |
| 143 | Prince Global | 134 | Professional Services | 564,133.65 | (82,860.09) | 540,000.00 | - | 1,021,273.56 | 851,273.56 | - | 170,000.00 | | | | | | | | | | | |
| 144 | Avant-Grade | 295 | Project Funding/Contract Administration | - | - | 100,000.00 | - | 100,000.00 | 119,890.00 | - | (19,890.00) | | | | | | | | | | | |
| 145 | Total Route 57/60 Confluence Project MP 99 - 31 # 22 | | | \$ 1,757,956.88 | \$ 6,793,243.67 | \$ 12,486,906.96 | \$ - | \$ 21,038,107.51 | \$ 14,737,624.01 | \$ (3,114,526.18) | \$ 3,185,957.32 | | | | | | | | | | | |
| 146 | Westbound Slip On-Ramp 57/60 MP 99-31 #22A | | | Estimated Completion - Late 2017 | | | | | | | | | | | | | | | | | | |
| 147 | | | | | | | | | | | | | | | | | | | | | | |
| 148 | WKE Inc | 224 | Professional Services | \$ 1,169,473.12 | \$ (951,395.42) | \$ 200,000.00 | \$ - | \$ 418,077.70 | \$ 418,077.70 | \$ - | \$ - | | | | | | | | | | | |
| 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 | 4,762,436.67 | - | 3,398,587.68 | | | | | | | | | | | |
| 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 | 42,932.50 | - | 57,067.50 | | | | | | | | | | | |
| 156 | Total Westbound Slip On-Ramp 57/60 MP 99-31 #22A | | | \$ 1,238,547.14 | \$ 2,368,301.64 | \$ 5,270,122.00 | \$ - | \$ 8,876,970.78 | \$ 5,419,115.60 | \$ - | \$ 3,457,855.18 | | | | | | | | | | | |
| 157 | | | | | | | | | | | | | | | | | | | | | | |
| 158 | Total Projects To Be Funded From Bond Proceeds | | | \$ 3,239,211.58 | \$ 16,821,328.19 | \$ 18,372,081.48 | \$ 1,562,000.46 | \$ 39,994,621.71 | \$ 27,310,135.95 | \$ (3,114,526.18) | \$ 9,569,959.58 | | | | | | | | | | | |
| 159 | | | | | | | | | | | | | | | | | | | | | | |
| 160 | Totals | | | \$ 3,773,555.23 | \$ 22,384,379.99 | \$ 61,701,223.86 | \$ 2,528,332.36 | \$ 90,387,491.44 | \$ 71,548,892.12 | \$ (3,128,287.40) | \$ 15,710,311.92 | | | | | | | | | | | |
| 161 | | | | | | | | | | | | | | | | | | | | | | |

| A | B | C | D | G | AM | AN |
|----|---|----------------|--------------|--|---|--|
| 1 | Successor Agency To the Industry Urban-Development Agency | | | | | |
| 2 | Budget vs. Actual Disbursements Comparison ROPS 17-18B | | | | | |
| 3 | Detail Report | | | | | |
| 4 | January 1, 2018 Through June 30, 2018 | | | | | |
| 5 | Exhibit 3 | | | | | |
| 6 | Payee | ROPS Line Item | Project # | Estimated Project Expenditures Approved On ROPS 17-18B | Actual Disbursements Paid During the Period | Remaining Amount Of Estimated Project Expenditures Budgeted For The Period |
| 7 | | | | Period January 1 to June 30, 2018 | Period January 1 to May 24, 2018 | Period January 1 to June 30, 2018 |
| 8 | | | | | | |
| 9 | Projects To Be Funded From Other Available Funds | | | | | |
| 10 | Landscaping Baker Parkway Slopes | | MP 99 31 #61 | | | |
| 11 | CNC Engineering | 99 | | \$ 9,000.00 | \$ 9,721.14 | \$ (721.14) |
| 12 | Environs Landscape Architecture | 100 | | 7,000.00 | 3,000.00 | 4,000.00 |
| 14 | Kasa Constructlon, Inc. | 102 | | - | - | - |
| 27 | Marina Landscape, Inc. | 276 | | 188,912.50 | 130,500.00 | 58,412.50 |
| 28 | San Gabriel Valley Newspaper | 158, 208 | | - | - | - |
| 29 | City of Industry | 297 | | - | - | - |
| 30 | Total Landscaping Baker Parkway Slopes | | | \$ 204,912.50 | \$ 143,221.14 | \$ 61,691.36 |
| 31 | | | | | | |
| 32 | Diamond Bar Creek | | MP 99-31 #26 | | | |
| 33 | CNC Engineering | 148 | | \$ 100,000.00 | \$ 33,099.60 | \$ 66,900.40 |
| 34 | Thomsen Engineering | 149 | | 59,000.00 | - | 59,000.00 |
| 35 | Leighton Consulting | 150 | | 58,000.00 | - | 58,000.00 |
| 36 | Regional Water Quality Control | 151 | | 10,000.00 | - | 10,000.00 |
| 37 | Army Corp Engineers | 152 | | - | - | - |
| 38 | Calif Dept of Fish & Game | 153 | | - | - | - |
| 39 | State Water Resources Cont Board | 154 | | - | - | - |
| 40 | MX Graphics | 155 | | - | - | - |
| 41 | Brown & Brown Ins | 156 | | 12,000.00 | - | 12,000.00 |
| 42 | City of Industry Disposal | 157 | | 0 | - | - |
| 43 | San Gabriel Valley Newspaper | 158 | | 600.00 | - | 600.00 |
| 44 | LA County Health Dept | 159 | | 1,500.00 | - | 1,500.00 |
| 45 | So Calif Edison | 160 | | - | - | - |
| 46 | Walnut Valley Water District | 161 | | - | - | - |
| 47 | LA City Sewer Maint District | 162 | | - | - | - |
| 48 | PBLA | 163 | | - | - | - |
| 49 | Native Grow Nursery | 164 | | - | - | - |
| 50 | Contractor - by public bidding | 165 | | - | - | - |
| 51 | Sage Environmental | 166 | | - | - | - |
| 52 | WKE, Inc. | 167 | | 6,000.00 | - | 6,000.00 |
| 53 | H & H Contractors | 266 | | - | - | - |
| 54 | Total Diamond Bar Creek | | | \$ 247,100.00 | \$ 33,099.60 | \$ 214,000.40 |
| 55 | | | | | | |
| 56 | | | | | | |

| | A | B | C | D | G | AM | AN |
|-----|---|--|----------------|--------------|--|---|--|
| 1 | | Successor Agency To the Industry Urban-Development Agency | | | | | |
| 2 | | Budget vs. Actual Disbursements Comparison ROPS 17-18B | | | | | |
| 3 | | Detail Report | | | | | |
| 4 | | January 1, 2018 Through June 30, 2018 | | | | | Exhibit 3 |
| 5 | | | | | | | |
| 6 | | Payee | ROPS Line Item | Project # | Estimated Project Expenditures Approved On ROPS 17-18B | Actual Disbursements Paid During the Period | Remaining Amount Of Estimated Project Expenditures Budgeted For The Period |
| 7 | | | | | Period January 1 to June 30, 2018 | Period January 1 to May 24, 2018 | Period January 1 to June 30, 2018 |
| 57 | | Industry Business Center | | MP 99-31 #16 | | | |
| 58 | | The Planning Center | 192 | | \$ - | \$ - | \$ - |
| 59 | | PBLA Engineering | 193 | | 250,000.00 | 240,059.67 | 9,940.33 |
| 60 | | Leighton Consulting | 194 | | 750,000.00 | 251,288.89 | 498,711.11 |
| 61 | | Leighton Consulting | 195 | | - | - | - |
| 62 | | CNC Engineering | 196 | | 1,200,000.00 | 1,164,255.50 | 35,744.50 |
| 63 | | CNC Engineering | 197 | | 150,000.00 | - | 150,000.00 |
| 64 | | Thomsen Engineering | 198 | | 19,000.00 | 3,360.00 | 15,640.00 |
| 65 | | Sage Environmental | 199 | | 35,000.00 | 30,034.40 | 4,965.60 |
| 66 | | MX Graphics | 200 | | 5,000.00 | 5,072.12 | (72.12) |
| 67 | | So Cal Sandbags | 201 | | 75,000.00 | - | 75,000.00 |
| 68 | | So Cal Edison | 202 | | - | - | - |
| 69 | | Verizon | 203 | | - | - | - |
| 70 | | So Cal Gas Co | 204 | | - | - | - |
| 71 | | Walnut Valley Water District | 205 | | 6,613,000.00 | 246,480.00 | 6,366,520.00 |
| 72 | | Ind Public Utilities | 206 | | - | 8,075,000.00 | (8,075,000.00) |
| 73 | | Time Warner Cable - Not Approved by DOF | 207 | | - | - | - |
| 74 | | San Gabriel Valley Newspaper | 208 | | 2,000.00 | 1,875.76 | 124.24 |
| 75 | | First American Title Company | 209 | | 5,000.00 | - | 5,000.00 |
| 76 | | St Wtr Resources Cont Board | 210 | | 12,000.00 | 10,268.00 | 1,732.00 |
| 77 | | L A County Health Department | 211 | | 1,300.00 | - | 1,300.00 |
| 78 | | L A County Dept Public Works | 212 | | 40,000.00 | - | 40,000.00 |
| 79 | | L A City Sewer Maint District | 213 | | - | - | - |
| 80 | | International Line Builders | 214 | | - | - | - |
| 81 | | MC Cain | 215 | | - | - | - |
| 82 | | Environs Landscape Arch | 216 | | 300,000.00 | 43,848.12 | 256,151.88 |
| 83 | | Contractor By Public Bidding | 217 | | - | - | - |
| 84 | | Contractor By Public Bidding | 218 | | - | - | - |
| 85 | | Kimley Horn & Assoc | 219 | | 50,000.00 | - | 50,000.00 |
| 86 | | Kimley Horn & Assoc | 220 | | 300,000.00 | - | 300,000.00 |
| 87 | | SCS Engineers | 221 | | 120,000.00 | 82,970.96 | 37,029.04 |
| 88 | | WKE, INC. | 222 | | 19,000.00 | 4,055.00 | 14,945.00 |
| 89 | | Bustko Engineering | 223 | | 80,000.00 | 66,736.34 | 13,263.66 |
| 90 | | Sukut Construction, LLC | 267 | | - | - | - |
| 91 | | C. A. Rasmussen Inc. | 270 | | - | - | - |
| 92 | | Sukut Construction, LLC | 271 | | - | - | - |
| 93 | | International Line Builders, Inc./Contractor - by public bidding | 281 | | - | - | - |
| 94 | | Contractor By Public Bidding/ Sukut Construction, LLC | 289 | | 7,000,000.00 | 4,327,425.97 | 2,672,574.03 |
| 95 | | All American Asphalt | 290 | | 1,425,000.00 | 1,383,208.55 | 41,791.45 |
| 96 | | City Of Walnut | 291 | | 1,504,530.00 | - | 1,504,530.00 |
| 97 | | TBD | 298 | | - | - | - |
| 98 | | South Coast Air Quality | | | - | - | - |
| 100 | | Total Industry Business Center | | | \$ 19,955,830.00 | \$ 15,935,939.28 | \$ 4,019,890.72 |

| A | B | C | D | G | AM | AN |
|-----|---|----------------|--------------|--|---|--|
| 1 | Successor Agency To the Industry Urban-Development Agency | | | | | |
| 2 | Budget vs. Actual Disbursements Comparison ROPS 17-18B | | | | | |
| 3 | Detail Report | | | | | |
| 4 | January 1, 2018 Through June 30, 2018 | | | | | |
| 5 | Exhibit B | | | | | |
| 6 | Payee | ROPS Line Item | Project # | Estimated Project Expenditures Approved On ROPS 17-18B | Actual Disbursements Paid During the Period | Remaining Amount Of Estimated Project Expenditures Budgeted For The Period |
| 7 | | | | Period January 1 to June 30, 2018 | Period January 1 to May 24, 2018 | Period January 1 to June 30, 2018 |
| 101 | | | | | | |
| 102 | Industry East Traffic Mitigation | | MP 99-31 #65 | | | |
| 103 | CNC Engineering | 251 | | \$ 150,000.00 | \$ 50,948.22 | \$ 99,051.78 |
| 104 | Geotechnical Consultant | 252 | | 24,888.00 | - | 24,888.00 |
| 105 | RKA Consulting Group | 253 | | 150,000.00 | 19,227.30 | 130,772.70 |
| 106 | Contractor by Public Bid | 254 | | - | - | - |
| 107 | City Of Diamond Bar | 275 | | - | - | - |
| 108 | Total Industry East Traffic Mitigation | | | \$ 324,888.00 | \$ 70,175.52 | \$ 254,712.48 |
| 113 | | | | | | |
| 114 | Total Projects To Be Funded From Other Available Funds | | | \$ 20,732,730.50 | \$ 16,182,435.54 | \$ 4,550,294.96 |
| 115 | | | | | | |
| 116 | Projects To Be Funded From Bond Proceeds | | | | | |
| 117 | | | | | | |
| 118 | Lemon Ave Interchange at Route 60 | | MP 03-10 | | | |
| 119 | CNC Engineering | 116 | | \$ 5,000.00 | \$ 13,292.74 | \$ (8,292.74) |
| 120 | Jacobs Civil | 117 | | 50,000.00 | 133,201.01 | (83,201.01) |
| 121 | Avant-Garde | 118 | | 30,000.00 | 9,475.00 | 20,525.00 |
| 122 | Caltrans (Right of Way Acquisition) | 119 | | - | - | - |
| 123 | Caltrans - contractor by public bidding | 120 | | - | 2,959,843.20 | (2,959,843.20) |
| 124 | Caltrans (Construction Administration) | 121 | | - | - | - |
| 125 | LA County Dept Public Works | 122 | | - | - | - |
| 127 | Total Lemon Ave Interchange at Route 60 | | | \$ 85,000.00 | \$ 3,115,811.95 | \$ (3,030,811.95) |
| 128 | | | | | | |
| 129 | Route 57/60 Confluence Project | | MP 99-31 #22 | | | |
| 130 | CNC Engineering | 123 | | \$ 40,000.00 | \$ 22,035.53 | \$ 17,964.47 |
| 131 | WKE Inc. (Environmental Phase) | 124 | | - | 14,934.93 | (14,934.93) |
| 132 | Atkins | 125 | | - | - | - |
| 133 | Casey O'Callaghan Golf Design | 126 | | - | 3,995.22 | (3,995.22) |
| 134 | Caltrans | 127 | | - | - | - |
| 135 | Caltrans - by public bidding | 128 | | 5,719,834.00 | 5,193,829.46 | 526,004.54 |
| 136 | The PFM Group | 129 | | - | - | - |
| 137 | Avant-Garde (Retired) | 130 | | - | - | - |
| 138 | ARC Imaging Recourses | 131 | | - | - | - |
| 139 | MX Graphics | 132 | | 5,000.00 | - | 5,000.00 |
| 140 | WKE Inc. (Design Phase) | 133 | | 1,000,000.00 | 173,591.95 | 826,408.05 |
| 141 | Prince Global | 134 | | 70,000.00 | - | 70,000.00 |
| 142 | Avant-Grade | 295 | | 30,000.00 | 17,335.00 | 12,665.00 |
| 143 | Total Route 57/60 Confluence Project | | | \$ 6,864,834.00 | \$ 5,425,722.09 | \$ 1,439,111.91 |
| 144 | | | | | | |

| | A | B | C | D | G | AM | AN | |
|-----|---|---|----------------|---------------|--|---|--|-----------|
| 1 | | Successor Agency To the Industry Urban-Development Agency | | | | | | |
| 2 | | Budget vs. Actual Disbursements Comparison ROPS 17-18B | | | | | | |
| 3 | | Detail Report | | | | | | |
| 4 | | January 1, 2018 Through June 30, 2018 | | | | | | Exhibit 3 |
| 5 | | | | | | | | |
| 6 | | Payee | ROPS Line Item | Project # | Estimated Project Expenditures Approved On ROPS 17-18B | Actual Disbursements Paid During the Period | Remaining Amount Of Estimated Project Expenditures Budgeted For The Period | |
| 7 | | | | | Period January 1 to June 30, 2018 | Period January 1 to May 24, 2018 | Period January 1 to June 30, 2018 | |
| 145 | | Westbound Slip On- Ramp 57/60 | | MP 99-31 #22a | | | | |
| 146 | | WKE Inc. | 224 | | \$ - | \$ - | \$ - | |
| 147 | | CNC Engineering | 225 | | - | - | - | |
| 148 | | Caltrans | 226 | | 1,437,824.00 | 1,133,483.37 | 304,340.63 | |
| 149 | | Avant-Garde (Retired) | 227 | | - | - | - | |
| 150 | | Atkins | 228 | | - | - | - | |
| 151 | | MX Graphics | 229 | | 1,000.00 | - | 1,000.00 | |
| 152 | | ARC Imaging Recourses | 230 | | - | - | - | |
| 153 | | Avant-Grade | 294 | | 5,000.00 | - | 5,000.00 | |
| 154 | | Total Westbound Slip On- Ramp 57/60 | | | \$ 1,443,824.00 | \$ 1,133,483.37 | \$ 310,340.63 | |
| 158 | | | | | | | | |
| 159 | | Total Projects To Be Funded From Bond Proceeds | | | 8,393,658.00 | 9,675,017.41 | (1,281,359.41) | |
| 160 | | | | | | | | |
| 161 | | Administration | | | | | | |
| 162 | | | | | | | | |
| 163 | | US Bank | 21 | | \$ - | \$ - | \$ - | |
| 164 | | Bank of NY | 22 | | - | - | - | |
| 165 | | US Bank | 23 | | - | - | - | |
| 166 | | US Bank | 25 | | - | - | - | |
| 167 | | Reimburse City of Industry - Salary | 255 | | 296,865.00 | - | 296,865.00 | |
| 168 | | Various Vendor -Office Expenses | 256 | | 2,000.00 | 550.33 | 1,449.67 | |
| 169 | | Various Vendor - Property Management | 257 | | 5,400.00 | - | 5,400.00 | |
| 170 | | Various Vendor - Legal | 258 | | 348,000.00 | 168,457.10 | 179,542.90 | |
| 171 | | Various Vendor - Accounting & Consulting | 259 | | - | - | - | |
| 172 | | Various Vendor - Auditing & Review Services | 260 | | 134,235.00 | 24,483.00 | 109,752.00 | |
| 173 | | | | | | | | |
| 174 | | Total Administration | | | \$ 786,500.00 | \$ 193,490.43 | \$ 593,009.57 | |
| 175 | | | | | | | | |
| 176 | | Appraisal Fees | | | | | | |
| 177 | | City Of Industry | 282 | | \$ - | - | - | |
| 178 | | Total | | | \$ - | \$ - | \$ - | |
| 179 | | | | | | | | |
| 180 | | General Insurance | | | | | | |
| 181 | | Brown & Brown Ins | 263 | | \$ - | \$ - | \$ - | |
| 182 | | Total | | | \$ - | \$ - | \$ - | |
| 183 | | | | | | | | |
| 184 | | Property Maintenance | | | | | | |
| 185 | | City of Industry | 269 | | \$ 233,564.00 | \$ - | \$ 233,564.00 | |
| 186 | | Total | | | \$ 233,564.00 | \$ - | \$ 233,564.00 | |
| 187 | | | | | | | | |
| 188 | | Total All Expenditures | | | \$ 30,146,452.50 | \$ 26,050,943.38 | \$ 4,095,509.12 | |

Successor Agency to the IUDA
 Projected Cash Flow For Projects
 May 1, 2018 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
 Beginning Cash Balance - Property Sales Depository Account
 Ending Cash Balance

| 17-18B Budget | 18-19A Budget | 18-19B Budget | |
|--------------------|--------------------|-------------------|--------------------|
| 5/1/18 to 6/30/18 | 7/1/18 to 12/31/18 | 1/1/19 to 6/30/19 | Totals |
| | \$ 6,210,000.00 | \$ - | \$ 6,210,000.00 |
| | \$ 17,809,002.00 | \$ - | \$ 17,809,002.00 |
| \$ 2,891,447.65 | \$ (1,175,485.98) | \$ 2,921,192.01 | \$ 4,637,153.68 |
| \$ (12,906,728.71) | \$ (42,857,079.11) | \$ (9,565,960.51) | \$ (65,329,768.33) |
| \$ (10,015,281.06) | \$ (20,013,563.09) | \$ (6,644,768.50) | \$ (36,673,612.65) |
| \$ 105,201,405.23 | \$ 95,186,124.17 | \$ 75,172,561.08 | \$ 105,201,405.23 |
| \$ 95,186,124.17 | \$ 75,172,561.08 | \$ 68,527,792.58 | \$ 68,527,792.58 |

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

| | | | |
|-----------------|-------------------|-----------------|-------------------|
| \$ (89,550.11) | \$ (162,600.00) | \$ (228,944.13) | \$ (481,094.24) |
| \$ (214,730.40) | \$ (1,841,814.90) | \$ - | \$ (2,056,545.30) |
| \$ (258,309.98) | \$ (3,075,109.22) | \$ (303,902.00) | \$ (3,637,321.20) |
| \$ (562,590.49) | \$ (5,079,524.12) | \$ (532,846.13) | \$ (6,174,960.74) |
| \$ 562,590.49 | \$ 5,079,524.12 | \$ 532,846.13 | \$ 6,174,960.74 |
| \$ - | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ - | \$ - |

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
 Beginning Cash Balance
 Ending Cash Balance (Deficit)

| | | | |
|-------------------|-------------------|------|--------------------|
| | \$ (2,926,147.08) | \$ - | \$ (2,926,147.08) |
| \$ (1,500,353.74) | \$ (2,130,157.15) | \$ - | \$ (3,630,510.89) |
| \$ (310,340.63) | \$ (3,147,514.55) | \$ - | \$ (3,457,855.18) |
| \$ (1,810,694.37) | \$ (8,203,818.78) | \$ - | \$ (10,014,513.15) |
| \$ 10,014,513.15 | \$ 8,203,818.78 | \$ - | \$ 10,014,513.15 |
| \$ 8,203,818.78 | \$ - | \$ - | \$ - |

Successor Agency to the IUDA
Projected Cash Flow For Projects

Exhibit 5

May 1, 2018 to June 30, 2019

| | | | Amounts | Totals |
|--------------|--|--------------------|-------------------------|-------------------------|
| (1)(2)(3)(4) | Net Proceeds From Property Sales period 5/1/2018 to June 30, 2019 | | \$ 24,019,002.00 | \$ 24,019,002.00 |
| | IBC Project Costs To Be Spent | | | |
| | ROPS 17-18B | 5/1/18 to 6/30/18 | (12,906,728.71) | |
| | ROPS 18-19A | 7/1/18 to 12/31/18 | (42,857,079.11) | |
| | ROPS 18-19B | 1/1/19 to 6/30/19 | <u>(9,565,960.51)</u> | |
| | Estimated remaining project costs to be spent IBC | | (65,329,768.33) | (65,329,768.33) |
| | Other Project Costs To Be Spent | | | |
| | Landscaping Baker Parkway Slopes | | (481,094.24) | |
| | Diamond Bar Creek | | (2,056,545.30) | |
| | Industry East Traffic Mitigation | | <u>(3,637,321.20)</u> | |
| | Estimated remaining project costs to be spent Other Projects | | (6,174,960.74) | (6,174,960.74) |
| (5) | Estimated excess cash generated from rental income and notes receivable collections 5/1/2018 to 6/30/2019 | | 10,812,114.42 | 10,812,114.42 |
| | Beginning cash balances at May 1, 2018 | | <u>105,201,405.23</u> | <u>105,201,405.23</u> |
| | Estimated excess funds | | <u>\$ 68,527,792.58</u> | <u>\$ 68,527,792.58</u> |
| | Projects To Be Funded By Bond Proceeds: | | | |
| | Lemon Ave Interchange at Route 60 MP 3 - 10 | | (2,926,147.08) | |
| | Route 57/60 Confluence Project MP 99 - 31 # 22 | | (3,630,510.89) | |
| | Westbound Slip On-Ramp 57/60 MP 99-31 #22A | | <u>(3,457,855.18)</u> | |
| | Estimated remaining project costs to be spent on projects to be funded by bond proceeds | | (10,014,513.15) | (10,014,513.15) |
| | Beginning cash balances at May 1, 2018 | | <u>10,014,513.15</u> | <u>10,014,513.15</u> |
| | Estimated excess (shortfall) of funds | | <u>-</u> | <u>-</u> |
| | Estimated excess funds - combined | | <u>\$ 68,527,792.58</u> | <u>\$ 68,527,792.58</u> |

- 1) Sales price for Tres Hermanos Ranch not included due to litigation
- 2) Properties #'s 34, 47, 72 of \$5.8M sales price based upon original estimate for commercial property at date submission of Long Range Management Plan
- 3) Does not include sales price for IBC (#40) and Grand Crossing (#41), Majestic Reality has first rights to purchase property
- 4) Rental Income receipts dependent upon when Grand Crossing property is sold
- 5) Collections on notes receivable through 6/30/2019 with no early payoff of notes maturity dates May/June 2022

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

ITEM NO. 5.2

CLIENT MEMORANDUM

TO: OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
FROM: VARNER & BRANDT LLP
SUBJECT: TRANSMITTAL OF JUNE 19, 2018 OVERSIGHT BOARD MEETING AGENDA ITEM #5.2
DATE: JUNE 15, 2018

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

Request by Successor Agency: Successor Agency requests that the Oversight Board approve the execution of a purchase and sale agreement with the City concerning the sale and disposition of certain real property located at 15432 Nelson Avenue, City of Industry, APNs 8208-024-906 and 8208-024-907 (the “Property”) and identified as Asset No. 12 in the Successor Agency’s approved long-range property management plan (“LRPMP”).

Legislative Authority of the Oversight Board:

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

agency; provided, however that the Oversight Board may instead direct the Successor Agency to transfer ownership of those assets constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, parking facilities and lots dedicated solely to public parking and local agency administrative buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to this construction or use of such an asset. The Successor Agency must dispose of assets and property expeditiously and in a manner aimed at maximizing value.

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

Application: The Successor Agency must dispose of assets and properties of the former redevelopment agency in accordance with the direction of the Oversight Board. (HSC Sections 34177(e), 34181(a).) Approval of the Successor Agency's LRPMP occurred on February 21, 2014. The LRPMP identifies the Property as a "For Sale" property. Any disposition of property, whether governmental purpose or otherwise, must be done expeditiously and in a manner aimed at maximizing value. (HSC Sections 34177(e), 34181(a))

The Property consists of approximately 0.41 acres of vacant land with a perimeter fence. The Property is located in an industrial area between two other industrial properties. The LRPMP indicates that Successor Agency staff recommends disposition of the Property to the City for future development.

The Successor Agency retained R.P. Laurain & Associates, Inc. ("Appraiser") to determine the value of the Property, which was determined on May 1, 2018. Successor Agency staff previously provided a copy of the appraisal to each member of the Oversight Board. The Appraiser determined the fair market value of the Property to be \$1,368,000.00.

Jim Rabe of Keyser Marston was provided with copies of the appraisal and supporting documents for review and comment. Mr. Rabe notes that the Property value was reduced due to the mid-block location and the Property's location on a secondary street, both of which appear to be reasonable adjustments.

The Property is identified as Property No. 12 on the LRPMP. The City has offered to purchase the Property for \$1,368,000.00, which is an amount equal to the appraised value. It is unclear if Successor Agency staff marketed the Property to the adjacent property owners and there is no indication that any offers, other than the City, were received. The Oversight Board may consider requesting further explanation and information from Successor Agency staff concerning the marketing of the Property.

We have reviewed the terms of the Purchase and Sale Agreement between the Successor Agency and the City, dated June 7, 2018 ("Purchase Agreement"). 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 is required and the transaction contemplates a 30-day escrow period.

Based on the DOF-approved LRPMP, information provided by Successor Agency staff, and the authority of the Health and Safety Code, we find the proposed approval of the Purchase Agreement and the disposition of the Property to be permissible and proper.

RESOLUTION NO. OB 2018-04

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF PROPERTY LOCATED AT 15432 NELSON AVENUE, CITY OF INDUSTRY AND IDENTIFIED ON THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 12

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

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

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

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

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

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

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

WHEREAS, the Successor Agency owns certain real property located at 15432 Nelson Avenue, City of Industry, and identified on the LRPMP as Property No. 12 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 \$1,368,000.00, which represents an amount equal or greater than the fair market value of the Property, as determined by an appraisal conducted by R.P. Laurain & 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 will be made 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"), 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 June 19, 2018, 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 2018-04
ATTACHMENT A
PURCHASE AGREEMENT
[ATTACHED BEHIND THIS PAGE]

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS
15432 Nelson Avenue, City of Industry**

THIS PURCHASE AGREEMENT for the property located at 15432 NELSON AVENUE, CITY OF INDUSTRY, CA (this "Agreement"), dated as of June 7, 2018 (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 City 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 located at 15432 Nelson Avenue, City of Industry, California, 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 (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. AB X1 26 was subsequently amended by Assembly Bill 1484 (collectively, as amended, "Dissolution Act").

C. Pursuant to the Dissolution Act, the City of Industry elected to be the Successor Agency to the IUDA to administer the dissolution and winding down of the IUDA. On February 1, 2012, pursuant to the Dissolution Legislation, the Agency 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, for valuable consideration, and 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 Million Three Hundred Thousand Sixty-Eight and 00/100 Dollars (\$1,368,000.00) (the "**Purchase Price**"), payable by Buyer to Seller in cash at the Closing (as defined in Section 7A 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.

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.

B. Except as provided in Section 4 B (i) above, 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.

C. Except as disclosed on those reports set forth on Exhibit C 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 violation of any law, ordinance, rule, regulation or order of any governmental authority pertaining to the Property. 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 there are no leases, options to purchase, rights of first refusal or contracts for lease or sale of the Property; and (ii) there are no liens or claims against the Property other than the Approved Exceptions.

E. Seller hereby represents and warrants to Buyer that during the term of this Agreement Seller shall not, without Buyer's prior written approval, enter into any contracts affecting the Property that will not be terminated on or before Closing.

6. CONDITION OF PROPERTY

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, the City and the Oversight Board, and their respective officers,

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. CLOSING OF ESCROW.

A. Delivery of Documents and Payment. At or 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 and subject only to the Approved Exceptions. At or 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 holds, and is able to record, the Grant Deed, (2) Escrow Holder is prepared to issue to Buyer the Title Policy as provided in Section 7 B 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 standard coverage American Land Title Association (“ALTA”) 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 the standard printed exclusions from coverage of an ALTA standard title policy (“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 after completion of the Improvements thereon in accordance with the Agreement, the City shall be relieved of any further responsibility under this Section 5.3 as to the Property so conveyed.

E. Form of Nondiscrimination and Nonsegregation Clauses. All deeds, leases or contracts for sale 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,

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 5.1, 5.2, 5.3, and 5.4 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 following covenants shall be binding upon the Property and City and its successors and assigns and shall remain in effect for the following periods, and each of which shall be set forth with particularity in any document of transfer or conveyance by the City:

- (1) The non-discrimination and non-segregation requirements set forth in Sections 5.1, 5.3 and 5.4 shall remain in effect in perpetuity;
- (2) The maintenance requirements set forth in Section 5.2 shall remain in effect for the period described therein, and;
- (3) Easements to the Agency, City or other public agencies for utilities existing as of the execution of this Agreement, which shall remain in effect according to their terms.
- (4) The use requirement regarding using the Property only for the construction of the Improvements set forth in Section 5.1 shall remain in effect until the earlier of the completion of the Improvements, or one (1) year after Close of Escrow if the reason for the failure to complete the Improvements is not due to a default by City. The use requirement regarding using the Property for any lawful purpose shall remain in effect in perpetuity.

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. 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 assessed against the Property to the extent attributable to the period on or after the Closing. Seller shall be

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.

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, and Exhibit D 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.

SIGNATURES ON NEXT PAGE

LIST OF EXHIBITS

- | | |
|-------------|---|
| Exhibit "A" | Legal Description of the Property |
| Exhibit "B" | Form of Grant Deed |
| Exhibit "C" | Due Diligence Phase I Environmental Site Assessment and Subsurface Investigation Report |

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the City of Industry, County of Los Angeles, State of California,
described as follows:

(15432 Nelson Avenue)

APN Portion of 8208-024-906 & 907

PARCEL 1 OF CITY OF INDUSTRY MINOR LOT LINE ADJUSTMENT No.70, PER DOCUMENT RECORDED OCTOBER 4, 2007 AS INSTRUMENT NO. 2007-2284815 OF OFFICIAL RECORDS, OF SAID COUNTY.

EXCEPTING THEREFROM THAT PORTION OF SAID PARCEL 1 CONTAINED IN WITHIN THE PROPERTY DESCRIBED IN THAT CERTAIN GRANT DEED FROM THE INDUSTRY URBAN-DEVELOPMENT AGENCY TO HKTSNTRLT, LLC RECORDED IN THE LOS ANGELES COUNTY RECORDER'S OFFICE ON OCTOBER 7, 2010 AS INSTRUMENT No. 2010-1430875.

EXCEPT THEREFROM "THE PRECIOUS METALS AND ORES THEREOF," AS EXCEPTED FROM THE PARTITION BETWEEN JOHN ROWLAND SR. AND WILLIAM WORKMAN, IN THE PARTITION DEED RECORDED IN BOOK 10, PAGE 39 OF DEEDS.

ALSO EXCEPTING AN UNDIVIDED ONE-FIFTH INTEREST IN AND TO THE OIL AND MINERAL RIGHTS IN AND UNDER SAID LAND, AS CONVEYED TO EMILY LASSALETTE, A SINGLE WOMAN, BY DEED RECORDED APRIL 19, 1950 AS INSTRUMENT No. 2767 IN BOOK 32898, PAGE 325, OFFICIAL RECORDS.

CONTAINING 37,845 SQUARE FEET, (0.869 ACRES), OF LAND, MORE OR LESS.

AND AS SHOWN ON EXHIBIT "B" ATTACHED HEREON AND MADE PART OF HEREOF.

EXHIBIT "B"

FORM OF GRANT DEED

RECORDING REQUESTED BY:

FIRST AMERICAN TITLE INSURANCE COMPANY

AND WHEN RECORDED RETURN TO:

Successor Agency to the
Industry Urban-Development Agency
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Diane Schlichting

[The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383]

GRANT DEED

Documentary Transfer Tax: \$ _____

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 a Purchase Agreement [15432 Nelson Avenue, City of Industry] (the "**Agreement**") entered into by and between the Grantor and Grantee dated as of June 7, 2018, 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

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 _____, 2018.

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 to Grant Deed

LEGAL DESCRIPTION

Real property in the City of Industry, County of Los Angeles, State of California,
described as follows:

(15432 Nelson Avenue)

APN Portion of 8208-024-906 & 907

PARCEL 1 OF CITY OF INDUSTRY MINOR LOT LINE ADJUSTMENT No.70, PER DOCUMENT RECORDED OCTOBER 4, 2007 AS INSTRUMENT NO. 2007-2284815 OF OFFICIAL RECORDS, OF SAID COUNTY.

EXCEPTING THEREFROM THAT PORTION OF SAID PARCEL 1 CONTAINED IN WITHIN THE PROPERTY DESCRIBED IN THAT CERTAIN GRANT DEED FROM THE INDUSTRY URBAN-DEVELOPMENT AGENCY TO HKTSNTRLT, LLC RECORDED IN THE LOS ANGELES COUNTY RECORDER'S OFFICE ON OCTOBER 7, 2010 AS INSTRUMENT No. 2010-1430875.

EXCEPT THEREFROM "THE PRECIOUS METALS AND ORES THEREOF," AS EXCEPTED FROM THE PARTIOTION BETWEEN JOHN ROWLAND SR. AND WILLIAM WORKMAN, IN THE PARTITION DEED RECORDED IN BOOK 10, PAGE 39 OF DEEDS.

ALSO EXCEPTING AN UNDIVIDED ONE-FIFTH INTEREST IN AND TO THE OIL AND MINERAL RIGHTS IN AND UNDER SAID LAND, AS CONVEYED TO EMILY LASSALETTE, A SINGLE WOMAN, BY DEED RECORDED APRIL 19, 1950 AS INSTRUMENT No. 2767 IN BOOK 32898, PAGE 325, OFFICIAL RECORDS.

CONTAINING 37,845 SQUARE FEET, (0.869 ACRES), OF LAND, MORE OR LESS.

AND AS SHOWN ON EXHIBIT "B" ATTACHED HEREON AND MADE PART OF HEREOF.

EXHIBIT C

**DUE DILIGENCE PHASE I ENVIRONMENTAL SITE ASSESSMENT AND
SUBSURFACE INVESTIGATION REPORT**

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

ITEM NO. 5.3

CLIENT MEMORANDUM

TO: OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
FROM: VARNER & BRANDT LLP
SUBJECT: TRANSMITTAL OF JUNE 19, 2018 OVERSIGHT BOARD MEETING AGENDA ITEM #5.3
DATE: JUNE 15, 2018

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.: 5.3

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

Request by Successor Agency: Successor Agency requests that the Oversight Board approve the execution of a purchase and sale agreement with the City concerning the sale and disposition of certain real property located at the Southwest corner of Workman Mill Road and Crossroads Parkway, in the City of Industry, APN 8120-027-270 (the “Property”) and identified as Asset No. 14 in the Successor Agency’s approved long-range property management plan (“LRPMP”).

Legislative Authority of the Oversight Board:

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

agency; provided, however that the Oversight Board may instead direct the Successor Agency to transfer ownership of those assets constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, parking facilities and lots dedicated solely to public parking and local agency administrative buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to this construction or use of such an asset. The Successor Agency must dispose of assets and property expeditiously and in a manner aimed at maximizing value.

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

Application: The Successor Agency must dispose of assets and properties of the former redevelopment agency in accordance with the direction of the Oversight Board. (HSC Sections 34177(e), 34181(a).) Approval of the Successor Agency's LRPMP occurred on February 21, 2014. The LRPMP identifies the Property as having no commercial value consisting of remnant pieces, landscape areas, rights of way and properties that are governmental purpose. Successor Agency staff recommends such properties be transferred to the City at no cost, or in some cases, transferred to adjacent property owners at no costs. Any disposition of property, whether governmental purpose or otherwise, must be done expeditiously and in a manner aimed at maximizing value. (HSC Sections 34177(e), 34181(a))

The Property consists of approximately 0.84 acres and is vacant property consisting of remnant pieces. The Property is located on the Southwest corner of Workman Mill Road and Crossroads Parkway. Traditional commercial, industrial and residential uses are not permitted.

Successor Agency staff indicated that given the LRPMP designation of the Property as having no commercial value, no appraisal was conducted.

The Property is identified as Property No. 14 on the LRPMP. The City has offered to purchase the Property for \$1.00. We have reviewed the terms of the Purchase and Sale Agreement between the Successor Agency and the City ("Purchase Agreement"). 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. The transaction contemplates a 30-day escrow period.

As the Oversight Board has previously required with similar properties (i.e., government use properties), the Oversight Board may consider requiring the inclusion of a restrictive covenant in the Grant Deed providing that if the Property is ever re-zoned and/or sold for private development at a sale price/value above the original purchase price paid by the City, then such excess amount will be paid to the taxing entities.

Based on the DOF-approved LRPMP, information provided by Successor Agency staff, and the authority of the Health and Safety Code, we find the proposed approval of the Purchase Agreement and the disposition of the Property to be permissible and proper.

RESOLUTION NO. OB 2018-05

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 AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF PROPERTY LOCATED AT THE SOUTH SIDE OF WORKMAN MILL ROAD AT CROSSROADS PARKWAY, COUNTY OF LOS ANGELES (APN: 8120-027-270) AND IDENTIFIED ON THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 14

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

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

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

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

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

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

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

WHEREAS, the Successor Agency owns certain real property located at the South side of Workman Mill Road at Crossroads Parkway, County of Los Angeles, and identified on the LRPMP as Property No. 14 as a property having no commercial value, consisting of remnant pieces, landscape areas and governmental use (the “Property”); and

WHEREAS, the Successor Agency intends to convey the Property to the City of Industry (“Purchaser”) for a purchase price of \$1.00, consistent with the LRPMP; 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 will occur 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”), 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 June 19, 2018, 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 2018-05
ATTACHMENT A
PURCHASE AGREEMENT
[ATTACHED BEHIND THIS PAGE]

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

ITEM NO. 5.4

CLIENT MEMORANDUM

TO: OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
FROM: VARNER & BRANDT LLP
SUBJECT: TRANSMITTAL OF JUNE 19, 2018 OVERSIGHT BOARD MEETING AGENDA ITEM #5.4
DATE: JUNE 15, 2018

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

Agenda Item No.: 5.4

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

Request by Successor Agency: Successor Agency requests that the Oversight Board approve the execution of a purchase and sale agreement with the City concerning the sale and disposition of certain real property located at the southwesterly and northwesterly corners of Hacienda Boulevard and Stafford Street, City of Industry, APNs 8208-025-938 and 8208-025-941 (the “Property”) and identified as Asset No. 46 in the Successor Agency’s approved long-range property management plan (“LRPMP”).

Legislative Authority of the Oversight Board:

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

3. *California Health and Safety Code Section 34181(a)*: The Oversight Board must direct the Successor Agency to dispose of all assets and properties of the former redevelopment agency; provided, however that the Oversight Board may instead direct the Successor Agency to transfer ownership of those assets constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, parking facilities and lots dedicated solely to public parking and local agency administrative buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to this construction or use of such an asset. The Successor Agency must dispose of assets and property expeditiously and in a manner aimed at maximizing value.
4. *California Health and Safety Code Section 34191.3*: The disposition authority of the Successor Agency and the Oversight Board under Sections 34177(e) and 34181(a), respectively, is suspended, except as to transfers for governmental use, until the Department of Finance has approved a long-range property management plan, at which point the long-range property management plan will govern the disposition and use of real property assets of the former redevelopment agency.

Application: The Successor Agency must dispose of assets and properties of the former redevelopment agency in accordance with the direction of the Oversight Board. (HSC Sections 34177(e), 34181(a).) Approval of the Successor Agency's LRPMP occurred on February 21, 2014. The LRPMP identifies the Property as a "For Sale" property. Any disposition of property, whether governmental purpose or otherwise, must be done expeditiously and in a manner aimed at maximizing value. (HSC Sections 34177(e), 34181(a))

The Property consists of approximately 0.55 of two noncontiguous land parcels which are utilized as part of existing public rights-of-way. The subject parcels are improved with landscaping, public sidewalks and ornamental light standards, as part of Hacienda Boulevard and Stafford Street. The subject parcels are considered to be remnant land parcels, not having an economic use at the present time, or in the foreseeable future. The Property is located in the institutional zone district, which limits use to governmental purposes.

The Successor Agency retained R.P. Laurain & Associates ("Appraiser") to determine the value of the Property, which was determined on May 1, 2018. Successor Agency staff previously provided a copy of the appraisal to each member of the Oversight Board. The Appraiser determined the fair market value of the Property to be \$7,000.00. The appraisal notes that due to the remnant nature of the Property, a two-phase valuation approach was employed. The first phase involved the estimation of "typical" industrial or commercial business park/office land value in the immediate subject area. The "typical" base unit rate deemed applicable in the subject case is \$29.00 per square foot of land area. The second phase of the appraisal study involved an analysis of sale prices of small, irregularly configured, landlocked, and/or marginally desirable/-marketable land parcels having limited utility. The sale prices of the parcels were then compared to the sale prices of other comparable "typical" land parcels in the immediate and general area of the parcels; the differential in land value thus demonstrates the discount indicated for limited utility land sales. Given the effective public right-of-way use of the Property, the discount rate deemed applicable in the subject case is 99%.

Jim Rabe of Keyser Marston was provided with copies of the appraisal for review and comment.

The Property is identified as Property No. 46 on the LRPMP. The City has offered to purchase the Property for \$9,000.00, which is greater than the appraised value. It is unclear if Successor Agency staff marketed the Property to the Los Angeles Sheriff's Department or any other public agency and there is no indication that any offers, other than the City, were received. The Oversight Board may consider requesting further explanation and information from Successor Agency staff concerning the marketing of the Property.

We have reviewed the terms of the Purchase and Sale Agreement between the Successor Agency and the City ("Purchase Agreement"). 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 is required and the transaction contemplates a 30-day escrow period.

As the Oversight Board has previously required with similar properties (i.e., government use properties), the Oversight Board may consider requiring the inclusion of a restrictive covenant in the Grant Deed providing that if the Property is ever re-zoned and/or sold for private development, any increase in the sale price/value above the original purchase price paid by the City, such excess amount will be paid to the taxing entities.

Based on the DOF-approved LRPMP, information provided by Successor Agency staff, and the authority of the Health and Safety Code, we find the proposed approval of the Purchase Agreement and the disposition of the Property to be permissible and proper.

RESOLUTION NO. OB 2018-06

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF PROPERTY LOCATED SOUTH OF STAFFORD STREET, NORTH OF UPRR, AND WEST OF HACIENDA BOULEVARD, CITY OF INDUSTRY AND IDENTIFIED ON THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 22

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

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

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

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

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

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

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

WHEREAS, the Successor Agency owns certain real property located South of Stafford Street, North of UPRR, and West of Hacienda Boulevard, City of Industry, and identified on the LRPMP as Property No. 22 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 \$453,000.00, which represents an amount equal to or greater

than the fair market value of the Property, as determined by an appraisal conducted by R.P. Laurain & 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 will occur 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"), 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 June 19, 2018, 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 2018-06
ATTACHMENT A
PURCHASE AGREEMENT
[ATTACHED BEHIND THIS PAGE]

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**

South-side of Workman Mill Road and Crossroads Parkway N, County of Los Angeles

THIS PURCHASE AGREEMENT for the property located at SOUTH-SIDE OF WORKMAN MILL ROAD AND CROSSROADS PARKWAY N, COUNTY OF LOS ANGELES, CA (this "Agreement"), dated as of June __, 2018 (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 City 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 located at South-side of Workman Mill Road and Crossroads Parkway N, County of Los Angeles, California, 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 (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. AB X1 26 was subsequently amended by Assembly Bill 1484 (collectively, as amended, "Dissolution Act").

C. Pursuant to the Dissolution Act, the City of Industry elected to be the Successor Agency to the IUDA to administer the dissolution and winding down of the IUDA. On February 1, 2012, pursuant to the Dissolution Legislation, the Agency 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, for valuable consideration, and 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 Dollar (\$1.00) (the "**Purchase Price**"), payable by Buyer to Seller in cash at the Closing (as defined in Section 7A 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

(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.

B. Except as provided in Section 4 B (i) above, 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.

C. Except as disclosed on those reports set forth on Exhibit C 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 violation of any law, ordinance, rule, regulation or order of any governmental authority pertaining to the Property. 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 (i) there are no leases, options to purchase, rights of first refusal or contracts for lease or sale of the Property; and (ii) there are no liens or claims against the Property other than the Approved Exceptions.

E. Seller hereby represents and warrants to Buyer that during the term of this Agreement Seller shall not, without Buyer's prior written approval, enter into any other contracts which will not be terminated on or before Closing.

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. CLOSING OF ESCROW.

A. Delivery of Documents and Payment. At or 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 and subject only to the Approved Exceptions. At or 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 holds, and is able to record, the Grant Deed, (2) Escrow Holder is prepared to issue to Buyer the Title Policy as provided in Section 7 B 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 standard coverage American Land Title Association ("ALTA") 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 the standard printed exclusions from coverage of an ALTA standard title policy ("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 after completion of the Improvements thereon in accordance with the Agreement, the City shall be relieved of any further responsibility under this Section 5.3 as to the Property so conveyed.

(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 5.1, 5.2, 5.3, and 5.4 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 following covenants shall be binding upon the Property and City and its successors and assigns and shall remain in effect for the following periods, and each of which shall be set forth with particularity in any document of transfer or conveyance by the City:

- (1) The non-discrimination and non-segregation requirements set forth in Sections 5.1, 5.3 and 5.4 shall remain in effect in perpetuity;
- (2) The maintenance requirements set forth in Section 5.2 shall remain in effect for the period described therein, and;
- (3) Easements to the Agency, City or other public agencies for utilities existing as of the execution of this Agreement, which shall remain in effect according to their terms.
- (4) The use requirement regarding using the Property only for the construction of the Improvements set forth in Section 5.1 shall remain in effect until the earlier of the completion of the Improvements, or one (1) year after Close of Escrow if the reason for the failure to complete the Improvements is not due to a default by City. The use requirement regarding using the Property for any lawful purpose shall remain in effect in perpetuity.

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.

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.

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, and Exhibit D 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.

LIST OF EXHIBITS

| | |
|-------------|---|
| Exhibit "A" | Legal Description of the Property |
| Exhibit "B" | Form of Grant Deed |
| Exhibit "C" | Due Diligence Phase I Environmental Site Assessment and Subsurface Investigation Report |

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the City of Industry, County of Los Angeles, State of California,
described as follows:

**Southwest Corner of Crossroads Parkway N and Workman Mill Road and
a portion of Crossroads Pkwy N, South of Workman Mill Road**

APN 8120-027-270

ALL THAT CERTAIN LAND IN THE UNINCORPORATED AREA OF LOS ANGELES COUNTY, STATE OF CALIFORNIA AS DESCRIBED IN GRANT DEED FROM COUNTY SANITATION DISTRICT No.18 OF LOS ANGELES TO THE INDUSTRY URBAN - DEVELOPMENT AGENCY, RECORDED OCTOBER 4, 1979 AS INSTRUMENT No.79-1115224, OFFICIAL RECORDS OF SAID COUNTY.

TOGETHER WITH THOSE CERTAIN PORTIONS OF LAND IN THE UNINCORPORATED AREA OF SAID COUNTY AND STATE, DESCRIBED AS PARCELS 1 AND 2 IN CORPORATION GRANT DEED FROM THE CITY OF INDUSTRY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, RECORDED FEBRUARY 26, 1981 AS INSTRUMENT No.81-211149, OFFICIAL RECORDS OF SAID COUNTY.

AND AS SHOWN ON EXHIBIT "B" ATTACHED HEREON AND MADE PART OF HEREOF.

EXHIBIT "B"

FORM OF GRANT DEED

RECORDING REQUESTED BY:

FIRST AMERICAN TITLE INSURANCE COMPANY

AND WHEN RECORDED RETURN TO:

Successor Agency to the
Industry Urban-Development Agency
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Diane Schlichting

[The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383]

GRANT DEED

Documentary Transfer Tax: \$ _____

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 a Purchase Agreement [Southside of Workman Mill Road and Crossroads Parkway N] (the "**Agreement**") entered into by and between the Grantor and Grantee dated as of June 7, 2018, 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

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.

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 to Grant Deed

LEGAL DESCRIPTION

Real property in the City of Industry, County of Los Angeles, State of California,
described as follows:

**Southwest Corner of Crossroads Parkway N and Workman Mill Road and
a portion of Crossroads Pkwy N, South of Workman Mill Road**

APN 8120-027-270

ALL THAT CERTAIN LAND IN THE UNINCORPORATED AREA OF LOS ANGELES COUNTY, STATE OF CALIFORNIA AS DESCRIBED IN GRANT DEED FROM COUNTY SANITATION DISTRICT No.18 OF LOS ANGELES TO THE INDUSTRY URBAN - DEVELOPMENT AGENCY, RECORDED OCTOBER 4, 1979 AS INSTRUMENT No.79-1115224, OFFICIAL RECORDS OF SAID COUNTY.

TOGETHER WITH THOSE CERTAIN PORTIONS OF LAND IN THE UNINCORPORATED AREA OF SAID COUNTY AND STATE, DESCRIBED AS PARCELS 1 AND 2 IN CORPORATION GRANT DEED FROM THE CITY OF INDUSTRY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, RECORDED FEBRUARY 26, 1981 AS INSTRUMENT No.81-211149, OFFICIAL RECORDS OF SAID COUNTY.

AND AS SHOWN ON EXHIBIT "B" ATTACHED HEREON AND MADE PART OF HEREOF.

EXHIBIT C

**DUE DILIGENCE PHASE I ENVIRONMENTAL SITE ASSESSMENT AND
SUBSURFACE INVESTIGATION REPORT**

None

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

ITEM NO. 5.5

CLIENT MEMORANDUM

TO: OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
FROM: VARNER & BRANDT LLP
SUBJECT: TRANSMITTAL OF JUNE 19, 2018 OVERSIGHT BOARD MEETING AGENDA ITEM #5.5
DATE: JUNE 15, 2018

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.: 5.5

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

Request by Successor Agency: Successor Agency requests that the Oversight Board approve the execution of a purchase and sale agreement with the City concerning the sale and disposition of certain real property located at 15600 Stafford Street and 100 N. Hacienda Boulevard, City of Industry, APNs 8208-025-902, 8208-025-922 and 8208-025-948 (the “Property”) and identified as Asset No. 23 in the Successor Agency’s approved long-range property management plan (“LRPMP”).

Legislative Authority of the Oversight Board:

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

3. *California Health and Safety Code Section 34181(a)*: The Oversight Board must direct the Successor Agency to dispose of all assets and properties of the former redevelopment agency; provided, however that the Oversight Board may instead direct the Successor Agency to transfer ownership of those assets constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, parking facilities and lots dedicated solely to public parking and local agency administrative buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to this construction or use of such an asset. The Successor Agency must dispose of assets and property expeditiously and in a manner aimed at maximizing value.
4. *California Health and Safety Code Section 34191.3*: The disposition authority of the Successor Agency and the Oversight Board under Sections 34177(e) and 34181(a), respectively, is suspended, except as to transfers for governmental use, until the Department of Finance has approved a long-range property management plan, at which point the long-range property management plan will govern the disposition and use of real property assets of the former redevelopment agency.

Application: The Successor Agency must dispose of assets and properties of the former redevelopment agency in accordance with the direction of the Oversight Board. (HSC Sections 34177(e), 34181(a).) Approval of the Successor Agency's LRPMP occurred on February 21, 2014. The LRPMP identifies the Property as a "For Sale" property to be offered first to the U.S. Post Office, Los Angeles County Fire Department and the City. Any disposition of property, whether governmental purpose or otherwise, must be done expeditiously and in a manner aimed at maximizing value. (HSC Sections 34177(e), 34181(a))

The Property consists of approximately 1.44 acres of vacant land and is located on the southerly side of Stafford Street. The site is an effectively vacant land parcel. Improvements on the site are limited to remnant paving and landscaping. The Property is zoned for public use (institutional zone designation). Traditional commercial, industrial and residential uses are not permitted in the existing zone district.

The Successor Agency retained R.P. Laurain & Associates ("Appraiser") to determine the value of the Property, which was determined on May 1, 2018. Successor Agency staff previously provided a copy of the appraisal to each member of the Oversight Board. The Appraiser determined the fair market value of the Property to be \$179,000.00. In reaching the appraised value, the Appraiser utilized applicable discounts due to (1) the public use zone designation, and (2) an extended 20-year holding period.

Jim Rabe of Keyser Marston was provided with copies of the appraisal and related documents for review and comment.

The Property is identified as Property No. 23 on the LRPMP. The City has offered to purchase the Property for \$179,000.00. We have reviewed the terms of the Purchase and Sale Agreement between the Successor Agency and the City ("Purchase Agreement"). 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

RESOLUTION NO. OB 2018-07

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF PROPERTY LOCATED AT 15600 STAFFORD STREET AND 100 NORTH HACIENDA BOULEVARD, CITY OF INDUSTRY AND IDENTIFIED ON THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 23

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

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

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

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

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

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

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

WHEREAS, the Successor Agency owns certain real property located at 15600 Stafford Street and 100 N. Hacienda Boulevard, City of Industry, and identified on the LRPMP as Property No. 23 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 \$179,000.00, which represents an amount equal to or greater

than the fair market value of the Property, as determined by an appraisal conducted by R.P. Laurain & 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 will occur 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"), 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 June 19, 2018, 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 2018-07
ATTACHMENT A
PURCHASE AGREEMENT
[ATTACHED BEHIND THIS PAGE]

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**
15600 Stafford Street & 100 N. Hacienda Boulevard, City of Industry

THIS PURCHASE AGREEMENT for the property located at 15600 STAFFORD STREET & 100 N. HACIENDA BOULEVARD, CITY OF INDUSTRY, CA (this "Agreement"), dated as of June 15, 2018 (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 City and the Agency 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 located at 15600 Stafford Street & 100 N. Hacienda Boulevard, City of Industry, California, 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 (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. AB X1 26 was subsequently amended by Assembly Bill 1484 (collectively, as amended, "Dissolution Act").

C. Pursuant to the Dissolution Act, the City of Industry elected to be the Successor Agency to the IUDA to administer the dissolution and winding down of the IUDA. On February 1, 2012, pursuant to the Dissolution Legislation, the Agency 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, for valuable consideration, and 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 Seventy-Nine Thousand and 00/100 Dollars (\$179,000.00) (the "**Purchase Price**"), payable by Buyer to Seller in cash at the Closing (as defined in Section 7A 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,

(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.

B. Except as provided in Section 4 B (i) above, 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.

C. Except as disclosed on those reports set forth on Exhibit C 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 violation of any law, ordinance, rule, regulation or order of any governmental authority pertaining to the Property. 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, byproducts or constituents requiring remediation under federal, state or local laws, ordinances, rules, regulations or policies.

D. Seller hereby represents and warrants to Buyer that there are no leases, options to purchase, rights of first refusal or contracts for lease or sale of the Property; and (ii) there are no liens or claims against the Property other than the Approved Exceptions.

E. Seller hereby represents and warrants to Buyer that during the term of this Agreement Seller shall not, without Buyer's prior written approval, modify any contracts which will not be terminated on or before Closing.

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. CLOSING OF ESCROW.

A. Delivery of Documents and Payment. At or 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 and subject only to the Approved Exceptions. At or 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 holds, and is able to record, the Grant Deed, (2) Escrow Holder is prepared to issue to Buyer the Title Policy as provided in Section 7 B 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 standard coverage American Land Title Association ("ALTA") 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 the standard printed exclusions from coverage of an ALTA standard title policy ("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 after completion of the Improvements thereon in accordance with the Agreement, the City shall be relieved of any further responsibility under this Section 5.3 as to the Property so conveyed.

(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 5.1, 5.2, 5.3, and 5.4 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 following covenants shall be binding upon the Property and City and its successors and assigns and shall remain in effect for the following periods, and each of which shall be set forth with particularity in any document of transfer or conveyance by the City:

(1) The non-discrimination and non-segregation requirements set forth in Sections 5.1, 5.3 and 5.4 shall remain in effect in perpetuity;

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

(3) Easements to the Agency, City or other public agencies for utilities existing as of the execution of this Agreement, which shall remain in effect according to their terms.

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

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.

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.

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, and Exhibit D 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.

LIST OF EXHIBITS

| | |
|-------------|---|
| Exhibit "A" | Legal Description of the Property |
| Exhibit "B" | Form of Grant Deed |
| Exhibit "C" | Due Diligence Phase I Environmental Site Assessment and Subsurface Investigation Report |

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the City of Industry, County of Los Angeles, State of California,
described as follows:

**(15600 Stafford St. and 100 N. Hacienda Blvd.)
APN: 8208-025-902, 8208-025-922 &
a portion of 8208-025-948**

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

PARCEL 1

THAT PORTION OF LOT 449, OF TRACT NO. 606 IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS SHOWN ON MAP RECORDED IN BOOK 15, PAGES 142 AND 143 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF PARCEL NO. 1 AS DESCRIBED IN DEED TO MARTEL REALTY CORPORATION, RECORDED ON APRIL 11, 1957, IN BOOK 54192, PAGE 438, OF OFFICIAL RECORDS OF SAID COUNTY, WITH THE EASTERLY SIDELINE OF HACIENDA BOULEVARD (100.00 FEET WIDE), AS DESCRIBED IN THE DEED TO THE COUNTY OF LOS ANGELES, RECORDED MAY 16, 1957 IN BOOK 54522, PAGE 308 OF OFFICIAL RECORDS OF SAID COUNTY, THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY LINE OF PARCEL NO. 1 TO THE NORTHEAST CORNER THEREOF, THENCE SOUTHWESTERLY ALONG THE SOUTHEASTERLY LINE OF SAID PARCEL NO. 1 TO ITS INTERSECTION WITH SAID EASTERLY SIDELINE OF HACIENDA BOULEVARD, THENCE NORTHERLY ALONG SAID LAST MENTIONED LINE TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THE PRECIOUS METALS AND ORES THEREOF AS EXCEPTED IN THE DEED RECORDED IN BOOK 10, PAGE 39 OF DEEDS.

PARCEL 2

THAT PORTION OF HACIENDA BOULEVARD, 100.00 FEET WIDE, IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS DESCRIBED IN DEED TO THE COUNTY OF LOS ANGELES, RECORDED FEBRUARY 27, 1957, IN BOOK 53765, PAGE 214, AND BOOK 53765, PAGE 227, RESPECTIVELY, OF OFFICIAL RECORDS OF SAID COUNTY, VACATED PER RESOLUTION NO. 1002 OF THE CITY OF INDUSTRY,

ANGELES, RECORDED IN BOOK 54522, PAGE 308 OFFICIAL RECORDS OF SAID COUNTY, AS VACATED BY RESOLUTION NO.1001, RECORDED DECEMBER 19, 1979, AS INSTRUMENT NO.791421323, OF OFFICIAL RECORDS LYING WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF THAT CERTAIN STRIP OF LAND 100.00 FEET WIDE, DESCRIBED IN DEED RECORDED IN BOOK 53765, PAGE 214, AND BOOK 53765, PAGE 227 RESPECTIVELY OF OFFICIAL RECORDS OF SAID COUNTY, WITH THE NORTHEASTERLY LINE OF VALLEY BOULEVARD 71.00 FEET WIDE; THENCE ALONG SAID NORTHEASTERLY LINE SOUTH $46^{\circ} 23' 02''$ EAST, 100.00 FEET TO A POINT ON THE EASTERLY LINE OF A LEASE RECORDED SEPTEMBER 27, 1961 IN BOOK M-865, PAGE 543, OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG SAID EASTERLY LINE NORTH $41^{\circ} 29' 33''$ EAST, 277.83 FEET TO A POINT ON THE NORTHERLY LINE OF SAID LOT 449; THENCE CONTINUING NORTH $41^{\circ} 29' 33''$ EAST, 43.50 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 470.00 FEET, SAID CURVE BEING CONCENTRIC WITH THAT CERTAIN CURVE HAVING A RADIUS OF 610.00 FEET AS DESCRIBED IN BOOK D-6651, PAGE 914, OFFICIAL RECORDS, A RADIAL LINE OF SAID CURVE TO SAID POINT BEARS NORTH $36^{\circ} 59' 41''$ EAST; THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF $20^{\circ} 31' 12''$, A DISTANCE OF 168.33 FEET; THENCE TANGENT TO SAID CURVE NORTH $73^{\circ} 31' 31''$ WEST, 2.06 FEET TO THE INTERSECTION WITH THE NORTHERLY LINE OF SAID LOT 449; THENCE CONTINUING NORTH $73^{\circ} 31' 31''$ WEST, 64.32 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 200.00 FEET, A RADIAL LINE OF SAID CURVE TO SAID POINT BEARS SOUTH $53^{\circ} 02' 17''$ EAST; THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF $31^{\circ} 59' 29''$, A DISTANCE OF 111.67 FEET TO A POINT ON A TANGENT CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 1000.00 FEET, A RADIAL LINE OF SAID CURVE TO SAID POINT BEARS NORTH $87^{\circ} 10' 07''$ EAST; THENCE SOUTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF $10^{\circ} 11' 52''$, A DISTANCE OF 177.98 FEET TO A POINT ON SAID NORTHERLY LINE OF VALLEY BOULEVARD 71.00 FEET WIDE, SAID POINT BEARS NORTH $46^{\circ} 23' 02''$ WEST, 31.65 FEET FROM THE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE ALONG SAID NORTHERLY LINE SOUTH $46^{\circ} 23' 02''$ EAST, 31.65 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT THEREFROM THE PRECIOUS AND ORES THEREOF AS EXCEPTED IN THE DEED RECORDED IN BOOK 10, PAGE 39 OF DEEDS.

ALSO EXCEPT THOSE PORTIONS DESCRIBED AS PARCELS 1 AND 2 IN GRANT DEED TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, A BODY CORPORATE AND POLITIC, RECORDED JANUARY 14, 1980, INSTRUMENT NO. 80-49655, RECORDS OF LOS ANGELES COUNTY.

EXHIBIT "B"

FORM OF GRANT DEED

RECORDING REQUESTED BY:

FIRST AMERICAN TITLE INSURANCE COMPANY

AND WHEN RECORDED RETURN TO:

Successor Agency to the
Industry Urban-Development Agency
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Diane Schlichting

[The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383]

GRANT DEED

Documentary Transfer Tax: \$ _____

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 a Purchase Agreement [15600 Stafford Street & 100 N. Hacienda Boulevard] (the "**Agreement**") entered into by and between the Grantor and Grantee dated as of June __, 2018, 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,

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. In the event the Grantee sells the Property and the future use of the Property shall be for a use other than governmental use, the proportion of the sales proceeds attributable to the non-governmental use shall be distributed by the Grantee to the Los Angeles County Auditor-

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 to Grant Deed

LEGAL DESCRIPTION

Real property in the City of Industry, County of Los Angeles, State of California,
described as follows:

(15600 Stafford St. and 100 N. Hacienda Blvd.)

APN: 8208-025-902, 8208-025-922 &

a portion of 8208-025-948

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

PARCEL 1

THAT PORTION OF LOT 449, OF TRACT NO. 606 IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS SHOWN ON MAP RECORDED IN BOOK 15, PAGES 142 AND 143 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF PARCEL NO. 1 AS DESCRIBED IN DEED TO MARTEL REALTY CORPORATION, RECORDED ON APRIL 11, 1957, IN BOOK 54192, PAGE 438, OF OFFICIAL RECORDS OF SAID COUNTY, WITH THE EASTERLY SIDELINE OF HACIENDA BOULEVARD (100.00 FEET WIDE), AS DESCRIBED IN THE DEED TO THE COUNTY OF LOS ANGELES, RECORDED MAY 16, 1957 IN BOOK 54522, PAGE 308 OF OFFICIAL RECORDS OF SAID COUNTY, THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY LINE OF PARCEL NO. 1 TO THE NORTHEAST CORNER THEREOF, THENCE SOUTHWESTERLY ALONG THE SOUTHEASTERLY LINE OF SAID PARCEL NO. 1 TO ITS INTERSECTION WITH SAID EASTERLY SIDELINE OF HACIENDA BOULEVARD, THENCE NORTHERLY ALONG SAID LAST MENTIONED LINE TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THE PRECIOUS METALS AND ORES THEREOF AS EXCEPTED IN THE DEED RECORDED IN BOOK 10, PAGE 39 OF DEEDS.

PARCEL 2

THAT PORTION OF HACIENDA BOULEVARD, 100.00 FEET WIDE, IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS DESCRIBED IN DEED TO THE COUNTY OF LOS ANGELES, RECORDED FEBRUARY 27, 1957, IN BOOK 53765, PAGE 214, AND BOOK 53765, PAGE 227, RESPECTIVELY, OF OFFICIAL RECORDS OF SAID COUNTY, VACATED PER RESOLUTION NO. 1002 OF THE CITY OF INDUSTRY,

ANGELES, RECORDED IN BOOK 54522, PAGE 308 OFFICIAL RECORDS OF SAID COUNTY, AS VACATED BY RESOLUTION NO.1001, RECORDED DECEMBER 19, 1979, AS INSTRUMENT NO.791421323, OF OFFICIAL RECORDS LYING WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF THAT CERTAIN STRIP OF LAND 100.00 FEET WIDE, DESCRIBED IN DEED RECORDED IN BOOK 53765, PAGE 214, AND BOOK 53765, PAGE 227 RESPECTIVELY OF OFFICIAL RECORDS OF SAID COUNTY, WITH THE NORTHEASTERLY LINE OF VALLEY BOULEVARD 71.00 FEET WIDE; THENCE ALONG SAID NORTHEASTERLY LINE SOUTH $46^{\circ} 23' 02''$ EAST, 100.00 FEET TO A POINT ON THE EASTERLY LINE OF A LEASE RECORDED SEPTEMBER 27, 1961 IN BOOK M-865, PAGE 543, OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG SAID EASTERLY LINE NORTH $41^{\circ} 29' 33''$ EAST, 277.83 FEET TO A POINT ON THE NORTHERLY LINE OF SAID LOT 449; THENCE CONTINUING NORTH $41^{\circ} 29' 33''$ EAST, 43.50 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 470.00 FEET, SAID CURVE BEING CONCENTRIC WITH THAT CERTAIN CURVE HAVING A RADIUS OF 610.00 FEET AS DESCRIBED IN BOOK D-6651, PAGE 914, OFFICIAL RECORDS, A RADIAL LINE OF SAID CURVE TO SAID POINT BEARS NORTH $36^{\circ} 59' 41''$ EAST; THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF $20^{\circ} 31' 12''$, A DISTANCE OF 168.33 FEET; THENCE TANGENT TO SAID CURVE NORTH $73^{\circ} 31' 31''$ WEST, 2.06 FEET TO THE INTERSECTION WITH THE NORTHERLY LINE OF SAID LOT 449; THENCE CONTINUING NORTH $73^{\circ} 31' 31''$ WEST, 64.32 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 200.00 FEET, A RADIAL LINE OF SAID CURVE TO SAID POINT BEARS SOUTH $53^{\circ} 02' 17''$ EAST; THENCE SOUTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF $31^{\circ} 59' 29''$, A DISTANCE OF 111.67 FEET TO A POINT ON A TANGENT CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 1000.00 FEET, A RADIAL LINE OF SAID CURVE TO SAID POINT BEARS NORTH $87^{\circ} 10' 07''$ EAST; THENCE SOUTHEASTERLY ALONG SAID CURVE, THOROUGH A CENTRAL ANGLE OF $10^{\circ} 11' 52''$, A DISTANCE OF 177.98 FEET TO A POINT ON SAID NORTHERLY LINE OF VALLEY BOULEVARD 71.00 FEET WIDE, SAID POINT BEARS NORTH $46^{\circ} 23' 02''$ WEST, 31.65 FEET FROM THE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE ALONG SAID NORTHERLY LINE SOUTH $46^{\circ} 23' 02''$ EAST, 31.65 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT THEREFROM THE PRECIOUS AND ORES THEREOF AS EXCEPTED IN THE DEED RECORDED IN BOOK 10, PAGE 39 OF DEEDS.

ALSO EXCEPT THOSE PORTIONS DESCRIBED AS PARCELS 1 AND 2 IN GRANT DEED TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, A BODY CORPORATE AND POLITIC, RECORDED JANUARY 14, 1980, INSTRUMENT NO. 80-49655, RECORDS OF LOS ANGELES COUNTY.

EXHIBIT C

**DUE DILIGENCE PHASE I ENVIRONMENTAL SITE ASSESSMENT AND
SUBSURFACE INVESTIGATION REPORT**

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

ITEM NO. 5.6

CLIENT MEMORANDUM

TO: OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
FROM: VARNER & BRANDT LLP
SUBJECT: TRANSMITTAL OF JUNE 19, 2018 OVERSIGHT BOARD MEETING AGENDA ITEM #5.6
DATE: JUNE 15, 2018

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.: 5.6

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

Request by Successor Agency: Successor Agency requests that the Oversight Board approve the execution of a purchase and sale agreement with the City concerning the sale and disposition of certain real property located at 911 Bixby Drive, City of Industry, APN 8242-013-901 (the “Property”) and identified as Asset No. 29 in the Successor Agency’s approved long-range property management plan (“LRPMP”).

Legislative Authority of the Oversight Board:

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

agency; provided, however that the Oversight Board may instead direct the Successor Agency to transfer ownership of those assets constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, parking facilities and lots dedicated solely to public parking and local agency administrative buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to this construction or use of such an asset. The Successor Agency must dispose of assets and property expeditiously and in a manner aimed at maximizing value.

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

Application: The Successor Agency must dispose of assets and properties of the former redevelopment agency in accordance with the direction of the Oversight Board. (HSC Sections 34177(e), 34181(a).) Approval of the Successor Agency's LRPMP occurred on February 21, 2014. The LRPMP identifies the Property as a "For Sale" property. Any disposition of property, whether governmental purpose or otherwise, must be done expeditiously and in a manner aimed at maximizing value. (HSC Sections 34177(e), 34181(a))

The Property consists of approximately 11.563 acres and is located in the Institutional zone district, which is an effective public use zone. Use of the Property is limited to public related uses, public utilities and similar governmental uses. The Property is encumbered with a long-term ground lease with Walnut Creek Energy LLC ("Tenant"), having an initial term of 25 years, plus ten 1-year options. Including the option period, there are currently 29 years remaining on the lease. The Property is improved with a 500-Megawatt electrical peaking facility identified as Walnut Creek Energy Park. The electrical generating facility and related improvements are owned by Tenant.

The Successor Agency retained R.P. Laurain & Associates ("Appraiser") to determine the value of the Property, which was determined on May 31, 2018. Successor Agency staff previously provided a copy of the appraisal to each member of the Oversight Board. The Appraiser determined the fair market value of the Property to be \$13,500,000.00.

The Property is identified as Property No. 29 on the LRPMP. The City has offered to purchase the Property for \$13,500,000.00, which is equal to the appraised value. We have reviewed the terms of the Purchase and Sale Agreement between the Successor Agency and the City ("Purchase Agreement"). 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 is required and the transaction contemplates a 30-day escrow period.

As the Oversight Board has previously required with similar properties (i.e., government use properties), the Oversight Board may consider requiring the inclusion of a restrictive covenant in the Grant Deed providing that if the Property is ever re-zoned and/or sold for private development

at a sale price/value above the original purchase price paid by the City, then such excess amount will be paid to the taxing entities.

Based on the DOF-approved LRPMP, information provided by Successor Agency staff, and the authority of the Health and Safety Code, we find the proposed approval of the Purchase Agreement and the disposition of the Property to be permissible and proper.

RESOLUTION NO. OB 2018-08

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF PROPERTY LOCATED AT 911 BIXBY DRIVE, CITY OF INDUSTRY AND IDENTIFIED ON THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 29

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

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

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

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

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

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

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

WHEREAS, the Successor Agency owns certain real property located at 911 Bixby Drive, City of Industry, and identified on the LRPMP as Property No. 29 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 \$13,500,000.00, which represents an amount equal to or greater than the fair market value of the Property, as determined by an appraisal conducted by R.P. Laurain & 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 will occur 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"), 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 June 19, 2018, 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 2018-08
ATTACHMENT A
PURCHASE AGREEMENT
[ATTACHED BEHIND THIS PAGE]

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS
911 Bixby Drive, City of Industry**

THIS PURCHASE AGREEMENT for the property located at 911 BIXBY DRIVE, CITY OF INDUSTRY, CA (this "Agreement"), dated as of June __, 2018 (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 City 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 located at 911 Bixby Drive, City of Industry, California, 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 (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. AB X1 26 was subsequently amended by Assembly Bill 1484 (collectively, as amended, "Dissolution Act").

C. Pursuant to the Dissolution Act, the City of Industry elected to be the Successor Agency to the IUDA to administer the dissolution and winding down of the IUDA. On February 1, 2012, pursuant to the Dissolution Legislation, the Agency 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. Walnut Creek Energy, LLC, a Delaware limited liability company, currently occupies the Property pursuant to a Lease originally dated March 11, 2008, as amended. ("Lease").

E. 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, for valuable consideration, and 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 Thirteen Million Five Hundred Thousand and 00/100 Dollars (\$13,500,000.00) (the "**Purchase Price**"), payable by Buyer to Seller in cash at the Closing (as defined in Section 7A 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. The principal office of the Escrow Holder for purposes of this Agreement is 18500 Von Karman Avenue, Suite 600, Irvine, California 92612, Attention: Patty Beverly, Escrow Officer, Telephone: (949) 885-2465, Fax: (877) 372-0260, Email: pbeverly@firstam.com. Upon mutual execution of this Agreement, Buyer and Seller shall deliver a fully executed copy of this Agreement to Escrow Holder.

B. Closing Date. Escrow shall close within thirty (30) days, or less, after satisfaction of the Condition to Closing set forth in Section 4 B (i). For purposes of this Agreement, the closing date ("Closing Date") shall mean the date on which a grant deed conveying the Property to Buyer is recorded in the Los Angeles County Recorder's Office.

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 of the following conditions at or prior to Closing:

(i) Title. Buyer acknowledges receipt of a preliminary title report prepared by Escrow Holder for the Property ("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, and the Lease ("Approved Exceptions"). At the Closing, Seller shall deliver title to the Property to Buyer subject only to the Approved Exceptions.

(ii) Delivery of Deed. Seller shall have executed and deposited into Escrow, for delivery to Buyer, the Grant Deed attached hereto as Exhibit B.

(iii) Delivery of Assignment. Seller shall have executed and deposited into Escrow, for delivery to Buyer, an Assignment in the form attached hereto as Exhibit D, assigning the Lease to Buyer ("Assignment"). 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 Legislation, including 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.

B. Except as provided in Section 4 B (i) above, 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.

C. Except as disclosed on those reports set forth on Exhibit C 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 violation of any law, ordinance, rule, regulation or order of any governmental authority pertaining to the Property. 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 (i) except for the Lease, there are no other leases, options to purchase, rights of first refusal or contracts for lease or sale of the Property; and (ii) there are no liens or claims against the Property other than the Approved Exceptions.

E. Seller hereby represents and warrants to Buyer that during the term of this Agreement Seller shall not, without Buyer's prior written approval, modify the Lease or enter into any other contracts which will not be terminated on or before Closing.

6. CONDITION OF PROPERTY

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, the City and the Oversight Board, and their respective officers, directors, employees, representatives, agents, advisors, servants, attorneys, successors and assigns, and all persons, firms, corporations and organizations acting on the Agency's, City's or Oversight Board's behalf (collectively, the "**Released Parties**") from any and all claims, responsibility and/or liability that the 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 2.8. 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; (viii) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE; AND (ix) WITH RESPECT TO ANY OTHER MATTER, THE CITY FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY AND REVIEW INFORMATION AND DOCUMENTATION AFFECTING THE PROPERTY, THE CITY IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND REVIEW OF SUCH INFORMATION AND DOCUMENTATION AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY THE AGENCY.

THE 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. CLOSING OF ESCROW.

A. Delivery of Documents and Payment. At or 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 and subject only to the Approved Exceptions. At or 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 holds, and is able to record, the Grant Deed, (2) Escrow Holder is prepared to issue to Buyer the Title Policy as provided in Section 7 B 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 standard coverage American Land Title Association (“ALTA”) 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 the standard printed exclusions from coverage of an ALTA standard title policy (“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 after completion of the Improvements thereon in accordance with the Agreement, the City shall be relieved of any further responsibility under this Section 5.3 as to the Property so conveyed.

E. Form of Nondiscrimination and Nonsegregation Clauses. All deeds, leases or contracts for sale 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 5.1, 5.2, 5.3, and 5.4 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 following covenants shall be binding upon the Property and City and its successors and assigns and shall remain in effect for the following periods, and each of which shall be set forth with particularity in any document of transfer or conveyance by the City:

(1) The non-discrimination and non-segregation requirements set forth in Sections 5.1, 5.3 and 5.4 shall remain in effect in perpetuity;

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

(3) Easements to the Agency, City or other public agencies for utilities existing as of the execution of this Agreement, which shall remain in effect according to their terms.

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

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. 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 assessed 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 assessed 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, real property taxes and assessments (if any), utility and other operating costs of the Property shall be prorated at Closing.

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: Troy Helling, Acting City Manager
15625 East Stafford Street, Suite 100
City of Industry, California 91744

To Seller: Successor Agency to the Industry Urban-Development Agency
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Troy Helling, Acting Executive Director

with a copy to: James M. Casso
Casso & Sparks, LLP
13200 Crossroads Parkway N
Suite 345
City of Industry, CA 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;
- (ii) The Environmental Reports; and
- (iii) Lease.

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.

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, and Exhibit D 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.

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:

Diane M. Schlichting, 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, Agency Secretary

APPROVED AS TO FORM:

By: _____
James M. Casso, Agency Counsel

LIST OF EXHIBITS

| | |
|-------------|---|
| Exhibit "A" | Legal Description of the Property |
| Exhibit "B" | Form of Grant Deed |
| Exhibit "C" | Due Diligence Phase I Environmental Site Assessment and Subsurface Investigation Report |
| Exhibit "D" | Lease Agreement with Walnut Creek Energy, LLC |

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the City of Industry, County of Los Angeles, State of California,
described as follows:

(911 Bixby Dr)
APN 8242-013-901

PARCEL 1 OF PARCEL MAP No. 2 IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 23, PAGES 17 THROUGH 19, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING 500,199 SQUARE FEET, (11.483 ACRES), OF LAND, MORE OR LESS.

AND AS SHOWN ON EXHIBIT "B" ATTACHED HEREON AND MADE PART OF HEREOF.

EXHIBIT "B"

FORM OF GRANT DEED

RECORDING REQUESTED BY:

FIRST AMERICAN TITLE INSURANCE COMPANY

AND WHEN RECORDED RETURN TO:

Successor Agency to the
Industry Urban-Development Agency
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Diane Schlichting

[The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383]

GRANT DEED

Documentary Transfer Tax: \$ _____

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 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 a Purchase Agreement [911 Bixby Drive, City of Industry, CA] (the "**Agreement**") entered into by and between the Grantor and Grantee dated as of June __, 2018, 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 _____, 2018.

GRANTOR:

SUCCESSOR AGENCY TO THE INDUSTRY
URBAN-DEVELOPMENT AGENCY

By: _____
Mark Radecki, Chairman

ATTEST:

Diane Schlichting, Agency Secretary

GRANTEE:

CITY OF INDUSTRY

By: _____
Mark N. Radecki, Mayor

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 to Grant Deed

LEGAL DESCRIPTION

Real property in the City of Industry, County of Los Angeles, State of California,
described as follows:

(911 Bixby Dr)
APN 8242-013-901

PARCEL 1 OF PARCEL MAP No. 2 IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 23, PAGES 17 THROUGH 19, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING 500,199 SQUARE FEET, (11.483 ACRES), OF LAND, MORE OR LESS.

AND AS SHOWN ON EXHIBIT "B" ATTACHED HEREON AND MADE PART OF HEREOF.

EXHIBIT C

DUE DILIGENCE PHASE I ENVIRONMENTAL SITE ASSESSMENT AND SUBSURFACE INVESTIGATION REPORT

The Industry Urban-Development Agency (the "IUDA") purchased this property with the intent to demolish all structures and infrastructure.

In 2007, the IUDA had a hazardous material survey prepared. This report identified asbestos containing materials and lead based paint throughout the property. At the same time, the IUDA also had an abatement workplan prepared to provide to the contractor that would perform the demolition. The IUDA's contractor finished the demolition in September of 2007 following the guidelines in the reports. No report was found with any follow up documentation of the contractor's work, however, the entire site was successfully demolished.

Since then, the Walnut Creek Energy Park was constructed by Edison Mission Energy and their successors continue to operate the peaker power plant.

EXHIBIT "D"

LEASE AGREEMENT WITH WALNUT CREEK ENERGY, LLC

The Lease is on file in the City Clerk's Office

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

ITEM NO. 5.7

CLIENT MEMORANDUM

TO: OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
FROM: VARNER & BRANDT LLP
SUBJECT: TRANSMITTAL OF JUNE 19, 2018 OVERSIGHT BOARD MEETING AGENDA ITEM #5.7
DATE: JUNE 15, 2018

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

Agenda Item No.: 5.7

Subject: Approval of Purchase and Sale Agreement; Disposition of Property. Approval of the Successor Agency’s execution of a purchase and sale agreement with Winfield & Associates (the “Purchaser”).

Request by Successor Agency: Successor Agency requests that the Oversight Board approve the execution of a purchase and sale agreement with the Purchaser concerning the sale and disposition of certain real property located at 841 7th Avenue, City of Industry, APN 8217-001-901 (the “Property”) and identified as Asset No. 43 in the Successor Agency’s approved long-range property management plan (“LRPMP”).

Legislative Authority of the Oversight Board:

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

agency; provided, however that the Oversight Board may instead direct the Successor Agency to transfer ownership of those assets constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, parking facilities and lots dedicated solely to public parking and local agency administrative buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to this construction or use of such an asset. The Successor Agency must dispose of assets and property expeditiously and in a manner aimed at maximizing value.

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

Application: The Successor Agency must dispose of assets and properties of the former redevelopment agency in accordance with the direction of the Oversight Board. (HSC Sections 34177(e), 34181(a).) Approval of the Successor Agency's LRPMP occurred on February 21, 2014. The LRPMP identifies the Property as a "For Sale" property. Any disposition of property, whether governmental purpose or otherwise, must be done expeditiously and in a manner aimed at maximizing value. (HSC Sections 34177(e), 34181(a))

The Property consists of approximately 0.58 acres and is improved with a one-story commercial building that is currently occupied by the City of Industry Community Youth Center. The Property is located in the institutional zone district, which is limited to public or quasi-public uses.

The Property was formerly occupied by an ARCO gas station. The former redevelopment agency demolished the canopies, the gas pumps and removed the fuel tanks. A report of the underground storage tank removal was previously prepared. While contaminated soil was removed from the Property, the report still recommends that further groundwater investigation be performed to assess whether an unauthorized release of petroleum hydrocarbons in the vadose zone have migrated to the water table. No further investigation on the Property has been conducted by the former redevelopment agency or the Successor Agency.

The Property was previously marketed and a high bidder was accepted. During due diligence, the high bidder identified issues with the condition of the Property and elected to terminate the purchase agreement.

The Successor Agency retained Stephen G. White, MAI ("Appraiser") to determine the value of the Property, which was determined on July 22, 2014. Successor Agency staff previously provided a copy of the appraisal to each member of the Oversight Board. The Appraiser determined the fair market value of the Property to be in a range of \$100,000.00 to 115,000.00. Jim Rabe of Keyser Marston was provided with copies of the Property documents for review and comment. Based on the age of the appraisal, the Oversight Board may consider requesting further explanation and information from Successor Agency staff concerning the marketing of the Property.

The Property is identified as Property No. 43 on the LRPMP. The Purchaser has offered to purchase the Property for \$10,000.00. We have reviewed the terms of the Purchase and Sale Agreement between the Successor Agency and the Purchaser (“Purchase Agreement”). 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 is required and the transaction contemplates a 30-day escrow period.

Based on the DOF-approved LRPMP, information provided by Successor Agency staff, and the authority of the Health and Safety Code, we find the proposed approval of the Purchase Agreement and the disposition of the Property to be permissible and proper.

RESOLUTION NO. OB 2018-09

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF PROPERTY LOCATED AT 841 7th AVENUE, CITY OF INDUSTRY AND IDENTIFIED ON THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 43

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

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

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

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

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

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

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

WHEREAS, the Successor Agency owns certain real property located at 841 7th Avenue, City of Industry, and identified on the LRPMP as Property No. 43 as a “for sale” property (the “Property”); and

WHEREAS, the Successor Agency intends to sell the Property to Winefield & Associates (“Purchaser”) for a purchase price of \$10,000.00, which represents an amount equal to or greater than the fair market value of the Property, as determined by an appraisal conducted by R.P. Laurain & 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 will occur 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”), 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 June 19, 2018, 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 2018-09
ATTACHMENT A
PURCHASE AGREEMENT
[ATTACHED BEHIND THIS PAGE]

**PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS
841 7th Avenue, City of Industry**

THIS PURCHASE AGREEMENT for the property located at 841 7th AVENUE, CITY OF INDUSTRY, CA (this "Agreement"), dated as of June 2, 2018 (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 WINEFIELD & ASSOCIATES, a California corporation (the "Winefield" or "Buyer"). The Agency and the Winefield 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 located at 841 7th Avenue, City of Industry, California, 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 (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. AB X1 26 was subsequently amended by Assembly Bill 1484 (collectively, as amended, "Dissolution Act").

C. Pursuant to the Dissolution Act, the City of Industry elected to be the Successor Agency to the IUDA to administer the dissolution and winding down of the IUDA. On February 1, 2012, pursuant to the Dissolution Legislation, the Agency 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, for valuable consideration, and 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 Ten Thousand and 00/100 Dollars (\$10,000.00) (the "**Purchase Price**"), payable by Buyer to Seller in cash at the Closing (as defined in Section 7A 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. The principal office of the Escrow Holder for purposes of this Agreement is 18500 Von Karman Avenue, Suite 600, Irvine, California 92612, Attention: Patty Beverly, Escrow Officer, Telephone: (949) 885-2465, Fax: (877) 372-0260, Email: pbeverly@firstam.com. Upon mutual execution of this Agreement, Buyer and Seller shall deliver a fully executed copy of this Agreement to Escrow Holder.

B. Closing Date. Escrow shall close within thirty (30) days, or less, after satisfaction of the Condition to Closing set forth in Section 4 B (i). For purposes of this Agreement, the closing date ("Closing Date") shall mean the date on which a grant deed conveying the Property to Buyer is recorded in the Los Angeles County Recorder's Office.

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 of the following conditions at or prior to Closing:

(i) Title. Buyer acknowledges receipt of a preliminary title report prepared by Escrow Holder for the Property ("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 ("Approved Exceptions"). At the Closing, Seller shall deliver title to the Property to Buyer subject only to the Approved Exceptions.

(ii) Delivery of Deed. Seller shall have executed and deposited into Escrow, for delivery to Buyer, the Grant Deed attached hereto as Exhibit B.

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 Legislation, including 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.

B. Except as provided in Section 4 B (i) above, 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.

C. Except as disclosed on those reports set forth on Exhibit C 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 violation of any law, ordinance, rule, regulation or order of any governmental authority pertaining to the Property. 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 there are no leases, options to purchase, rights of first refusal or contracts for lease or sale of the Property; and (ii) there are no liens or claims against the Property other than the Approved Exceptions.

E. Seller hereby represents and warrants to Buyer that during the term of this Agreement Seller shall not, without Buyer's prior written approval, modify any contracts which will not be terminated on or before Closing.

6. CONDITION OF PROPERTY

The Property shall be conveyed from the Agency to the Buyer on an "AS IS" condition and basis with all faults and the Buyer agrees that the Agency has no obligation to make modifications, replacements or improvements thereto. Except as expressly and specifically provided in this Agreement, the Buyer and anyone claiming by, through or under the Buyer hereby waives its right to recover from and fully and irrevocably releases the Agency, the Buyer and the Oversight Board, and their respective officers, directors, employees, representatives, agents, advisors, servants, attorneys, successors and assigns, and all persons, firms, corporations and organizations acting on the Agency's, City's or Oversight Board's behalf (collectively, the "**Released Parties**") from any and all claims, responsibility and/or liability that the Buyer may now have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to the matters pertaining to the Property described in this Section 2.8. This release includes claims of which the Buyer is presently unaware or which the Buyer does not presently suspect to exist which, if known by the Buyer, would materially affect the Buyer's release of the Released Parties. If the Property is not in a condition suitable for the intended use or uses, then it is the sole responsibility and obligation of the Buyer to take such action as may be necessary to place the Property in a condition suitable for 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; (viii) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE; AND (ix) WITH RESPECT TO ANY OTHER MATTER, THE BUYER FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY AND REVIEW INFORMATION AND DOCUMENTATION AFFECTING THE PROPERTY, THE BUYER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND REVIEW OF SUCH INFORMATION AND DOCUMENTATION AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY THE AGENCY.

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

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF

KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

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

Winefield's Initials

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

7. CLOSING OF ESCROW.

A. Delivery of Documents and Payment. At or prior to Closing, Seller shall deposit into Escrow the 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 and subject only to the Approved Exceptions. At or 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 holds, and is able to record, the Grant Deed, (2) Escrow Holder is prepared to issue to Buyer the Title Policy as provided in Section 7 B below and (3) the conditions specified in Section 4 have been satisfied or waived.

B Title Insurance. At the Close of Escrow, Buyer shall obtain from Escrow Holder a standard coverage American Land Title Association (“ALTA”) 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 the standard printed exclusions from coverage of an ALTA standard title policy (“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.

D. Obligation to Refrain from Discrimination. The Buyer covenants and agrees for itself, its successors and assigns, and for every successor in interest to the Property or any part thereof, that there shall be no discrimination against or segregation of any person, or group of persons, on account of sex, marital status, age, handicap, race, color, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, and the Buyer (itself or any person claiming under or through the Buyer) shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Property or any portion thereof. Notwithstanding the foregoing, if and when the Buyer conveys the Property to a third party after completion of the Improvements thereon in accordance with the Agreement, the Buyer shall be relieved of any further responsibility under this Section 5.3 as to the Property so conveyed.

E. Form of Nondiscrimination and Nonsegregation Clauses. All deeds, leases or contracts for sale 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 Buyer’s compliance with the covenants set forth in Sections 5.1, 5.2, 5.3, and 5.4 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 Buyer.

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

(1) The non-discrimination and non-segregation requirements set forth in Sections 5.1, 5.3 and 5.4 shall remain in effect in perpetuity;

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

(3) Easements to the Agency, Buyer or other public agencies for utilities existing as of the execution of this Agreement, which shall remain in effect according to their terms.

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

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. 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 assessed 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 assessed 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, real property taxes and assessments (if any), utility and other operating costs of the Property shall be prorated at Closing.

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: Matt Winefield, President
 Winefield & Associates
 38 Park Avenue
 Long Beach, CA 90803

To Seller: Successor Agency to the Industry Urban-Development Agency
 15625 East Stafford Street, Suite 100
 City of Industry, CA 91744
 Attention: Troy Helling, Acting Executive Director

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

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 and Exhibit C 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. Assignment. Prior to the Close of Escrow, the Buyer shall not transfer its rights and obligations, in whole or in part, under this Agreement, or sell, assign, transfer, encumber, pledge or lease the Property, nor cause or suffer a change of more than 49% of the Ownership interests in Buyer, directly or indirectly, in one or a series of transactions, without the Seller's Executive Director's prior written consent, which consent shall not be unreasonably withheld or delayed. The Buyer

acknowledges that the identity of the Buyer is of particular concern to the Seller, and it is because of the Buyer's identity that the Seller has entered into this Agreement with the Buyer. No voluntary or involuntary successor in interest of the Buyer shall acquire any rights or powers under this Agreement in violation of the terms hereof. Notwithstanding any provision contained herein to the contrary, this prohibition shall not be deemed to prevent the granting of, easements or permits to facilitate the development of the Property, if any, or any mortgage or deed of trust permitted by this Agreement.

Upon providing ten (10) days prior written notice to Seller, the Buyer may assign its rights and obligations, in whole or in part, under this Agreement to the City without the prior consent of the Seller.

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

WINEFIELD & ASSOCIATES

By: _____
Matt Winefield, President

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

By: _____
Mark D. Radecki, Chairman

ATTEST:

Diane M. Schlichting, Agency Secretary

APPROVED AS TO FORM:

James M. Casso, Agency Counsel

LIST OF EXHIBITS

- | | |
|-------------|---|
| Exhibit "A" | Legal Description of the Property |
| Exhibit "B" | Form of Grant Deed |
| Exhibit "C" | Due Diligence Phase I Environmental Site Assessment and Subsurface Investigation Report |

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the City of Industry, County of Los Angeles, State of California,
described as follows:

**(841 7TH Avenue)
APN 8217-001-901**

THE EASTERLY 180 FEET OF THE SOUTHERLY 160 FEET OF LOT 1, OF TRACT 3049, IN THE CITY OF INDUSTRY, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 29, PAGE 41 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING 28,800 SQUARE FEET, 0.66 ACRES, MORE OR LESS.

CONTAINING WITHIN AN EASEMENT FOR STREET AND HIGHWAY PURPOSES PER DOCUMENT NO. 20081703375, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF SAID LOT 1; THENCE ALONG THE SOUTHWESTERLY LINE OF SAID LOT, NORTH 64°04'58" WEST, A DISTANCE OF 59.01 FEET TO A POINT OF CUSP ON A CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 39.00 FEET AND A CENTRAL ANGLE OF 90°00'50" AND BEING SUBTENDED BY A CHORD WHICH BEARS NORTH 70°54'37" EAST 55.16 FEET; THENCE SOUTHEASTERLY, EASTERLY AND NORTHEASTERLY ALONG SAID CURVE, A DISTANCE OF 61.27 FEET; THENCE NORTH 25°54'12" EAST, A DISTANCE OF 118.32 FEET TO THE BEGINNING OF A CURVE TANGENT TO SAID LINE; THENCE NORTHEASTERLY A DISTANCE OF 2.67 FEET ALONG THE CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 1550.00 FEET AND A CENTRAL ANGLE OF 0°05'55"; THENCE SOUTH 64°04'58" EAST, A DISTANCE OF 20.00 FEET; THENCE SOUTH 25°54'12" WEST, A DISTANCE OF 160.00 FEET TO **THE POINT OF BEGINNING**.

CONTAINING 3,526.50 SQUARE FEET, 0.081 ACRES, MORE OR LESS.

ALSO, EXCEPTING ALL MINERALS AND MINERAL RIGHTS AS RESERVED, IN DEED RECORDED APRIL 12, 1957 AS INSTRUMENT NO. 521 IN BOOK 54199, PAGE 148, OFFICIAL RECORDS OF SAID COUNTY,

AS MORE PARTICULARLY SHOWN ON EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF.

EXHIBIT "B"

FORM OF GRANT DEED

RECORDING REQUESTED BY:

FIRST AMERICAN TITLE INSURANCE COMPANY

AND WHEN RECORDED RETURN TO:

Successor Agency to the
Industry Urban-Development Agency
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Diane Schlichting

[The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383]

GRANT DEED

Documentary Transfer Tax: \$ _____

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 WINEFIELD & ASSOCIATES (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 a Purchase Agreement [841 7th Avenue, City of Industry, CA] (the "**Agreement**") entered into by and between the Grantor and Grantee dated as of June __, 2018, 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 _____, 2018.

GRANTOR:

SUCCESSOR AGENCY TO THE INDUSTRY
URBAN-DEVELOPMENT AGENCY

By: _____
Mark Radecki, Chairman

ATTEST:

Diane Schlichting, Agency Secretary

GRANTEE:

WINEFIELD & ASSOCIATES

By: _____
Matt Winefield, President

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 to Grant Deed

LEGAL DESCRIPTION

Real property in the City of Industry, County of Los Angeles, State of California,
described as follows:

**(841 7TH Avenue)
APN 8217-001-901**

THE EASTERLY 180 FEET OF THE SOUTHERLY 160 FEET OF LOT 1, OF TRACT 3049, IN THE CITY OF INDUSTRY, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 29, PAGE 41 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING 28,800 SQUARE FEET, 0.66 ACRES, MORE OR LESS.

CONTAINING WITHIN AN EASEMENT FOR STREET AND HIGHWAY PURPOSES PER DOCUMENT NO. 20081703375, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF SAID LOT 1; THENCE ALONG THE SOUTHWESTERLY LINE OF SAID LOT, NORTH 64°04'58" WEST, A DISTANCE OF 59.01 FEET TO A POINT OF CUSP ON A CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 39.00 FEET AND A CENTRAL ANGLE OF 90°00'50" AND BEING SUBTENDED BY A CHORD WHICH BEARS NORTH 70°54'37" EAST 55.16 FEET; THENCE SOUTHEASTERLY, EASTERLY AND NORTHEASTERLY ALONG SAID CURVE, A DISTANCE OF 61.27 FEET; THENCE NORTH 25°54'12" EAST, A DISTANCE OF 118.32 FEET TO THE BEGINNING OF A CURVE TANGENT TO SAID LINE; THENCE NORTHEASTERLY A DISTANCE OF 2.67 FEET ALONG THE CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 1550.00 FEET AND A CENTRAL ANGLE OF 0°05'55"; THENCE SOUTH 64°04'58" EAST, A DISTANCE OF 20.00 FEET; THENCE SOUTH 25°54'12" WEST, A DISTANCE OF 160.00 FEET TO **THE POINT OF BEGINNING**.

CONTAINING 3,526.50 SQUARE FEET, 0.081 ACRES, MORE OR LESS.

ALSO, EXCEPTING ALL MINERALS AND MINERAL RIGHTS AS RESERVED, IN DEED RECORDED APRIL 12, 1957 AS INSTRUMENT NO. 521 IN BOOK 54199, PAGE 148, OFFICIAL RECORDS OF SAID COUNTY,

AS MORE PARTICULARLY SHOWN ON EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF.

EXHIBIT C

DUE DILIGENCE PHASE I ENVIRONMENTAL SITE ASSESSMENT AND SUBSURFACE INVESTIGATION REPORT

The Industry Urban-Development Agency (the "IUDA") acquired this parcel in 1999 for the construction of the 7th Avenue Grade Separation project.

It was formerly occupied by an ARCO gas station. The IUDA demolished the canopies, the gas pumps and removed the fuel tanks. The IUDA had a report of the underground storage tank removal prepared. While contaminated soil was removed from the site, the report still recommends that further groundwater investigation be performed to assess whether an unauthorized release of petroleum hydrocarbons in the vadose zone have migrated to the water table. Neither the IUDA nor the Successor Agency has conducted that investigation.

Attached to the noted report was a work plan for the Phase II study. In addition, Appendix G to the underground storage report gives additional environmental history summarized by Maddox and Associates.

<http://www.cityofindustry.org/home/showdocument?id=4903>

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

ITEM NO. 5.8

CLIENT MEMORANDUM

TO: OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
FROM: VARNER & BRANDT LLP
SUBJECT: TRANSMITTAL OF JUNE 19, 2018 OVERSIGHT BOARD MEETING AGENDA ITEM #5.8
DATE: JUNE 15, 2018

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.: 5.8

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

Request by Successor Agency: Successor Agency requests that the Oversight Board approve the execution of a purchase and sale agreement with the City concerning the sale and disposition of certain real property located at the southwesterly and northwesterly corners of Hacienda Boulevard and Stafford Street, City of Industry, APNs 8208-025-938 and 8208-025-941 (the “Property”) and identified as Asset No. 46 in the Successor Agency’s approved long-range property management plan (“LRPMP”).

Legislative Authority of the Oversight Board:

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

3. *California Health and Safety Code Section 34181(a)*: The Oversight Board must direct the Successor Agency to dispose of all assets and properties of the former redevelopment agency; provided, however that the Oversight Board may instead direct the Successor Agency to transfer ownership of those assets constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, parking facilities and lots dedicated solely to public parking and local agency administrative buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to this construction or use of such an asset. The Successor Agency must dispose of assets and property expeditiously and in a manner aimed at maximizing value.
4. *California Health and Safety Code Section 34191.3*: The disposition authority of the Successor Agency and the Oversight Board under Sections 34177(e) and 34181(a), respectively, is suspended, except as to transfers for governmental use, until the Department of Finance has approved a long-range property management plan, at which point the long-range property management plan will govern the disposition and use of real property assets of the former redevelopment agency.

Application: The Successor Agency must dispose of assets and properties of the former redevelopment agency in accordance with the direction of the Oversight Board. (HSC Sections 34177(e), 34181(a).) Approval of the Successor Agency's LRPMP occurred on February 21, 2014. The LRPMP identifies the Property as a "For Sale" property. Any disposition of property, whether governmental purpose or otherwise, must be done expeditiously and in a manner aimed at maximizing value. (HSC Sections 34177(e), 34181(a))

The Property consists of approximately 0.55 of two noncontiguous land parcels which are utilized as part of existing public rights-of-way. The subject parcels are improved with landscaping, public sidewalks and ornamental light standards, as part of Hacienda Boulevard and Stafford Street. The subject parcels are considered to be remnant land parcels, not having an economic use at the present time, or in the foreseeable future. The Property is located in the institutional zone district, which limits use to governmental purposes.

The Successor Agency retained R.P. Laurain & Associates ("Appraiser") to determine the value of the Property, which was determined on May 1, 2018. Successor Agency staff previously provided a copy of the appraisal to each member of the Oversight Board. The Appraiser determined the fair market value of the Property to be \$7,000.00. The appraisal notes that due to the remnant nature of the Property, a two-phase valuation approach was employed. The first phase involved the estimation of "typical" industrial or commercial business park/office land value in the immediate subject area. The "typical" base unit rate deemed applicable in the subject case is \$29.00 per square foot of land area. The second phase of the appraisal study involved an analysis of sale prices of small, irregularly configured, landlocked, and/or marginally desirable/-marketable land parcels having limited utility. The sale prices of the parcels were then compared to the sale prices of other comparable "typical" land parcels in the immediate and general area of the parcels; the differential in land value thus demonstrates the discount indicated for limited utility land sales. Given the effective public right-of-way use of the Property, the discount rate deemed applicable in the subject case is 99%.

Jim Rabe of Keyser Marston was provided with copies of the appraisal for review and comment.

The Property is identified as Property No. 46 on the LRPMP. The City has offered to purchase the Property for \$9,000.00, which is greater than the appraised value. It is unclear if Successor Agency staff marketed the Property to the Los Angeles Sheriff's Department or any other public agency and there is no indication that any offers, other than the City, were received. The Oversight Board may consider requesting further explanation and information from Successor Agency staff concerning the marketing of the Property.

We have reviewed the terms of the Purchase and Sale Agreement between the Successor Agency and the City ("Purchase Agreement"). 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 is required and the transaction contemplates a 30-day escrow period.

As the Oversight Board has previously required with similar properties (i.e., government use properties), the Oversight Board may consider requiring the inclusion of a restrictive covenant in the Grant Deed providing that if the Property is ever re-zoned and/or sold for private development, any increase in the sale price/value above the original purchase price paid by the City, such excess amount will be paid to the taxing entities.

Based on the DOF-approved LRPMP, information provided by Successor Agency staff, and the authority of the Health and Safety Code, we find the proposed approval of the Purchase Agreement and the disposition of the Property to be permissible and proper.

RESOLUTION NO. OB 2018-10

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF PROPERTY LOCATED AT THE SOUTHWESTERLY AND NORTHWESTERLY CORNERS OF HACIENDA BOULEVARD AND STAFFORD STREET, CITY OF INDUSTRY AND IDENTIFIED ON THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 46

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

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

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

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

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

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

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

WHEREAS, the Successor Agency owns certain real property located at the Southwesterly and Northwesterly corners of Hacienda Boulevard and Stafford Street, City of Industry, and identified on the LRPMP as Property No. 46 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 \$9,000.00, which represents an amount equal to or greater than the fair market value of the Property, as determined by an appraisal conducted by R.P. Laurain & 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 will occur 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”), 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 June 19, 2018, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

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

ATTEST:

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

RESOLUTION NO. OB 2018-10
ATTACHMENT A
PURCHASE AGREEMENT
[ATTACHED BEHIND THIS PAGE]

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**

Southwesterly and Northwesterly corners of Hacienda Boulevard and Stafford Street, City of Industry

THIS PURCHASE AGREEMENT for the property located at SOUTHWESTERLY AND NORTHWESTERLY CORNERS OF HACIENDA BOULEVARD AND STAFFORD STREET, CITY OF INDUSTRY, CA (this "Agreement"), dated as of June 15, 2018 (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 City 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 located at Southwesterly and Northwesterly corners of Hacienda Boulevard and Stafford Street, City of Industry, California, 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 (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. AB X1 26 was subsequently amended by Assembly Bill 1484 (collectively, as amended, "Dissolution Act").

C. Pursuant to the Dissolution Act, the City of Industry elected to be the Successor Agency to the IUDA to administer the dissolution and winding down of the IUDA. On February 1, 2012, pursuant to the Dissolution Legislation, the Agency 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, for valuable consideration, and 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 Nine Thousand and 00/100 Dollars (\$9,000.00) (the "**Purchase Price**"), payable by Buyer to Seller in cash at the Closing (as defined in Section 7A 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. The principal office of the Escrow Holder for purposes of this Agreement is 18500 Von Karman Avenue, Suite 600, Irvine, California 92612, Attention: Patty Beverly, Escrow Officer, Telephone: (949) 885-2465, Fax: (877) 372-0260, Email: pbeverly@firstam.com. Upon mutual execution of this Agreement, Buyer and Seller shall deliver a fully executed copy of this Agreement to Escrow Holder.

B. Closing Date. Escrow shall close within thirty (30) days, or less, after satisfaction of the Condition to Closing set forth in Section 4 B (i). For purposes of this Agreement, the closing date ("Closing Date") shall mean the date on which a grant deed conveying the Property to Buyer is recorded in the Los Angeles County Recorder's Office.

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 of the following conditions at or prior to Closing:

(i) Title. Buyer acknowledges receipt of a preliminary title report prepared by Escrow Holder for the Property ("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 ("Approved Exceptions"). At the Closing, Seller shall deliver title to the Property to Buyer subject only to the Approved Exceptions.

(ii) Delivery of Deed. Seller shall have executed and deposited into Escrow, for delivery to Buyer, the Grant Deed attached hereto as Exhibit B.

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 Legislation, including 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.

B. Except as provided in Section 4 B (i) above, 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.

C. Except as disclosed on those reports set forth on Exhibit C 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 violation of any law, ordinance, rule, regulation or order of any governmental authority pertaining to the Property. 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, byproducts or constituents requiring remediation under federal, state or local laws, ordinances, rules, regulations or policies.

D. Seller hereby represents and warrants to Buyer that there are no leases, options to purchase, rights of first refusal or contracts for lease or sale of the Property; and (ii) there are no liens or claims against the Property other than the Approved Exceptions.

E. Seller hereby represents and warrants to Buyer that during the term of this Agreement Seller shall not, without Buyer's prior written approval, modify any contracts which will not be terminated on or before Closing.

6. CONDITION OF PROPERTY

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, the City and the Oversight Board, and their respective officers, directors, employees, representatives, agents, advisors, servants, attorneys, successors and assigns, and all persons, firms, corporations and organizations acting on the Agency's, City's or Oversight Board's behalf (collectively, the "**Released Parties**") from any and all claims, responsibility and/or liability that the 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 2.8. 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; (viii) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE; AND (ix) WITH RESPECT TO ANY OTHER MATTER, THE CITY FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY AND REVIEW INFORMATION AND DOCUMENTATION AFFECTING THE PROPERTY, THE CITY IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND REVIEW OF SUCH INFORMATION AND DOCUMENTATION AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY THE AGENCY.

THE 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. CLOSING OF ESCROW.

A. Delivery of Documents and Payment. At or 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 and subject only to the Approved Exceptions. At or 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 holds, and is able to record, the Grant Deed, (2) Escrow Holder is prepared to issue to Buyer the Title Policy as provided in Section 7 B 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 standard coverage American Land Title Association (“ALTA”) 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 the standard printed exclusions from coverage of an ALTA standard title policy (“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 after completion of the Improvements thereon in accordance with the Agreement, the

City shall be relieved of any further responsibility under this Section 5.3 as to the Property so conveyed.

E. Form of Nondiscrimination and Nonsegregation Clauses. All deeds, leases or contracts for sale 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 5.1, 5.2, 5.3, and 5.4 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 following covenants shall be binding upon the Property and City and its successors and assigns and shall remain in effect for the following periods, and each of which shall be set forth with particularity in any document of transfer or conveyance by the City:

(1) The non-discrimination and non-segregation requirements set forth in Sections 5.1, 5.3 and 5.4 shall remain in effect in perpetuity;

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

(3) Easements to the Agency, City or other public agencies for utilities existing as of the execution of this Agreement, which shall remain in effect according to their terms.

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

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. 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 assessed 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 assessed 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, real property taxes and assessments (if any), utility and other operating costs of the Property shall be prorated at Closing.

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: Troy Helling, Acting City Manager
15625 East Stafford Street, Suite 100
City of Industry, California 91744

To Seller: Successor Agency to the Industry Urban-Development Agency
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Troy Helling, Acting Executive Director

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

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, and Exhibit D 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.

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:

Diane M. Schlichting, 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, Agency Secretary

APPROVED AS TO FORM:

By: _____

James M. Casso, Agency Counsel

LIST OF EXHIBITS

| | |
|-------------|---|
| Exhibit "A" | Legal Description of the Property |
| Exhibit "B" | Form of Grant Deed |
| Exhibit "C" | Due Diligence Phase I Environmental Site Assessment and Subsurface Investigation Report |

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the City of Industry, County of Los Angeles, State of California,
described as follows:

APN 8208-025-938

PARCEL 2 OF PARCEL MAP No. 308 IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 294, PAGES 39 THROUGH 41, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING 3,688 SQUARE FEET, (0.085 ACRES), OF LAND, MORE OR LESS.

AND AS SHOWN ON EXHIBIT "B" ATTACHED HEREON AND MADE PART OF HEREOF.

APN 8208-025-941

PARCEL 5 OF PARCEL MAP No. 308 IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 294, PAGES 39 THROUGH 41, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING 20,691 SQUARE FEET, (0.475 ACRES), OF LAND, MORE OR LESS.

AND AS SHOWN ON EXHIBIT "B" ATTACHED HEREON AND MADE PART OF HEREOF.

EXHIBIT "B"

FORM OF GRANT DEED

RECORDING REQUESTED BY:

FIRST AMERICAN TITLE INSURANCE COMPANY

AND WHEN RECORDED RETURN TO:

Successor Agency to the
Industry Urban-Development Agency
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Diane Schlichting

[The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383]

GRANT DEED

Documentary Transfer Tax: \$ _____

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 a Purchase Agreement [Southwesterly and Northwesterly corners of Hacienda Boulevard and Stafford Street,] (the "Agreement") entered into by and between the Grantor and Grantee dated as of June __, 2018, 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. In the event the Grantee sells the Property and the future use of the Property shall be for a use other than governmental use, the proportion of the sales proceeds attributable to the non-governmental use shall be distributed by the Grantee to the Los Angeles County Auditor-

Controller for eventual distribution to the taxing entities as defined in AB 26 X 1 & AB 1484, commonly known as the Dissolution Act.

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

IN WITNESS WHEREOF, Grantor and Grantee have caused this Grant Deed to be executed and notarized as of this ____ day of _____, 2018.

GRANTOR:

SUCCESSOR AGENCY TO THE INDUSTRY
URBAN-DEVELOPMENT AGENCY

By: _____
Mark Radecki, Chairman

ATTEST:

Diane Schlichting, Agency Secretary

GRANTEE:

CITY OF INDUSTRY

By: _____
Mark Radecki, Mayor

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 to Grant Deed

LEGAL DESCRIPTION

Real property in the City of Industry, County of Los Angeles, State of California,
described as follows:

APN 8208-025-938

PARCEL 2 OF PARCEL MAP No. 308 IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 294, PAGES 39 THROUGH 41, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING 3,688 SQUARE FEET, (0.085 ACRES), OF LAND, MORE OR LESS.

AND AS SHOWN ON EXHIBIT "B" ATTACHED HEREON AND MADE PART OF HEREOF.

APN 8208-025-941

PARCEL 5 OF PARCEL MAP No. 308 IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 294, PAGES 39 THROUGH 41, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING 20,691 SQUARE FEET, (0.475 ACRES), OF LAND, MORE OR LESS.

AND AS SHOWN ON EXHIBIT "B" ATTACHED HEREON AND MADE PART OF HEREOF.

EXHIBIT C

**DUE DILIGENCE PHASE I ENVIRONMENTAL SITE ASSESSMENT AND
SUBSURFACE INVESTIGATION REPORT**

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

ITEM NO. 5.9

CLIENT MEMORANDUM

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

FROM: VARNER & BRANDT LLP

SUBJECT: TRANSMITTAL OF JUNE 19, 2018 OVERSIGHT BOARD MEETING AGENDA ITEM #5.9

DATE: JUNE 15, 2018

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.: 5.9

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

Request by Successor Agency: Successor Agency requests that the Oversight Board approve the execution of a purchase and sale agreement with the City concerning the sale and disposition of certain real property located at 15252 Stafford Street, City of Industry, APN 8208-025-939 (the “Property”) and identified as Asset No. 45 in the Successor Agency’s approved long-range property management plan (“LRPMP”).

Legislative Authority of the Oversight Board:

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

agency; provided, however that the Oversight Board may instead direct the Successor Agency to transfer ownership of those assets constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, parking facilities and lots dedicated solely to public parking and local agency administrative buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to this construction or use of such an asset. The Successor Agency must dispose of assets and property expeditiously and in a manner aimed at maximizing value.

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

Application: The Successor Agency must dispose of assets and properties of the former redevelopment agency in accordance with the direction of the Oversight Board. (HSC Sections 34177(e), 34181(a).) Approval of the Successor Agency's LRPMP occurred on February 21, 2014. The LRPMP identifies the Property as a "For Sale" property. Any disposition of property, whether governmental purpose or otherwise, must be done expeditiously and in a manner aimed at maximizing value. (HSC Sections 34177(e), 34181(a))

The Property consists of approximately 1.12 acres and is presently improved and utilized as a Los Angeles County Sheriff's helipad, with a portable office building, on-site parking, and landscaping. The Property is located in the institutional zone district, which is a public use zone designation.

The Successor Agency retained R.P. Laurain & Associates ("Appraiser") to determine the value of the Property, which was determined on May 1, 2018. Successor Agency staff previously provided a copy of the appraisal to each member of the Oversight Board. The Appraiser determined the fair market value of the Property to be \$146,000.00. In reaching the appraised value, the appraisal notes that discounts were applied due to (1) the public use zone designation, and (2) an extended 20-year holding period.

Jim Rabe of Keyser Marston was provided with copies of the appraisal for review and comment.

The Property is identified as Property No. 45 on the LRPMP. The City has offered to purchase the Property for \$146,000.00, which is equal to the appraised value. It is unclear if Successor Agency staff marketed the Property to the Los Angeles Sheriff's Department or any other public agency and there is no indication that any offers, other than the City, were received. The Oversight Board may consider requesting further explanation and information from Successor Agency staff concerning the marketing of the Property.

We have reviewed the terms of the Purchase and Sale Agreement between the Successor Agency and the City ("Purchase Agreement"). 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 is required and the transaction contemplates a 30-day escrow period.

As the Oversight Board has previously required with similar properties (i.e., government use properties), the Oversight Board may consider requiring the inclusion of a restrictive covenant in the Grant Deed providing that if the Property is ever re-zoned and/or sold for private development, any increase in the sale price/value above the original purchase price paid by the City, such excess amount will be paid to the taxing entities.

Based on the DOF-approved LRPMP, information provided by Successor Agency staff, and the authority of the Health and Safety Code, we find the proposed approval of the Purchase Agreement and the disposition of the Property to be permissible and proper.

RESOLUTION NO. OB 2018-11

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF PROPERTY LOCATED AT 15252 STAFFORD STREET, CITY OF INDUSTRY AND IDENTIFIED ON THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 45

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

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

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

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

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

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

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

WHEREAS, the Successor Agency owns certain real property located at 15252 Stafford Street, City of Industry, and identified on the LRPMP as Property No. 45 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 \$146,000.00, which represents an amount equal to or greater than the fair market value of the Property, as determined by an appraisal conducted by R.P. Laurain & 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 will occur 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”), 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 June 19, 2018, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

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

ATTEST:

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

RESOLUTION NO. OB 2018-11
ATTACHMENT A
PURCHASE AGREEMENT
[ATTACHED BEHIND THIS PAGE]

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS
15252 Stafford Street, City of Industry**

THIS PURCHASE AGREEMENT for the property located at 15252 STAFFORD STREET, CITY OF INDUSTRY, CA (this "Agreement"), dated as of June __, 2018 (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 City 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 located at 15252 Stafford Street, City of Industry, California, 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 (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. AB X1 26 was subsequently amended by Assembly Bill 1484 (collectively, as amended, "Dissolution Act").

C. Pursuant to the Dissolution Act, the City of Industry elected to be the Successor Agency to the IUDA to administer the dissolution and winding down of the IUDA. On February 1, 2012, pursuant to the Dissolution Legislation, the Agency 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, for valuable consideration, and 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 Forty-Six Thousand and 00/100 Dollars (\$146,000.00) (the "**Purchase Price**"), payable by Buyer to Seller in cash at the Closing (as defined in Section 7A 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. The principal office of the Escrow Holder for purposes of this Agreement is 18500 Von Karman Avenue, Suite 600, Irvine, California 92612, Attention: Patty Beverly, Escrow Officer, Telephone: (949) 885-2465, Fax: (877) 372-0260, Email: pbeverly@firstam.com. Upon mutual execution of this Agreement, Buyer and Seller shall deliver a fully executed copy of this Agreement to Escrow Holder.

B. Closing Date. Escrow shall close within thirty (30) days, or less, after satisfaction of the Condition to Closing set forth in Section 4 B (i). For purposes of this Agreement, the closing date ("Closing Date") shall mean the date on which a grant deed conveying the Property to Buyer is recorded in the Los Angeles County Recorder's Office.

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 of the following conditions at or prior to Closing:

(i) Title. Buyer acknowledges receipt of a preliminary title report prepared by Escrow Holder for the Property ("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 ("Approved Exceptions"). At the Closing, Seller shall deliver title to the Property to Buyer subject only to the Approved Exceptions.

(ii) Delivery of Deed. Seller shall have executed and deposited into Escrow, for delivery to Buyer, the Grant Deed attached hereto as Exhibit B.

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 Legislation, including 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.

B. Except as provided in Section 4 B (i) above, 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.

C. Except as disclosed on those reports set forth on Exhibit C 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 violation of any law, ordinance, rule, regulation or order of any governmental authority pertaining to the Property. 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, byproducts or constituents requiring remediation under federal, state or local laws, ordinances, rules, regulations or policies.

D. Seller hereby represents and warrants to Buyer that there are no leases, options to purchase, rights of first refusal or contracts for lease or sale of the Property; and (ii) there are no liens or claims against the Property other than the Approved Exceptions.

E. Seller hereby represents and warrants to Buyer that during the term of this Agreement Seller shall not, without Buyer's prior written approval, modify any contracts which will not be terminated on or before Closing.

6. CONDITION OF PROPERTY

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, the City and the Oversight Board, and their respective officers, directors, employees, representatives, agents, advisors, servants, attorneys, successors and assigns, and all persons, firms, corporations and organizations acting on the Agency's, City's or Oversight Board's behalf (collectively, the "**Released Parties**") from any and all claims, responsibility and/or liability that the 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 2.8. 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; (viii) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE; AND (ix) WITH RESPECT TO ANY OTHER MATTER, THE CITY FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY AND REVIEW INFORMATION AND DOCUMENTATION AFFECTING THE PROPERTY, THE CITY IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND REVIEW OF SUCH INFORMATION AND DOCUMENTATION AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY THE AGENCY.

THE 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. CLOSING OF ESCROW.

A. Delivery of Documents and Payment. At or 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 and subject only to the Approved Exceptions. At or 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 holds, and is able to record, the Grant Deed, (2) Escrow Holder is prepared to issue to Buyer the Title Policy as provided in Section 7 B 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 standard coverage American Land Title Association ("ALTA") 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 the standard printed exclusions from coverage of an ALTA standard title policy ("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 after completion of the Improvements thereon in accordance with the Agreement, the City shall be relieved of any further responsibility under this Section 5.3 as to the Property so conveyed.

E. Form of Nondiscrimination and Nonsegregation Clauses. All deeds, leases or contracts for sale 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 5.1, 5.2, 5.3, and 5.4 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 following covenants shall be binding upon the Property and City and its successors and assigns and shall remain in effect for the following periods, and each of which shall be set forth with particularity in any document of transfer or conveyance by the City:

- (1) The non-discrimination and non-segregation requirements set forth in Sections 5.1, 5.3 and 5.4 shall remain in effect in perpetuity;
- (2) The maintenance requirements set forth in Section 5.2 shall remain in effect for the period described therein, and;
- (3) Easements to the Agency, City or other public agencies for utilities existing as of the execution of this Agreement, which shall remain in effect according to their terms.
- (4) The use requirement regarding using the Property only for the construction of the Improvements set forth in Section 5.1 shall remain in effect until the earlier of the completion of the Improvements, or one (1) year after Close of Escrow if the reason for the failure to complete the Improvements is not due to a default by City. The use requirement regarding using the Property for any lawful purpose shall remain in effect in perpetuity.

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. 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 assessed 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 assessed 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, real property taxes and assessments (if any), utility and other operating costs of the Property shall be prorated at Closing.

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: Troy Helling, Acting City Manager
 15625 East Stafford Street, Suite 100
 City of Industry, California 91744

To Seller: Successor Agency to the Industry Urban-Development Agency
 15625 East Stafford Street, Suite 100
 City of Industry, California 91744
 Attention: Troy Helling, Acting Executive Director

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

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, and Exhibit D 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.

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:

Diane M. Schlichting, 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, Agency Secretary

APPROVED AS TO FORM:

By: _____
James M. Casso, Agency Counsel

LIST OF EXHIBITS

| | |
|-------------|---|
| Exhibit "A" | Legal Description of the Property |
| Exhibit "B" | Form of Grant Deed |
| Exhibit "C" | Due Diligence Phase I Environmental Site Assessment and Subsurface Investigation Report |

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the City of Industry, County of Los Angeles, State of California,
described as follows:

(15252 Stafford St)

APN 8208-025-939

PARCEL 3 OF PARCEL MAP No. 308 IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 294, PAGES 39 THROUGH 41, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING 48,874 SQUARE FEET, (1.122 ACRES), OF LAND, MORE OR LESS.

AND AS SHOWN ON EXHIBIT "B" ATTACHED HEREON AND MADE PART OF HEREOF.

EXHIBIT "B"

FORM OF GRANT DEED

RECORDING REQUESTED BY:

FIRST AMERICAN TITLE INSURANCE COMPANY

AND WHEN RECORDED RETURN TO:

Successor Agency to the
Industry Urban-Development Agency
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Diane Schlichting

[The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383]

GRANT DEED

Documentary Transfer Tax: \$ _____

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 a Purchase Agreement [15252 Stafford Street, City of Industry] (the "**Agreement**") entered into by and between the Grantor and Grantee dated as of June __, 2018, 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. In the event the Grantee sells the Property and the future use of the Property shall be for a use other than governmental use, the proportion of the sales proceeds attributable to the non-governmental use shall be distributed by the Grantee to the Los Angeles County Auditor-Controller for eventual distribution to the taxing entities as defined in AB 26 X 1 & AB 1484, commonly known as the Dissolution Act.

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

IN WITNESS WHEREOF, Grantor and Grantee have caused this Grant Deed to be executed and notarized as of this ____ day of _____, 2018.

GRANTOR:

SUCCESSOR AGENCY TO THE INDUSTRY
URBAN-DEVELOPMENT AGENCY

By: _____
Mark Radecki, Chairman

ATTEST:

Diane Schlichting, Agency Secretary

GRANTEE:

CITY OF INDUSTRY

By: _____
Mark Radecki, Mayor

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 to Grant Deed

LEGAL DESCRIPTION

Real property in the City of Industry, County of Los Angeles, State of California,
described as follows:

(15252 Stafford St)

APN 8208-025-939

PARCEL 3 OF PARCEL MAP No. 308 IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 294, PAGES 39 THROUGH 41, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING 48,874 SQUARE FEET, (1.122 ACRES), OF LAND, MORE OR LESS.

AND AS SHOWN ON EXHIBIT "B" ATTACHED HEREON AND MADE PART OF HEREOF.

EXHIBIT C

**DUE DILIGENCE PHASE I ENVIRONMENTAL SITE ASSESSMENT AND
SUBSURFACE INVESTIGATION REPORT**

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

ITEM NO. 5.10

CLIENT MEMORANDUM

TO: OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
FROM: VARNER & BRANDT LLP
SUBJECT: TRANSMITTAL OF JUNE 19, 2018 OVERSIGHT BOARD MEETING AGENDA ITEM #5.10
DATE: JUNE 15, 2018

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.: 5.10

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

Request by Successor Agency: Successor Agency requests that the Oversight Board approve the execution of a purchase and sale agreement with the City concerning the sale and disposition of certain real property located at 15555 Stafford Street, City of Industry, APN 8208-025-937 (the “Property”) and identified as Asset No. 48 in the Successor Agency’s approved long-range property management plan (“LRPMP”).

Legislative Authority of the Oversight Board:

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

agency; provided, however that the Oversight Board may instead direct the Successor Agency to transfer ownership of those assets constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, parking facilities and lots dedicated solely to public parking and local agency administrative buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to this construction or use of such an asset. The Successor Agency must dispose of assets and property expeditiously and in a manner aimed at maximizing value.

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

Application: The Successor Agency must dispose of assets and properties of the former redevelopment agency in accordance with the direction of the Oversight Board. (HSC Sections 34177(e), 34181(a).) Approval of the Successor Agency's LRPMP occurred on February 21, 2014. The LRPMP identifies the Property as a "For Sale" property. Any disposition of property, whether governmental purpose or otherwise, must be done expeditiously and in a manner aimed at maximizing value. (HSC Sections 34177(e), 34181(a))

The Property consists of approximately 1.33 and is located on the westerly side of Hacienda Boulevard. A portion of the Property is presently improved and utilized by the Los Angeles County Sheriff's Department as a paved parking lot for the adjacent northwesterly Sheriff's Station. The southeasterly portion of the Property is vacant land. The Property is located in the institutional zone district, which is an effective public use zone designation.

The Successor Agency retained R.P. Laurain & Associates ("Appraiser") to determine the value of the Property, which was determined on May 1, 2018. Successor Agency staff previously provided a copy of the appraisal to each member of the Oversight Board. The Appraiser determined the fair market value of the Property to be \$172,000.00. The appraisal notes that applicable discounts were then applied due to (1) the public use zone designation, and (2) an extended 20-year holding period.

Jim Rabe of Keyser Marston was provided with copies of the appraisal for review and comment.

The Property is identified as Property No. 48 on the LRPMP. The City has offered to purchase the Property for \$172,000.00, which is equal to the appraised value. It is unclear if Successor Agency staff marketed the Property to the Los Angeles Sheriff's Department and there is no indication that any offers, other than the City, were received. The Oversight Board may consider requesting further explanation and information from Successor Agency staff concerning the marketing of the Property.

We have reviewed the terms of the Purchase and Sale Agreement between the Successor Agency and the City ("Purchase Agreement"). 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 is required and the transaction contemplates a 30-day escrow period.

As the Oversight Board has previously required with similar properties (i.e., government use properties), the Oversight Board may consider requiring the inclusion of a restrictive covenant in the Grant Deed providing that if the Property is ever re-zoned and/or sold for private development, any increase in the sale price/value above the original purchase price paid by the City, such excess amount will be paid to the taxing entities.

Based on the DOF-approved LRPMP, information provided by Successor Agency staff, and the authority of the Health and Safety Code, we find the proposed approval of the Purchase Agreement and the disposition of the Property to be permissible and proper.

RESOLUTION NO. OB 2018-12

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF PROPERTY LOCATED AT 15555 STAFFORD STREET, CITY OF INDUSTRY AND IDENTIFIED ON THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 48

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

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

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

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

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

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

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

WHEREAS, the Successor Agency owns certain real property located at 15555 Stafford Street, City of Industry, and identified on the LRPMP as Property No. 48 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 \$172,000.00, which represents an amount equal to or greater than the fair market value of the Property, as determined by an appraisal conducted by R.P. Laurain & 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 will occur 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”), 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 June 19, 2018, 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 2018-12
ATTACHMENT A
PURCHASE AGREEMENT
[ATTACHED BEHIND THIS PAGE]

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS
15555 Stafford Street, City of Industry**

THIS PURCHASE AGREEMENT for the property located at 15555 STAFFORD STREET, CITY OF INDUSTRY, CA (this "Agreement"), dated as of June 28, 2018 (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 City 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 located at 15555 Stafford Street, City of Industry, California, 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 (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. AB X1 26 was subsequently amended by Assembly Bill 1484 (collectively, as amended, "Dissolution Act").

C. Pursuant to the Dissolution Act, the City of Industry elected to be the Successor Agency to the IUDA to administer the dissolution and winding down of the IUDA. On February 1, 2012, pursuant to the Dissolution Legislation, the Agency 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, for valuable consideration, and 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 Seventy-Two Thousand and 00/100 Dollars (\$172,000.00) (the "**Purchase Price**"), payable by Buyer to Seller in cash at the Closing (as defined in Section 7A 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. The principal office of the Escrow Holder for purposes of this Agreement is 18500 Von Karman Avenue, Suite 600, Irvine, California 92612, Attention: Patty Beverly, Escrow Officer, Telephone: (949) 885-2465, Fax: (877) 372-0260, Email: pbeverly@firstam.com. Upon mutual execution of this Agreement, Buyer and Seller shall deliver a fully executed copy of this Agreement to Escrow Holder.

B. Closing Date. Escrow shall close within thirty (30) days, or less, after satisfaction of the Condition to Closing set forth in Section 4 B (i). For purposes of this Agreement, the closing date ("Closing Date") shall mean the date on which a grant deed conveying the Property to Buyer is recorded in the Los Angeles County Recorder's Office.

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 of the following conditions at or prior to Closing:

(i) Title. Buyer acknowledges receipt of a preliminary title report prepared by Escrow Holder for the Property ("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 ("Approved Exceptions"). At the Closing, Seller shall deliver title to the Property to Buyer subject only to the Approved Exceptions.

(ii) Delivery of Deed. Seller shall have executed and deposited into Escrow, for delivery to Buyer, the Grant Deed attached hereto as Exhibit B.

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 Legislation, including 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.

B. Except as provided in Section 4 B (i) above, 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.

C. Except as disclosed on those reports set forth on Exhibit C 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 violation of any law, ordinance, rule, regulation or order of any governmental authority pertaining to the Property. 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, byproducts or constituents requiring remediation under federal, state or local laws, ordinances, rules, regulations or policies.

D. Seller hereby represents and warrants to Buyer that there are no leases, options to purchase, rights of first refusal or contracts for lease or sale of the Property; and (ii) there are no liens or claims against the Property other than the Approved Exceptions.

E. Seller hereby represents and warrants to Buyer that during the term of this Agreement Seller shall not, without Buyer's prior written approval, modify any contracts which will not be terminated on or before Closing.

6. CONDITION OF PROPERTY

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, the City and the Oversight Board, and their respective officers, directors, employees, representatives, agents, advisors, servants, attorneys, successors and assigns, and all persons, firms, corporations and organizations acting on the Agency's, City's or Oversight Board's behalf (collectively, the "**Released Parties**") from any and all claims, responsibility and/or liability that the 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 2.8. 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; (viii) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE; AND (ix) WITH RESPECT TO ANY OTHER MATTER, THE CITY FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY AND REVIEW INFORMATION AND DOCUMENTATION AFFECTING THE PROPERTY, THE CITY IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND REVIEW OF SUCH INFORMATION AND DOCUMENTATION AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY THE AGENCY.

THE 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. CLOSING OF ESCROW.

A. Delivery of Documents and Payment. At or 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 and subject only to the Approved Exceptions. At or 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 holds, and is able to record, the Grant Deed, (2) Escrow Holder is prepared to issue to Buyer the Title Policy as provided in Section 7 B 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 standard coverage American Land Title Association ("ALTA") 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 the standard printed exclusions from coverage of an ALTA standard title policy ("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 after completion of the Improvements thereon in accordance with the Agreement, the City shall be relieved of any further responsibility under this Section 5.3 as to the Property so conveyed.

E. Form of Nondiscrimination and Nonsegregation Clauses. All deeds, leases or contracts for sale 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 5.1, 5.2, 5.3, and 5.4 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 following covenants shall be binding upon the Property and City and its successors and assigns and shall remain in effect for the following periods, and each of which shall be set forth with particularity in any document of transfer or conveyance by the City:

(1) The non-discrimination and non-segregation requirements set forth in Sections 5.1, 5.3 and 5.4 shall remain in effect in perpetuity;

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

(3) Easements to the Agency, City or other public agencies for utilities existing as of the execution of this Agreement, which shall remain in effect according to their terms.

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

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. 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 assessed 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 assessed 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, real property taxes and assessments (if any), utility and other operating costs of the Property shall be prorated at Closing.

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: Troy Helling, Acting City Manager
 15625 East Stafford Street, Suite 100
 City of Industry, California 91744

To Seller: Successor Agency to the Industry Urban-Development Agency
 15625 East Stafford Street, Suite 100
 City of Industry, California 91744
 Attention: Troy Helling, Acting Executive Director

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

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, and Exhibit D 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.

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:

Diane M. Schlichting, 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, Agency Secretary

APPROVED AS TO FORM:

By: _____
James M. Casso, Agency Counsel

LIST OF EXHIBITS

- | | |
|-------------|---|
| Exhibit "A" | Legal Description of the Property |
| Exhibit "B" | Form of Grant Deed |
| Exhibit "C" | Due Diligence Phase I Environmental Site Assessment and Subsurface Investigation Report |

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the City of Industry, County of Los Angeles, State of California,
described as follows:

(15555 Stafford St.)

APN 8208-025-937

PARCEL 1 OF PARCEL MAP No. 308 IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 294, PAGES 39 THROUGH 41, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING 57,804 SQUARE FEET, (1.327 ACRES), OF LAND, MORE OR LESS.

AND AS SHOWN ON EXHIBIT "B" ATTACHED HEREON AND MADE PART OF HEREOF.

EXHIBIT "B"

FORM OF GRANT DEED

RECORDING REQUESTED BY:

FIRST AMERICAN TITLE INSURANCE COMPANY

AND WHEN RECORDED RETURN TO:

Successor Agency to the
Industry Urban-Development Agency
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Diane Schlichting

[The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383]

GRANT DEED

Documentary Transfer Tax: \$ _____

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 a Purchase Agreement [15555 Stafford Street, City of Industry] (the "**Agreement**") entered into by and between the Grantor and Grantee dated as of June __, 2018, 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. In the event the Grantee sells the Property and the future use of the Property shall be for a use other than governmental use, the proportion of the sales proceeds attributable to the non-governmental use shall be distributed by the Grantee to the Los Angeles County Auditor-

Controller for eventual distribution to the taxing entities as defined in AB 26 X 1 & AB 1484, commonly known as the Dissolution Act.

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

IN WITNESS WHEREOF, Grantor and Grantee have caused this Grant Deed to be executed and notarized as of this ____ day of _____, 2018.

GRANTOR:

SUCCESSOR AGENCY TO THE INDUSTRY
URBAN-DEVELOPMENT AGENCY

By: _____
Mark Radecki, Chairman

ATTEST:

Diane Schlichting, Agency Secretary

GRANTEE:

CITY OF INDUSTRY

By: _____
Mark Radecki, Mayor

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 to Grant Deed

LEGAL DESCRIPTION

Real property in the City of Industry, County of Los Angeles, State of California,
described as follows:

(15555 Stafford St.)

APN 8208-025-937

PARCEL 1 OF PARCEL MAP No. 308 IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 294, PAGES 39 THROUGH 41, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING 57,804 SQUARE FEET, (1.327 ACRES), OF LAND, MORE OR LESS.

AND AS SHOWN ON EXHIBIT "B" ATTACHED HEREON AND MADE PART OF HEREOF.

EXHIBIT C

**DUE DILIGENCE PHASE I ENVIRONMENTAL SITE ASSESSMENT AND
SUBSURFACE INVESTIGATION REPORT**

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

ITEM NO. 5.11

CLIENT MEMORANDUM

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

FROM: VARNER & BRANDT LLP

SUBJECT: TRANSMITTAL OF JUNE 19, 2018 OVERSIGHT BOARD MEETING AGENDA ITEM #5.11

DATE: JUNE 15, 2018

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.: 5.11

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

Request by Successor Agency: Successor Agency requests that the Oversight Board approve the execution of a purchase and sale agreement with the City concerning the sale and disposition of certain real property located at 15660 Stafford Street, City of Industry, APN 8208-025-942 (the “Property”) and identified as Asset No. 49 in the Successor Agency’s approved long-range property management plan (“LRPMP”).

Legislative Authority of the Oversight Board:

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

agency; provided, however that the Oversight Board may instead direct the Successor Agency to transfer ownership of those assets constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, parking facilities and lots dedicated solely to public parking and local agency administrative buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to this construction or use of such an asset. The Successor Agency must dispose of assets and property expeditiously and in a manner aimed at maximizing value.

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

Application: The Successor Agency must dispose of assets and properties of the former redevelopment agency in accordance with the direction of the Oversight Board. (HSC Sections 34177(e), 34181(a).) Approval of the Successor Agency's LRPMP occurred on February 21, 2014. The LRPMP identifies the Property as a "For Sale" property. Any disposition of property, whether governmental purpose or otherwise, must be done expeditiously and in a manner aimed at maximizing value. (HSC Sections 34177(e), 34181(a))

The Property consists of approximately 2.79 acres and is improved with a former bank building subdivided into (1) a branch Post Office, and (2) an office building utilized by the Sheriff's Department (formerly Fire Prevention Office), containing two stories, and 11,400 square feet of building area. The Sheriff's office portion of the building is currently leased for \$1 per year. The Property is located in the institutional zone district of the City of Industry, an effective public use zone designation.

The Successor Agency retained R.P. Laurain & Associates, Inc. ("Appraiser") to determine the value of the Property, which was determined on May 1, 2018. Successor Agency staff previously provided a copy of the appraisal to each member of the Oversight Board. The Appraiser determined the fair market value of the Property to be \$362,000.00. In reaching the appraised value, applicable discounts were applied due to (1) the public use zone designation, and (2) an extended 20-year holding period.

The Property is identified as Property No. 49 on the LRPMP. The City has offered to purchase the Property for \$362,000.00. We have reviewed the terms of the Purchase and Sale Agreement between the Successor Agency and the City ("Purchase Agreement"). 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 is required and the transaction contemplates a 30-day escrow period.

As the Oversight Board has previously required with similar properties, the Oversight Board may consider requiring the inclusion of a restrictive covenant in the Grant Deed providing that if the

Property is ever re-zoned and/or sold for private development, any increase in the sale price/value above the original purchase price paid by the City will be paid to the taxing entities.

Based on the DOF-approved LRPMP, information provided by Successor Agency staff, and the authority of the Health and Safety Code, we find the proposed approval of the Purchase Agreement and the disposition of the Property to be permissible and proper.

RESOLUTION NO. OB 2018-13

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF PROPERTY LOCATED AT 15660 STAFFORD STREET, CITY OF INDUSTRY AND IDENTIFIED ON THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 49

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

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

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

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

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

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

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

WHEREAS, the Successor Agency owns certain real property located at 15660 Stafford Street, City of Industry, and identified on the LRPMP as Property No. 49 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 \$362,000.00, which represents an amount equal to or greater than the fair market value of the Property, as determined by an appraisal conducted by R.P. Laurain & 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 will occur 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”), 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 June 19, 2018, 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 2018-13
ATTACHMENT A
PURCHASE AGREEMENT
[ATTACHED BEHIND THIS PAGE]

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS
15660 Stafford Street, City of Industry**

THIS PURCHASE AGREEMENT for the property located at 15660 STAFFORD STREET, CITY OF INDUSTRY, CA (this "Agreement"), dated as of June __, 2018 (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 City and the Agency 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 located at 15660 Stafford Street, City of Industry, California, 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 (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. AB X1 26 was subsequently amended by Assembly Bill 1484 (collectively, as amended, "Dissolution Act").

C. Pursuant to the Dissolution Act, the City of Industry elected to be the Successor Agency to the IUDA to administer the dissolution and winding down of the IUDA. On February 1, 2012, pursuant to the Dissolution Legislation, the Agency 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. The United States Postal Service currently occupies a portion of the Property pursuant to a Lease originally dated April 24, 1979 and the Youth Activities League currently occupies a portion of the Property pursuant to a License Agreement dated May 10, 2018. ("Leases").

E. 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, for valuable consideration, and 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 Three Hundred Sixty-Two Thousand and 00/100 Dollars (\$362,000.00) (the "**Purchase Price**"), payable

by Buyer to Seller in cash at the Closing (as defined in Section 7A 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. The principal office of the Escrow Holder for purposes of this Agreement is 18500 Von Karman Avenue, Suite 600, Irvine, California 92612, Attention: Patty Beverly, Escrow Officer, Telephone: (949) 885-2465, Fax: (877) 372-0260, Email: pbeverly@firstam.com. Upon mutual execution of this Agreement, Buyer and Seller shall deliver a fully executed copy of this Agreement to Escrow Holder.

B. Closing Date. Escrow shall close within thirty (30) days, or less, after satisfaction of the Condition to Closing set forth in Section 4 B (i). For purposes of this Agreement, the closing date ("Closing Date") shall mean the date on which a grant deed conveying the Property to Buyer is recorded in the Los Angeles County Recorder's Office.

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 of the following conditions at or prior to Closing:

(i) Title. Buyer acknowledges receipt of a preliminary title report prepared by Escrow Holder for the Property ("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, and the Leases ("Approved Exceptions"). At the Closing, Seller shall deliver title to the Property to Buyer subject only to the Approved Exceptions.

(ii) Delivery of Deed. Seller shall have executed and deposited into Escrow, for delivery to Buyer, the Grant Deed attached hereto as Exhibit B.

(iii) Delivery of Assignment. Seller shall have executed and deposited into Escrow, for delivery to Buyer, an Assignment in the form attached hereto as Exhibit D, assigning the Leases to Buyer ("Assignment"). 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 Legislation, including 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.

B. Except as provided in Section 4 B (i) above, 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.

C. Except as disclosed on those reports set forth on Exhibit C 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 violation of any law, ordinance, rule, regulation or order of any governmental authority pertaining to the Property. 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 (i) except for the Leases, there are no other leases, options to purchase, rights of first refusal or contracts for lease or sale of the Property; and (ii) there are no liens or claims against the Property other than the Approved Exceptions.

E. Seller hereby represents and warrants to Buyer that during the term of this Agreement Seller shall not, without Buyer's prior written approval, modify the Leases or enter into any other contracts which will not be terminated on or before Closing.

6. CONDITION OF PROPERTY

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, the City and the Oversight Board, and their respective officers, directors, employees, representatives, agents, advisors, servants, attorneys, successors and assigns, and all persons, firms, corporations and organizations acting on the Agency's, City's or Oversight Board's behalf (collectively, the "**Released Parties**") from any and all claims, responsibility and/or liability that the 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 2.8. 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; (viii) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE; AND (ix) WITH RESPECT TO ANY OTHER MATTER, THE CITY FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY AND REVIEW INFORMATION AND DOCUMENTATION AFFECTING THE PROPERTY, THE CITY IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND REVIEW OF SUCH INFORMATION AND DOCUMENTATION AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY THE AGENCY.

THE 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. CLOSING OF ESCROW.

A. Delivery of Documents and Payment. At or 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 and subject only to the Approved Exceptions. At or 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 holds, and is able to record, the Grant Deed, (2) Escrow Holder is prepared to issue to Buyer the Title Policy as provided in Section 7 B 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 standard coverage American Land Title Association (“ALTA”) 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 the standard printed exclusions from coverage of an ALTA standard title policy (“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 after completion of the Improvements thereon in accordance with the Agreement, the City shall be relieved of any further responsibility under this Section 5.3 as to the Property so conveyed.

E. Form of Nondiscrimination and Nonsegregation Clauses. All deeds, leases or contracts for sale 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 5.1, 5.2, 5.3, and 5.4 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 following covenants shall be binding upon the Property and City and its successors and assigns and shall remain in effect for the following periods, and each of which shall be set forth with particularity in any document of transfer or conveyance by the City:

(1) The non-discrimination and non-segregation requirements set forth in Sections 5.1, 5.3 and 5.4 shall remain in effect in perpetuity;

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

(3) Easements to the Agency, City or other public agencies for utilities existing as of the execution of this Agreement, which shall remain in effect according to their terms.

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

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. 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 assessed 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 assessed 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, real property taxes and assessments (if any), utility and other operating costs of the Property shall be prorated at Closing.

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: Troy Helling, Acting City Manager
15625 East Stafford Street, Suite 100
City of Industry, California 91744

To Seller: Successor Agency to the Industry Urban-Development Agency
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Troy Helling, Acting Executive Director

with a copy to: James M. Casso
Casso & Sparks, LLP
13200 Crossroads Parkway N
Suite 345
City of Industry, CA 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;
- (ii) The Environmental Reports; and
- (iii) Leases.

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.

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, and Exhibit D 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.

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:

Diane M. Schlichting, 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, Agency Secretary

APPROVED AS TO FORM:

By: _____
James M. Casso, Agency Counsel

LIST OF EXHIBITS

| | |
|-------------|---|
| Exhibit "A" | Legal Description of the Property |
| Exhibit "B" | Form of Grant Deed |
| Exhibit "C" | Due Diligence Phase I Environmental Site Assessment and Subsurface Investigation Report |
| Exhibit "D" | Lease Agreements – United States Postal Service and Youth Activities League |

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the City of Industry, County of Los Angeles, State of California,
described as follows:

(15660 Stafford St.)

APN 8208-027-942

PARCEL 6 OF PARCEL MAP No. 308 IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 294, PAGES 39 THROUGH 41, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING 121,750 SQUARE FEET, (2.795 ACRES), OF LAND, MORE OR LESS.

AND AS SHOWN ON EXHIBIT "B" ATTACHED HEREON AND MADE PART OF HEREOF.

EXHIBIT "B"

FORM OF GRANT DEED

RECORDING REQUESTED BY:

FIRST AMERICAN TITLE INSURANCE COMPANY

AND WHEN RECORDED RETURN TO:

Successor Agency to the
Industry Urban-Development Agency
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Diane Schlichting

[The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383]

GRANT DEED

Documentary Transfer Tax: \$ _____

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 a Purchase Agreement [15660 Stafford Street, City of Industry] (the "**Agreement**") entered into by and between the Grantor and Grantee dated as of June __, 2018, 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. In the event the Grantee sells the Property and the future use of the Property shall be for a use other than governmental use, the proportion of the sales proceeds attributable to the non-governmental use shall be distributed by the Grantee to the Los Angeles County Auditor-

Controller for eventual distribution to the taxing entities as defined in AB 26 X 1 & AB 1484, commonly known as the Dissolution Act.

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

IN WITNESS WHEREOF, Grantor and Grantee have caused this Grant Deed to be executed and notarized as of this ____ day of _____, 2018.

GRANTOR:

SUCCESSOR AGENCY TO THE INDUSTRY
URBAN-DEVELOPMENT AGENCY

By: _____
Mark Radecki, Chairman

ATTEST:

Diane Schlichting, Agency Secretary

GRANTEE:

CITY OF INDUSTRY

By: _____
Mark Radecki, Mayor

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 to Grant Deed

LEGAL DESCRIPTION

Real property in the City of Industry, County of Los Angeles, State of California,
described as follows:

(15660 Stafford St.)

APN 8208-027-942

PARCEL 6 OF PARCEL MAP No. 308 IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 294, PAGES 39 THROUGH 41, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING 121,750 SQUARE FEET, (2.795 ACRES), OF LAND, MORE OR LESS.

AND AS SHOWN ON EXHIBIT "B" ATTACHED HEREON AND MADE PART OF HEREOF.

EXHIBIT C

**DUE DILIGENCE PHASE I ENVIRONMENTAL SITE ASSESSMENT AND
SUBSURFACE INVESTIGATION REPORT**

None

EXHIBIT D

LEASES

Copies of the Leases are available with the City Clerk's Office.

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

ITEM NO. 5.12

CLIENT MEMORANDUM

TO: OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
FROM: VARNER & BRANDT LLP
SUBJECT: TRANSMITTAL OF JUNE 19, 2018 OVERSIGHT BOARD MEETING AGENDA ITEM #5.12
DATE: JUNE 15, 2018

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.: 5.12

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

Request by Successor Agency: Successor Agency requests that the Oversight Board approve the execution of a purchase and sale agreement with the City concerning the sale and disposition of certain real property located at 555 El Encanto Road, City of Industry, APNs 8208-027-901 and 8208-027-902 (the “Property”) and identified as Asset No. 53 in the Successor Agency’s approved long-range property management plan (“LRPMP”).

Legislative Authority of the Oversight Board:

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

agency; provided, however that the Oversight Board may instead direct the Successor Agency to transfer ownership of those assets constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, parking facilities and lots dedicated solely to public parking and local agency administrative buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to this construction or use of such an asset. The Successor Agency must dispose of assets and property expeditiously and in a manner aimed at maximizing value.

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

Application: The Successor Agency must dispose of assets and properties of the former redevelopment agency in accordance with the direction of the Oversight Board. (HSC Sections 34177(e), 34181(a).) Approval of the Successor Agency's LRPMP occurred on February 21, 2014. The LRPMP identifies the Property as a "For Sale" property. Any disposition of property, whether governmental purpose or otherwise, must be done expeditiously and in a manner aimed at maximizing value. (HSC Sections 34177(e), 34181(a))

The Property consists of approximately 6.46 acres and is improved with a one-story skilled nursing facility containing 59,626 net occupiable square feet of floor area, constructed in 1963 and in overall fair-average condition. The facility is operated as a non-profit entity, and contains 155 licensed skilled nursing beds and 89 licensed intermediate care facility beds for the developmentally disabled. Other on-site improvements include an asphalt paved parking lot containing 188± marked parking spaces, paving, fencing, concrete planters, and a small storage building. The Property is located in the institutional zone designation, which limits the use of the Property to various public uses, hospitals and nursing homes, or an office use by a non-profit entity leasing from a governmental agency.

The Property is leased to Industry Convalescent Hospital, doing business as El Encanto Convalescent Hospital. The original lease was dated September 28, 1976 and amended December 5, 1983. The term of the rental agreement is one year, which, unless terminated, is automatically renewed for one-year periods. The lease rate is \$1.00 per year. Tenant is responsible for property taxes and insurance, as well as certain maintenance. There is also a business loan between El Encanto and the City, which loan is utilized primarily for on-going business operations as well as property repairs and maintenance. The existing loan balance is \$20,060,000, but is not secured by the underlying real estate. The current loan payment is 6%, interest only, with no anticipated future repayment of the loan principal (\$20,060,000).

The Successor Agency retained R.P. Laurain & Associates, Inc. (“Appraiser”) to determine the value of the Property, which was determined on May 31, 2018. Successor Agency staff previously provided a copy of the appraisal to each member of the Oversight Board. The Appraiser determined the fair market value of the Property to be \$900,000.00, which amount was reached based on the facility operating at a loss and the assumption that any potential buyer would either renegotiate the lease payment or attempt to close down and relocate residents.

Jim Rabe of Keyser Marston was provided with copies of the appraisal for review and comment.

The Property is identified as Property No. 53 on the LRPMP. The City has offered to purchase the Property for \$900,000.00, an amount equal to the appraised value. We have reviewed the terms of the Purchase and Sale Agreement between the Successor Agency and the City (“Purchase Agreement”). 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 is required and the transaction contemplates a 30-day escrow period.

As the Oversight Board has previously required with similar properties (i.e., government use properties), the Oversight Board may consider requiring the inclusion of a restrictive covenant in the Grant Deed providing that if the Property is ever re-zoned and/or sold for private development at a sale price/value above the original purchase price paid by the City, then such excess amount will be paid to the taxing entities.

Based on the DOF-approved LRPMP, information provided by Successor Agency staff, and the authority of the Health and Safety Code, we find the proposed approval of the Purchase Agreement and the disposition of the Property to be permissible and proper.

RESOLUTION NO. OB 2018-14

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF PROPERTY LOCATED AT 555 EL ENCANTO ROAD, CITY OF INDUSTRY AND IDENTIFIED ON THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 53

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

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

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

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

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

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

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

WHEREAS, the Successor Agency owns certain real property located at 555 El Encanto Road, City of Industry, and identified on the LRPMP as Property No. 53 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 \$900,000.00, which represents an amount equal to or greater than the fair market value of the Property, as determined by an appraisal conducted by R.P. Laurain & 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 will occur 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"), 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 June 19, 2018, 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 2018-14
ATTACHMENT A
PURCHASE AGREEMENT
[ATTACHED BEHIND THIS PAGE]

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS
555 El Encanto Road, City of Industry**

THIS PURCHASE AGREEMENT for the property located at 555 El Encanto Road, CITY OF INDUSTRY, CA (this "Agreement"), dated as of June __, 2018 (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 located at 555 El Encanto Road, City of Industry, California, 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 (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. AB X1 26 was subsequently amended by Assembly Bill 1484 (collectively, as amended, "Dissolution Act").

C. Pursuant to the Dissolution Act, the City of Industry elected to be the Successor Agency to the IUDA to administer the dissolution and winding down of the IUDA. On February 1, 2012, pursuant to the Dissolution Legislation, the Agency 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, for valuable consideration, and 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 Nine Hundred Thousand and 00/100 Dollars (\$900,000.00) (the "**Purchase Price**"), payable by Buyer to Seller in cash at the Closing (as defined in Section 7A 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. The principal office of the Escrow Holder for purposes of this Agreement is 18500 Von Karman Avenue, Suite 600, Irvine, California 92612, Attention: Patty Beverly, Escrow Officer, Telephone: (949) 885-2465, Fax: (877) 372-0260, Email: pbeverly@firstam.com. Upon mutual execution of this Agreement, Buyer and Seller shall deliver a fully executed copy of this Agreement to Escrow Holder.

B. Closing Date. Escrow shall close within thirty (30) days, or less, after satisfaction of the Condition to Closing set forth in Section 4 B (i). For purposes of this Agreement, the closing date ("Closing Date") shall mean the date on which a grant deed conveying the Property to Buyer is recorded in the Los Angeles County Recorder's Office.

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 of the following conditions at or prior to Closing:

(i) Title. Buyer acknowledges receipt of a preliminary title report prepared by Escrow Holder for the Property ("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 ("Approved Exceptions"). At the Closing, Seller shall deliver title to the Property to Buyer subject only to the Approved Exceptions.

(ii) Delivery of Deed. Seller shall have executed and deposited into Escrow, for delivery to Buyer, the Grant Deed attached hereto as Exhibit B.

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 Legislation, including 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.

B. Except as provided in Section 4 B (i) above, 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.

C. 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 violation of any law, ordinance, rule, regulation or order of any governmental authority pertaining to the Property. 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. Notwithstanding the foregoing, Seller hereby discloses that a healthcare facility is currently operating on the Property, and has been in constant operation for several decades.

D. Seller hereby represents and warrants to Buyer that there are no leases, options to purchase, rights of first refusal or contracts for lease or sale of the Property; and (ii) there are no liens or claims against the Property other than the Approved Exceptions.

E. Seller hereby represents and warrants to Buyer that during the term of this Agreement Seller shall not, without Buyer's prior written approval, modify any contracts which will not be terminated on or before Closing.

6. CONDITION OF PROPERTY

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, the City and the Oversight Board, and their respective officers, directors, employees, representatives, agents, advisors, servants, attorneys, successors and assigns, and all persons, firms, corporations and organizations acting on the Agency's, City's or Oversight Board's behalf (collectively, the "**Released Parties**") from any and all claims, responsibility and/or liability that the 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 2.8. 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; (viii) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE; AND (ix) WITH RESPECT TO ANY OTHER MATTER, THE CITY FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY AND REVIEW INFORMATION AND DOCUMENTATION AFFECTING THE PROPERTY, THE CITY IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND REVIEW OF SUCH INFORMATION AND DOCUMENTATION AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY THE AGENCY.

THE 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. CLOSING OF ESCROW.

A. Delivery of Documents and Payment. At or 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 and subject only to the Approved Exceptions. At or 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 holds, and is able to record, the Grant Deed, (2) Escrow Holder is prepared to issue to Buyer the Title Policy as provided in Section 7 B 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 standard coverage American Land Title Association ("ALTA") 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 the standard printed exclusions from coverage of an ALTA standard title policy ("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 after completion of the Improvements thereon in accordance with the Agreement, the City shall be relieved of any further responsibility under this Section 5.3 as to the Property so conveyed.

E. Form of Nondiscrimination and Nonsegregation Clauses. All deeds, leases or contracts for sale 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 5.1, 5.2, 5.3, and 5.4 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 following covenants shall be binding upon the Property and City and its successors and assigns and shall remain in effect for the following periods, and each of which shall be set forth with particularity in any document of transfer or conveyance by the City:

- (1) The non-discrimination and non-segregation requirements set forth in Sections 5.1, 5.3 and 5.4 shall remain in effect in perpetuity;
- (2) The maintenance requirements set forth in Section 5.2 shall remain in effect for the period described therein, and;
- (3) Easements to the Agency, City or other public agencies for utilities existing as of the execution of this Agreement, which shall remain in effect according to their terms.

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. 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 assessed 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 assessed 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, real property taxes and assessments (if any), utility and other operating costs of the Property shall be prorated at Closing.

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: Troy Helling, Acting City Manager
15625 East Stafford Street, Suite 100
City of Industry, California 91744

To Seller: Successor Agency to the Industry Urban-Development Agency
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Troy Helling, Acting Executive Director

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

(i) The Title Report

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.

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 and Exhibit B 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.

(SIGNATURES ON FOLLOWING 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:

Diane M. Schlichting, 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, Agency Secretary

APPROVED AS TO FORM:

By: _____
James M. Casso, Agency Counsel

LIST OF EXHIBITS

| | |
|-------------|-----------------------------------|
| Exhibit "A" | Legal Description of the Property |
| Exhibit "B" | Form of Grant Deed |

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the City of Industry, County of Los Angeles, State of California,
described as follows:

(555 El Encanto)

APN: 8208-027-901 & 8208-027-902

PARCELS 1 AND 2 OF PARCEL MAP NO. 176, IN THE CITY OF INDUSTRY, COUNTY OF
LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 136, PAGES 61 AND
62, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING 280,976 SQUARE FEET, (6.450 ACRES), OF LAND, MORE OR LESS.

AND AS SHOWN ON EXHIBIT "B" ATTACHED HEREON AND MADE PART OF HEREOF.

EXHIBIT "B"

FORM OF GRANT DEED

RECORDING REQUESTED BY:

FIRST AMERICAN TITLE INSURANCE COMPANY

AND WHEN RECORDED RETURN TO:

Successor Agency to the
Industry Urban-Development Agency
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Diane Schlichting

[The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383]

GRANT DEED

Documentary Transfer Tax: \$ _____

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 a Purchase Agreement [555 El Encanto Road] (the "**Agreement**") entered into by and between the Grantor and Grantee dated as of June __, 2018, 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. In the event the Grantee sells the Property and the future use of the Property shall be for a use other than governmental use, the proportion of the sales proceeds attributable to the non-governmental use shall be distributed by the Grantee to the Los Angeles County Auditor-Controller for eventual distribution to the taxing entities as defined in AB 26 X 1 & AB 1484, commonly known as the Dissolution Act.

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

IN WITNESS WHEREOF, Grantor and Grantee have caused this Grant Deed to be executed and notarized as of this ____ day of _____, 2018.

GRANTOR:

SUCCESSOR AGENCY TO THE INDUSTRY
URBAN-DEVELOPMENT AGENCY

By: _____
Mark Radecki, Chairman

ATTEST:

Diane Schlichting, Agency Secretary

GRANTEE:

CITY OF INDUSTRY

By: _____
Mark Radecki, Mayor

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 to Grant Deed

LEGAL DESCRIPTION

Real property in the City of Industry, County of Los Angeles, State of California,
described as follows:

(555 El Encanto)

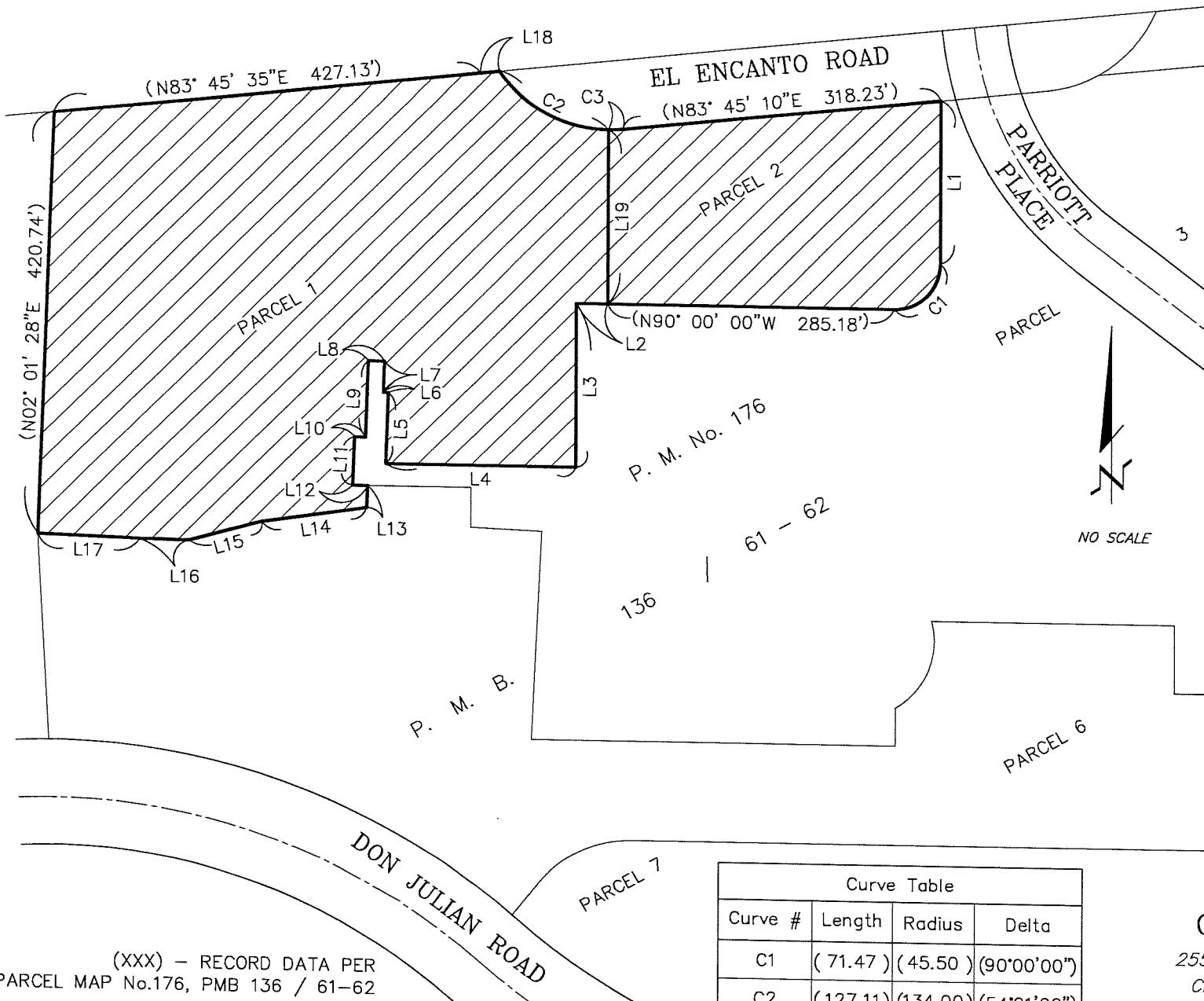
APN: 8208-027-901 & 8208-027-902

PARCELS 1 AND 2 OF PARCEL MAP NO. 176, IN THE CITY OF INDUSTRY, COUNTY OF
LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 136, PAGES 61 AND
62, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING 280,976 SQUARE FEET, (6.450 ACRES), OF LAND, MORE OR LESS.

AND AS SHOWN ON EXHIBIT "B" ATTACHED HEREON AND MADE PART OF HEREOF.

EXHIBIT "B"



| Line Table | | |
|------------|-----------------|----------|
| Line # | Direction | Length |
| L1 | (S00° 00' 00"E) | (163.18) |
| L2 | (N90° 00' 00"W) | (31.44) |
| L3 | (S00° 00' 00"E) | (163.89) |
| L4 | (N90° 00' 00"W) | (189.41) |
| L5 | (N02° 00' 26"E) | (71.78) |
| L6 | (N87° 59' 34"W) | (5.00) |
| L7 | (N02° 00' 26"E) | (31.09) |
| L8 | (N87° 59' 34"W) | (16.00) |
| L9 | (S02° 00' 26"W) | (77.51) |
| L10 | (N87° 59' 34"W) | (10.82) |
| L11 | (S02° 00' 26"W) | (48.54) |
| L12 | (N90° 00' 00"E) | (14.72) |
| L13 | (S02° 17' 12"W) | (22.16) |
| L14 | (S81° 29' 09"W) | (105.55) |
| L15 | (S74° 48' 26"W) | (75.50) |
| L16 | (N89° 24' 02"W) | (48.53) |
| L17 | (N88° 17' 03"W) | (101.61) |
| L18 | (N83° 45' 10"E) | (18.82) |
| L19 | (S00° 00' 00"E) | (173.25) |

| Curve Table | | | |
|-------------|----------|----------|-------------|
| Curve # | Length | Radius | Delta |
| C1 | (71.47) | (45.50) | (90°00'00") |
| C2 | (127.11) | (134.00) | (54°21'00") |
| C3 | (14.37) | (134.00) | (6°08'33") |

(XXX) - RECORD DATA PER
PARCEL MAP No.176, PMB 136 / 61-62

Legal No.891



NO SCALE

Prepared by:
CNC ENGINEERING
255 N. HACIENDA BLVD, Suite 222
CITY OF INDUSTRY, CA. 91744
Phone (626) 333-0336
Job No. MP 12-03#3 August 15, 2017

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

ITEM NO. 5.13

CLIENT MEMORANDUM

TO: OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
FROM: VARNER & BRANDT LLP
SUBJECT: TRANSMITTAL OF JUNE 19, 2018 OVERSIGHT BOARD MEETING AGENDA ITEM #5.13
DATE: JUNE 11, 2018

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.: 5.13

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

Request by Successor Agency: Successor Agency requests that the Oversight Board approve the execution of a purchase and sale agreement with the City concerning the sale and disposition of certain real property located at 425 Parriott Place, City of Industry, APN 8208-027-918 (the “Property”) and identified as Asset No. 54 in the Successor Agency’s approved long-range property management plan (“LRPMP”).

Legislative Authority of the Oversight Board:

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

agency; provided, however that the Oversight Board may instead direct the Successor Agency to transfer ownership of those assets constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, parking facilities and lots dedicated solely to public parking and local agency administrative buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to this construction or use of such an asset. The Successor Agency must dispose of assets and property expeditiously and in a manner aimed at maximizing value.

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

Application: The Successor Agency must dispose of assets and properties of the former redevelopment agency in accordance with the direction of the Oversight Board. (HSC Sections 34177(e), 34181(a).) Approval of the Successor Agency's LRPMP occurred on February 21, 2014. The LRPMP identifies the Property as a "For Sale" property. Any disposition of property, whether governmental purpose or otherwise, must be done expeditiously and in a manner aimed at maximizing value. (HSC Sections 34177(e), 34181(a))

The Property consists of approximately 8.71 and is effectively vacant land parcel, however, there are two small parking areas located at the southeasterly and northwesterly portions of the subject property, utilized by the adjacent museum and El Encanto nursing facility. The parking lot improvements are not considered having a contributory value. The Property is located in the institutional zone district, which is an effective public use zone designation.

The Property is proposed for sale to Foothill Transit or the City of Industry for a proposed park and ride facility. It is understood that an effective deed restriction will be placed on title wherein if the property is ever re-zoned and/or sold for private development, any increase in the sale price/value, beyond the original price paid for public use, will be given to the County of Los Angeles, as the taxing entity. As such, the subject property is appraised based on public use zoning only, without any potential economic benefit from rezoning the site for a private use, at any time in the future.

The Successor Agency retained R.P. Laurain & Associates ("Appraiser") to determine the value of the Property, which was determined on May 1, 2018. Successor Agency staff previously provided a copy of the appraisal to each member of the Oversight Board. The Appraiser determined the fair market value of the Property to be \$720,000.00. In reaching the appraised value, applicable discounts were applied due to (1) the public use zone designation, and (2) an extended 20-year holding period.

Jim Rabe of Keyser Marston was provided with copies of the appraisal for review and comment.

The Property is identified as Property No. 54 on the LRPMP. The City has offered to purchase the Property for \$720,000.00, which is equal to the appraised value. The Oversight Board may consider requesting further explanation and information from Successor Agency staff concerning the marketing of the Property.

We have reviewed the terms of the Purchase and Sale Agreement between the Successor Agency and the City (“Purchase Agreement”). 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 is required and the transaction contemplates a 30-day escrow period. The proposed Grant Deed, attached to the Purchase Agreement, does not include the deed restriction referenced in and contemplated by the appraisal.

Based on the DOF-approved LRPMP, information provided by Successor Agency staff, and the authority of the Health and Safety Code, we find the proposed approval of the Purchase Agreement and the disposition of the Property to be permissible and proper.

RESOLUTION NO. OB 2018-15

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 AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF PROPERTY LOCATED AT 425 PARRIOTT PLACE, CITY OF INDUSTRY AND IDENTIFIED ON THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 54

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

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

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

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

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

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

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

WHEREAS, the Successor Agency owns certain real property located at 425 Parriott Place, City of Industry, and identified on the LRPMP as Property No. 54 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 \$720,000.00, which represents an amount equal to or greater than the fair market value of the Property, as determined by an appraisal conducted by R.P. Laurain & 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 will occur 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”), 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 June 19, 2018, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

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

ATTEST:

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

RESOLUTION NO. OB 2018-15
ATTACHMENT A
PURCHASE AGREEMENT
[ATTACHED BEHIND THIS PAGE]

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS
425 Parriott Place, City of Industry**

THIS PURCHASE AGREEMENT for the property located at 425 PARRIOTT PLACE, CITY OF INDUSTRY, CA (this "Agreement"), dated as of June __, 2018 (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 City 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 located at 425 Parriott Place, City of Industry, California, 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 (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. AB X1 26 was subsequently amended by Assembly Bill 1484 (collectively, as amended, "Dissolution Act").

C. Pursuant to the Dissolution Act, the City of Industry elected to be the Successor Agency to the IUDA to administer the dissolution and winding down of the IUDA. On February 1, 2012, pursuant to the Dissolution Legislation, the Agency 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, for valuable consideration, and 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 Seven Hundred Twenty Thousand and 00/100 Dollars (\$720,000.00) (the "**Purchase Price**"), payable by Buyer to Seller in cash at the Closing (as defined in Section 7A 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. The principal office of the Escrow Holder for purposes of this Agreement is 18500 Von Karman Avenue, Suite 600, Irvine, California 92612, Attention: Patty Beverly, Escrow Officer, Telephone: (949) 885-2465, Fax: (877) 372-0260, Email: pbeverly@firstam.com. Upon mutual execution of this Agreement, Buyer and Seller shall deliver a fully executed copy of this Agreement to Escrow Holder.

B. Closing Date. Escrow shall close within thirty (30) days, or less, after satisfaction of the Condition to Closing set forth in Section 4 B (i). For purposes of this Agreement, the closing date ("Closing Date") shall mean the date on which a grant deed conveying the Property to Buyer is recorded in the Los Angeles County Recorder's Office.

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 of the following conditions at or prior to Closing:

(i) Title. Buyer acknowledges receipt of a preliminary title report prepared by Escrow Holder for the Property ("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 ("Approved Exceptions"). At the Closing, Seller shall deliver title to the Property to Buyer subject only to the Approved Exceptions.

(ii) Delivery of Deed. Seller shall have executed and deposited into Escrow, for delivery to Buyer, the Grant Deed attached hereto as Exhibit B.

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 Legislation, including 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.

B. Except as provided in Section 4 B (i) above, 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.

C. Except as disclosed on those reports set forth on Exhibit C 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 violation of any law, ordinance, rule, regulation or order of any governmental authority pertaining to the Property. 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, byproducts or constituents requiring remediation under federal, state or local laws, ordinances, rules, regulations or policies.

D. Seller hereby represents and warrants to Buyer that there are no leases, options to purchase, rights of first refusal or contracts for lease or sale of the Property; and (ii) there are no liens or claims against the Property other than the Approved Exceptions.

E. Seller hereby represents and warrants to Buyer that during the term of this Agreement Seller shall not, without Buyer's prior written approval, modify any contracts which will not be terminated on or before Closing.

6. CONDITION OF PROPERTY

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, the City and the Oversight Board, and their respective officers, directors, employees, representatives, agents, advisors, servants, attorneys, successors and assigns, and all persons, firms, corporations and organizations acting on the Agency's, City's or Oversight Board's behalf (collectively, the "**Released Parties**") from any and all claims, responsibility and/or liability that the 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 2.8. 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; (viii) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE; AND (ix) WITH RESPECT TO ANY OTHER MATTER, THE CITY FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY AND REVIEW INFORMATION AND DOCUMENTATION AFFECTING THE PROPERTY, THE CITY IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND REVIEW OF SUCH INFORMATION AND DOCUMENTATION AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY THE AGENCY.

THE 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. CLOSING OF ESCROW.

A. Delivery of Documents and Payment. At or 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 and subject only to the Approved Exceptions. At or 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 holds, and is able to record, the Grant Deed, (2) Escrow Holder is prepared to issue to Buyer the Title Policy as provided in Section 7 B 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 standard coverage American Land Title Association ("ALTA") 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 the standard printed exclusions from coverage of an ALTA standard title policy ("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 after completion of the Improvements thereon in accordance with the Agreement, the City shall be relieved of any further responsibility under this Section 5.3 as to the Property so conveyed.

E. Form of Nondiscrimination and Nonsegregation Clauses. All deeds, leases or contracts for sale 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 5.1, 5.2, 5.3, and 5.4 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 following covenants shall be binding upon the Property and City and its successors and assigns and shall remain in effect for the following periods, and each of which shall be set forth with particularity in any document of transfer or conveyance by the City:

- (1) The non-discrimination and non-segregation requirements set forth in Sections 5.1, 5.3 and 5.4 shall remain in effect in perpetuity;
- (2) The maintenance requirements set forth in Section 5.2 shall remain in effect for the period described therein, and;
- (3) Easements to the Agency, City or other public agencies for utilities existing as of the execution of this Agreement, which shall remain in effect according to their terms.
- (4) The use requirement regarding using the Property only for the construction of the Improvements set forth in Section 5.1 shall remain in effect until the earlier of the completion of the Improvements, or one (1) year after Close of Escrow if the reason for the failure to complete the Improvements is not due to a default by City. The use requirement regarding using the Property for any lawful purpose shall remain in effect in perpetuity.

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. 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 assessed 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 assessed 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, real property taxes and assessments (if any), utility and other operating costs of the Property shall be prorated at Closing.

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: Troy Helling, Acting City Manager
15625 East Stafford Street, Suite 100
City of Industry, California 91744

To Seller: Successor Agency to the Industry Urban-Development Agency
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Troy Helling, Acting Executive Director

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

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, and Exhibit D 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.

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:

Diane M. Schlichting, 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, Agency Secretary

APPROVED AS TO FORM:

By: _____
James M. Casso, Agency Counsel

LIST OF EXHIBITS

| | |
|-------------|---|
| Exhibit "A" | Legal Description of the Property |
| Exhibit "B" | Form of Grant Deed |
| Exhibit "C" | Due Diligence Phase I Environmental Site Assessment and Subsurface Investigation Report |

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the City of Industry, County of Los Angeles, State of California,
described as follows:

(425 Parriott Place)

APN 8208-027-918

PARCELS 3 AND 4 OF PARCEL MAP No.176 IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 136, PAGE 61 AND 62, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THOSE PORTIONS OF SAID PARCELS 3 AND 4 LYING NORTHEASTERLY OF THE SOUTHWESTERLY LINE OF THAT CERTAIN LAND KNOWN AS PARRIOTT PLACE WEST AS DESCRIBED IN THAT CERTAIN GRANT DEED FROM INDUSTRY URBAN-DEVELOPMANET AGENCY TO THE CITY OF INDUSTRY FOR STREET AND HIGHWAY PURPOSES, RECORDED ON APRIL 9, 2001, AS INSTRUMENT No. 01-0586000, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING 382,637 SQUARE FEET (8.784 ACRES) OF LAND, MORE OR LESS.

EXHIBIT "B"

FORM OF GRANT DEED

RECORDING REQUESTED BY:

FIRST AMERICAN TITLE INSURANCE COMPANY

AND WHEN RECORDED RETURN TO:

Successor Agency to the
Industry Urban-Development Agency
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Diane Schlichting

[The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383]

GRANT DEED

Documentary Transfer Tax: \$ _____

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 a Purchase Agreement [425 Parriott Place, City of Industry] (the "**Agreement**") entered into by and between the Grantor and Grantee dated as of June __, 2018, 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. In the event the Grantee sells the Property and the future use of the Property shall be for a use other than governmental use, the proportion of the sales proceeds attributable to the non-governmental use shall be distributed by the Grantee to the Los Angeles County Auditor-Controller for eventual distribution to the taxing entities as defined in AB 26 X 1 & AB 1484, commonly known as the Dissolution Act.

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

IN WITNESS WHEREOF, Grantor and Grantee have caused this Grant Deed to be executed and notarized as of this ____ day of _____, 2018.

GRANTOR:

SUCCESSOR AGENCY TO THE INDUSTRY
URBAN-DEVELOPMENT AGENCY

By: _____
Mark Radecki, Chairman

ATTEST:

Diane Schlichting, Agency Secretary

GRANTEE:

CITY OF INDUSTRY

By: _____
Mark Radecki, Mayor

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 to Grant Deed

LEGAL DESCRIPTION

Real property in the City of Industry, County of Los Angeles, State of California,
described as follows:

(425 Parriott Place)

APN 8208-027-918

PARCELS 3 AND 4 OF PARCEL MAP No.176 IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 136, PAGE 61 AND 62, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THOSE PORTIONS OF SAID PARCELS 3 AND 4 LYING NORTHEASTERLY OF THE SOUTHWESTERLY LINE OF THAT CERTAIN LAND KNOWN AS PARRIOTT PLACE WEST AS DESCRIBED IN THAT CERTAIN GRANT DEED FROM INDUSTRY URBAN-DEVELOPMANET AGENCY TO THE CITY OF INDUSTRY FOR STREET AND HIGHWAY PURPOSES, RECORDED ON APRIL 9, 2001, AS INSTRUMENT No. 01-0586000, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING 382,637 SQUARE FEET (8.784 ACRES) OF LAND, MORE OR LESS.

EXHIBIT C

**DUE DILIGENCE PHASE I ENVIRONMENTAL SITE ASSESSMENT AND
SUBSURFACE INVESTIGATION REPORT**

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

ITEM NO. 5.14

CLIENT MEMORANDUM

TO: OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
FROM: VARNER & BRANDT LLP
SUBJECT: TRANSMITTAL OF JUNE 19, 2018 OVERSIGHT BOARD MEETING AGENDA ITEM #5.14
DATE: JUNE 15, 2018

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.: 5.14

Subject: Approval of Purchase and Sale Agreement; Disposition of Property. Approval of the Successor Agency’s execution of a purchase and sale agreement with P.T. Enterprises LLC (the “Purchaser”).

Request by Successor Agency: Successor Agency requests that the Oversight Board approve the execution of a purchase and sale agreement with the Purchaser concerning the sale and disposition of certain real property located at 17647 Gale Avenue, City of Industry, APNs 8264-013-914, 8264-012-923 and 8264-013-913 (the “Property”) and identified as Asset No. 34 in the Successor Agency’s approved long-range property management plan (“LRPMP”).

Legislative Authority of the Oversight Board:

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

agency; provided, however that the Oversight Board may instead direct the Successor Agency to transfer ownership of those assets constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, parking facilities and lots dedicated solely to public parking and local agency administrative buildings, to the appropriate public jurisdiction pursuant to any existing agreements relating to this construction or use of such an asset. The Successor Agency must dispose of assets and property expeditiously and in a manner aimed at maximizing value.

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

Application: The Successor Agency must dispose of assets and properties of the former redevelopment agency in accordance with the direction of the Oversight Board. (HSC Sections 34177(e), 34181(a).) Approval of the Successor Agency's LRPMP occurred on February 21, 2014. The LRPMP identifies the Property as a "For Sale" property. Any disposition of property, whether governmental purpose or otherwise, must be done expeditiously and in a manner aimed at maximizing value. (HSC Sections 34177(e), 34181(a))

The Property consists of approximately 6.42 acres and is a vacant lot currently utilized for automobile dealership parking pursuant to a license agreement. The Property is located in the automobile zone district of the City of Industry. Permitted uses are limited to automobile dealerships and related repair and service uses. The immediate area is developed with automobile dealerships, however, there are certain vacant land parcels in the immediate automobile zone district.

The Successor Agency retained R.P. Laurain & Associates ("Appraiser") to determine the value of the Property, which was determined on May 1, 2018. Successor Agency staff previously provided a copy of the appraisal to each member of the Oversight Board. The Appraiser determined the fair market value of the Property to be \$5,590,000.00. Jim Rabe of Keyser Marston was provided with copies of the appraisal and related documents for review and comment.

The Property is identified as Property No. 34 on the LRPMP. Successor Agency received two bids for the Property, one from Aiken Cars, Inc. and one from the Purchaser. The Purchaser was the high bidder with an offer to purchase the Property for \$6,806,250.00.

We have reviewed the terms of the Purchase and Sale Agreement between the Successor Agency and the Purchaser ("Purchase Agreement"). The sale of the Property is made on an "AS IS" basis and includes a full release of claims. The Purchase Agreement includes a 45-day due diligence period. Closing costs will be split between the parties. A deposit of \$100,000 was previously made by the Purchaser and within ten-days of opening escrow, a second deposit of \$580,625.00 is required. The transaction contemplates a closing date 90 days following the opening of escrow. The Purchaser is required to develop the Property within 24-months of the closing and in the event

the Purchaser fails to complete the development, the City of Industry shall have the right to repurchase the Property.

Based on the DOF-approved LRPMP, information provided by Successor Agency staff, and the authority of the Health and Safety Code, we find the proposed approval of the Purchase Agreement and the disposition of the Property to be permissible and proper.

RESOLUTION NO. OB 2018-16

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF INDUSTRY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF PROPERTY LOCATED AT 17647 GALE AVENUE, CITY OF INDUSTRY AND IDENTIFIED ON THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS PROPERTY NO. 34

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

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

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

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

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

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

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

WHEREAS, the Successor Agency owns certain real property located at 17647 Gale Avenue, City of Industry, and identified on the LRPMP as Property No. 34 as a “for sale” property (the “Property”); and

WHEREAS, the Successor Agency intends to sell the Property to P.T. Enterprises, LLC (“Purchaser”) for a purchase price of \$6,806,250.00, which represents an amount equal to or greater than the fair market value of the Property, as determined by an appraisal conducted by R.P. Laurain & 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 will occur 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”), 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 June 19, 2018, 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 2018-16
ATTACHMENT A
PURCHASE AGREEMENT
[ATTACHED BEHIND THIS PAGE]

PURCHASE AGREEMENT
[17647 GALE AVENUE]

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

P.T. Enterprises, LLC
a California limited liability company
“Developer”

_____, 2018

TABLE OF CONTENTS

TO BE REVISED

| | <u>Page</u> |
|--|--------------------|
| ARTICLE 1 DEFINITIONS | 1 |
| 1.1 Definitions | 1 |
| ARTICLE 2 PURCHASE AND SALE OF THE PROPERTY..... | 4 |
| 2.1 Purchase and Sale | 4 |
| 2.2 Payment of Purchase Price | 4 |
| 2.3 Escrow | 5 |
| 2.4 Conditions to Close of Escrow | 6 |
| 2.5 Condition of Title; Title Insurance | 6 |
| 2.6 Escrow and Title Charges; Prorations..... | 7 |
| 2.7 Due Diligence Period; Access | 7 |
| 2.8 Condition of the Property..... | 9 |
| 2.9 Environmental | 9 |
| 2.10 Escrow Holder..... | 10 |
| ARTICLE 3 DEVELOPMENT OF THE PROPERTY..... | 11 |
| 3.1 Scope of Development..... | 11 |
| 3.2 Cost of Construction | 12 |
| 3.3 Construction Schedule..... | 12 |
| 3.4 Rights of Access | 12 |
| 3.5 Local, State and Federal Laws | 12 |
| 3.6 Nondiscrimination During Construction | 12 |
| 3.7 Certificate of Completion..... | 12 |
| ARTICLE 4 LIMITATIONS ON TRANSFERS AND SECURITY INTERESTS..... | 13 |
| 4.1 Limitation As To Transfer of the Property and Assignment of Agreement..... | 13 |

TABLE OF CONTENTS (cont.)

| | <u>Page</u> |
|--|--------------------|
| 4.2 Security Financing; Right of Holders | 13 |
| ARTICLE 5 USE OF THE PROPERTY..... | 14 |
| 5.1 Use..... | 14 |
| 5.2 Maintenance of the Property | 15 |
| 5.3 Obligation to Refrain from Discrimination..... | 15 |
| 5.4 Form of Nondiscrimination and Nonsegregation Clauses | 15 |
| 5.5 Restrictive Covenant..... | 16 |
| 5.6 Effect and Duration of Covenants | 16 |
| 5.7 City's Purchase for Failure to Complete Construction | 17 |
| ARTICLE 6 EVENTS OF DEFAULT, REMEDIES AND TERMINATION..... | 18 |
| 6.1 Developer Events of Defaults | 18 |
| 6.2 Agency Events of Default..... | 18 |
| 6.3 Remedies in the Event of Default | 19 |
| 6.4 No Personal Liability | 20 |
| 6.5 Legal Actions..... | 20 |
| 6.6 Rights and Remedies are Cumulative | 20 |
| 6.7 Inaction Not a Waiver of Default..... | 19 |
| ARTICLE 7 GENERAL PROVISIONS..... | 19 |
| 7.1 Insurance..... | 19 |
| 7.2 Indemnity..... | 22 |
| 7.3 Notices | 22 |
| 7.4 Construction..... | 23 |
| 7.5 Developer's Warranties..... | 23 |
| 7.6 Interpretation | 24 |

TABLE OF CONTENTS (cont.)

| | <u>Page</u> |
|--|--------------------|
| 7.7 Time of the Essence..... | 24 |
| 7.8 Attorneys' Fees | 24 |
| 7.9 Enforced Delay: Extension of Times of Performance..... | 24 |
| 7.10 Approvals by the Agency and the Developer | 24 |
| 7.11 Developer's Private Undertaking | 24 |
| 7.12 Entire Agreement, Waivers and Amendments | 24 |
| 7.13 Counterparts..... | 25 |
| 7.14 Severability..... | 25 |
| 7.15 Survival..... | 25 |
| 7.16 Representations of Agency | 25 |
| 7.17 Developer's Broker(s) | 26 |
| 7.18 No Third Party Beneficiaries other than City | 26 |

PURCHASE AGREEMENT
[17647 Gale Avenue]

THIS PURCHASE AGREEMENT [17647 Gale Avenue] (this “**Agreement**”), dated as of _____, 2018 (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**”), and **P.T. Enterprises, LLC**, a California limited liability company (the “**Developer**”). The Agency and the Developer are hereinafter sometimes individually referred to as a “**Party**” and collectively referred to as the “**Parties.**”

RECITALS

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

A. The Agency owns the fee interest in that certain real property located at 17647 Gale Avenue in the City of Industry, County of Los Angeles, State of California, as more particularly described in Exhibit “A” attached hereto and incorporated herein by this reference (such real property is referred to herein as the “**Property**”). The Developer wishes to acquire fee title to the Property from the Agency to enable the Developer to construct the Improvements (as such term is defined in Section 1.1.24) on the Property (the “**Project**”).

B. Development of the Project will assist in the elimination of blight, provide jobs, and substantially improve the economic and physical conditions in the City, and is in the best interests of the Agency and City, and the health, safety and welfare of the residents and taxpayers of the City.

C. A material inducement to the Agency to enter into this Agreement is the agreement by the Developer to rehabilitate the Project within a limited period of time, and the Agency would be unwilling to enter into this Agreement in the absence of an enforceable commitment by the Developer to develop the Project within such period of time.

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

ARTICLE 1
DEFINITIONS

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

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

1.1.2 “Agency Event of Default” is defined in Section 6.2.

1.1.3 “Agreement” means this Purchase Agreement.

1.1.4 “Approved Exceptions” is defined in Section 2.5.1.

1.1.5 “Breach Notice” is defined in Section 5.7.

1.1.6 “Certificate of Completion” means a certificate described in Section 3.7, to be provided by the Agency to the Developer upon satisfactory completion of construction of the Improvements.

1.1.7 “Certificate of Occupancy” means a final certificate of occupancy issued by the County of Los Angeles for all of the Improvements.

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

1.1.9 “Close of Escrow” and “Closing” are defined in Section 2.3.2.

1.1.10 “Commencement Date” is defined in Section 3.1.1.

1.1.11 “Default” is defined in Section 6.2.

1.1.12 “Deposit” is defined in Section 2.2.1.

1.1.13 “Developer” means P.T. Enterprises, LLC, a California limited liability company. The principal office of the Developer for purposes of this Agreement is 9136 East Firestone Blvd., Downey, CA 92041-5136.

1.1.14 “Disposition Costs” is defined in Section 2.1.

1.1.15 “Developer Event of Default” is defined in Section 6.1

1.1.16 “Due Diligence Period” is defined in Section 2.7

1.1.17 “Effective Date” means the date of final approval of this Agreement by the Oversight Board to the Successor Agency to the Industry Urban-Development Agency.

1.1.18 “Escrow” is defined in Section 2.3.1.

1.1.19 “Escrow Holder” means First American Title Insurance Company. The principal office of the Escrow Holder for purposes of this Agreement is 18500 Von Karman Avenue, Suite 600, Irvine, California 92612, Attention: Patty Beverly, Escrow Officer, Telephone: (949) 885-2465, Fax: (877) 372-0260, Email: pbeverly@firstam.com.

1.1.20 “Governmental Requirements” is defined in Section 2.9.3.

1.1.21 “Grant Deed” is defined in Section 2.5.2.

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

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

1.1.23 “Holder” is defined in Section 4.2.2.

1.1.24 “Improvements” means the improvements described in Section 3.1.1.

1.1.25 “Outside Date” is defined in Section 2.3.2.

1.1.26 “Oversight Board” means the Oversight Board of the Successor Agency to the Industry Urban-Development Agency.

1.1.27 “Phase I” means the improvements described in Exhibit “F”.

1.1.28 “Phase I Completion Date” is defined in Section 3.1.1.

1.1.29 “Phase II” means the improvements described in Exhibit “F”.

1.1.30 “Phase II Completion Date” is defined in Section 3.1.1.

1.1.31 “Plans and Specifications” means the plans and specifications approved by the City for construction of the Improvements.

1.1.32 “Project” is defined as a new car dealership.

1.1.33 “Property” is defined in Recital A.

1.1.34 "Purchase Notice" is defined in Section 5.7.

1.1.35 "Purchase Price" is defined in Section 2.1.

1.1.36 "Released Parties" is defined in Section 2.8.

1.1.37 "Right of Entry and Access Agreement" is defined in Section 2.7.

1.1.38 "Schedule of Performance" means the schedule attached hereto as Exhibit "B" and incorporated herein by this reference.

1.1.39 "Title Company" is defined in Section 2.5.3.

1.1.40 "Title Policy" is defined in Section 2.5.3.

1.1.41 "Title Report" is defined in Section 2.5.1.

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

ARTICLE 2 PURCHASE AND SALE OF THE PROPERTY

2.1 Purchase and Sale. The Agency agrees to sell the Property to the Developer, and the Developer agrees to purchase the Property from the Agency, for the sum of Six Million Three Hundred Ninety-Seven Thousand One Hundred Forty-Nine and 00/100 Dollars (\$6,397,149.00) (the "**Purchase Price**"). In addition, Developer shall reimburse the Agency for the Agency's costs of obtaining an appraisal of the Property and the Agency's legal costs in connection with this Agreement and the disposition of the Property under this Agreement (the "**Disposition Costs**") and will be paid by Developer to Agency at the Closing through the Escrow (as hereinafter defined).

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

2.2.1 Deposit. On or about May 29, 2018, Developer provided the Agency a refundable deposit amount of One Hundred Thousand Dollars (\$100,000.00). Within ten (10) calendar days following the opening of Escrow, Developer shall deposit with Escrow Holder a refundable sum of Five Hundred Thirty-Seven Thousand One Hundred Forty-Nine and 00/100 Dollars (\$537,149.00), all in the form of certified or bank cashier's checks made payable to Escrow Holder or by confirmed wire transfers of funds (collectively, the "**Deposit**"). The Deposit shall be invested by Escrow Holder in an interest-bearing account acceptable to Developer and Agency with all interest accruing thereon to be credited to the Purchase Price upon the Close of Escrow. Except as otherwise provided herein, the Deposit shall be applicable in full towards the Purchase Price upon Closing.

2.2.2 Closing Funds. Prior to the Close of Escrow, Developer shall deposit or cause to be deposited with Escrow Holder, by a certified or bank cashier's check made payable to Escrow Holder or by a confirmed federal wire transfer of funds, the balance of the Purchase Price,

plus the Disposition Costs, plus an amount equal to all other costs, expense and prorations payable by Developer hereunder.

2.3 Escrow.

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

2.3.2 Close of Escrow. "**Close of Escrow**" or "**Closing**" means the date Escrow Holder causes the Grant Deed (as hereinafter defined) to be recorded in the Official Records of the County of Los Angeles and delivers the Purchase Price and Disposition Costs (less any costs, expenses and prorations payable by the Agency) to the Agency. Possession of the Property shall be delivered to the Developer on the Close of Escrow. Close of Escrow shall occur within 90 days following the opening of Escrow (the "**Outside Date**") or this Agreement shall automatically terminate; provided, however, the Outside Date may be extended upon written consent of the Developer and the

2.3.3 Executive Director of the Agency, which consent may be given or withheld in the exercise of their sole discretion. If the Closing does not occur on or before the Outside Date due to a default by either party, then the defaulting party shall pay all Escrow cancellation fees (and if the defaulting party is the Developer, then the Agency shall be entitled to the Deposit under Section 6.3.1). If the Closing does not occur due to a termination by Developer under Section 2.7, then Developer shall pay all Escrow cancellation fees, and the Deposit shall be retained by the Agency, and all Disposition Costs to date shall be paid by Developer to Agency.

2.3.4 Delivery of Closing Documents.

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

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

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

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

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

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

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

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

2.4.2 For the benefit of the Agency, all actions and deliveries to be undertaken or made by Developer on or prior to the Close of Escrow as set forth in the Schedule of Performance shall have occurred, as reasonably determined by the Agency.

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

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

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

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

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

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

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

2.4.10 For the benefit of the Agency, Developer shall, concurrently with the Close of Escrow, grant to Agency an easement for street and highway purposes, for the property set forth in "Exhibit " [REDACTED]", attached hereto and incorporated herein by reference, and shall execute the Easement Grant Deed, attached hereto as "Exhibit " [REDACTED]", and incorporated herein by reference.

2.4.11 The Parties also agree that the Developer shall, prior to the close of escrow, enter into a purchase and sale agreement with the City of Industry ("City") wherein the City shall acquire the electronic sign and the approximate 2,200 square feet of land on which the sign is located (the "**Electronic Sign Property**") for not more than \$48,224.00. Escrow for the Electronic Sign Property shall close concurrently with the Close of Escrow for the Property. The legal description for the Electronic Sign Property is Exhibit " " attached hereto and incorporated herein by reference.

If all the foregoing conditions have not been met to the benefitted party's sole satisfaction or expressly waived in writing by the benefitted party on or before the respective dates set forth therein, or if no date is set forth therein on the Outside Date, then this Agreement shall, at the option of the benefitted party, become null and void, in which event, except as expressly set forth in this Agreement, neither party shall have any further rights, duties or obligations hereunder.

2.5 Condition of Title; Title Insurance.

2.5.1 Developer acknowledges receipt of a preliminary title report prepared by Escrow Holder for the Property ("**Title Report**"). Developer 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 ("**Approved Exceptions**"). At the Closing, Seller shall deliver title to the Property to Buyer subject only to the Approved Exceptions.

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

2.5.3 At Closing, the Developer shall receive a CLTA Owner's Coverage Policy of Title Insurance (the "**Title Policy**"), issued by First American Title Insurance Company ("**Title Company**") in the amount of the Purchase Price, insuring title to the Property in the name of Developer, subject only to the Approved Exceptions and standard printed exclusions from coverage of a CLTA standard title policy. The Developer may obtain an extended coverage policy of title insurance at its own costs.

2.6 Escrow and Title Charges; Prorations.

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

2.6.2 All non-delinquent and current installments of real estate and personal property taxes and any other governmental charges, regular assessments, or impositions against the Property on the basis of the current fiscal year or calendar year shall be prorated as of the Close of Escrow based on the actual current tax bill. If the Close of Escrow shall occur before the tax rate is

fixed, the apportionment of taxes on the Close of Escrow shall be based on the tax rate for the next preceding year applied to the latest assessed valuation after the tax rate is fixed, which assessed valuation shall be based on the Property's assessed value prior to the Close of Escrow and the Agency and Developer shall, when the tax rate is fixed, make any necessary adjustment. All prorations shall be determined on the basis of a 365-day year. The provisions of this Section 2.6.2 shall survive the Close of Escrow and the recordation of the Grant Deed and shall not be deemed merged into the Grant Deed upon its recordation.

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

2.7 Due Diligence Period; Access. During the period (the "**Due Diligence Period**") commencing on the Effective Date and ending at 5:00 p.m. on the date which is forty-five (45) days after the Effective Date, the Developer may inspect the Property as necessary to (i) approve all zoning and land use matters relating to the Property, (ii) approve the physical condition of the Property, and (iii) satisfy any due diligence requirements of the Developer's lender, if any. Subject to the terms of the Right of Entry and Access Agreement in the form of which is attached hereto as Exhibit "D" (the "**Right of Entry and Access Agreement**"), the Developer and its agents shall have the right to enter upon the Property during the Due Diligence Period to make inspections and other examinations of the Property and the improvements thereon, including without limitation, the right to perform surveys, soil and geological tests of the Property and the right to perform environmental site assessments and studies of the Property. Prior to the Developer's entry upon the Property, the parties shall execute the Right of Entry Agreement. The City shall reasonably cooperate with the Developer in its conduct of the due diligence review during the Due Diligence Period. In the event the Developer does not approve of the condition of the Property by written notice given to the City prior to the expiration of the Due Diligence Period, this Agreement shall terminate, the Deposit shall be returned to Developer (including any interest earned thereon) and, except as otherwise expressly stated in this Agreement, neither party shall have any further rights or obligations to the other party.

2.8 Condition of the Property. The Property shall be conveyed from the City to the Developer on an "AS IS" condition and basis with all faults and the Developer agrees that the City has no obligation to make modifications, replacements or improvements thereto. Except as expressly and specifically provided in this Agreement, the Developer and anyone claiming by, through or under the Developer hereby waives its right to recover from and fully and irrevocably releases the City, and its elected and appointed officials, officers, directors, employees, representatives, agents, advisors, servants, attorneys, successors and assigns, and all persons, firms, corporations and organizations acting on the City's behalf (collectively, the "**Released Parties**") from any and all claims, responsibility and/or liability that the Developer may now have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to the matters pertaining to the Property described in this Section 2.8. This release includes claims of which the Developer is presently unaware or which the Developer does not presently suspect to exist which, if known by the Developer, would materially affect the Developer'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 Developer 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 CITY 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 FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE; AND (viii) WITH RESPECT TO ANY OTHER MATTER, THE DEVELOPER FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY AND REVIEW INFORMATION AND DOCUMENTATION AFFECTING THE PROPERTY, THE DEVELOPER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND REVIEW OF SUCH INFORMATION AND DOCUMENTATION AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY THE CITY.

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

Developer's Initials

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

2.9 Environmental.

2.9.1 Condition of the Property. California Health & Safety Code section 25359.7 requires owners of non-residential real property who know, or have reasonable cause to believe, that any release of Hazardous Substances has come to be located on or beneath the real property to provide written notice of same to the buyer of real property. The Agency hereby discloses the information contained in the list of environmental reports, attached hereto as Exhibit "E" and incorporated herein by reference.

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

2.9.2 Investigation of Property. The Developer shall have the right, at its sole cost and expense, to engage its own environmental consultant to make such investigations as Developer deems necessary, during the Due Diligence Period. Developer understands that regardless of the delivery by the City to the Developer of any materials, including, without limitation, third party reports, Developer will rely entirely on Developer's own experts and consultants in proceeding with this transaction.

2.9.3 Remediation of the Property. In the event that the Developer's investigations show that Hazardous Substances are present on, or under the Property at levels that are inappropriate for the anticipated use, then prior to the expiration of the Due Diligence Period, Developer may terminate this Agreement and thereupon Developer shall have no further obligations or liabilities hereunder and the City shall refund the balance of the Deposit to Developer or, in the alternative, Developer may elect to remediate the Property on its own, at its sole cost and expense, after Close of Escrow. Effective at the Close of Escrow and in furtherance of the indemnity obligations of Developer pursuant to Section 7.2 of this Agreement, to the extent permitted by law, the City hereby assigns and transfers to Developer any and all claims, causes of action and rights of recovery against any person or entity for any release, discharge, migration or deposit of Hazardous Substances on, under or about the Property.

Any remedial work must be performed in a timely and safe manner and in accordance with applicable Governmental Requirements for the use of the Property. For purposes of this Agreement, "**Governmental Requirements**" shall mean all laws, ordinances, statutes, codes, rules, regulations, orders, directives and decrees of the United States, the state, the county, the City, or any other political subdivision in which the Property is located, and of any political subdivision, agency or instrumentality exercising jurisdiction over the City, the Developer or the Property.

2.10 Escrow Holder.

2.10.1 Escrow Holder is authorized and instructed to:

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

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

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

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

2.10.2 Any amendment of these escrow instructions shall be in writing and signed by both the Agency and the Developer.

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

2.10.4 The responsibility of the Escrow Holder under this Agreement is limited to performance of the obligations imposed upon it under this Article, any amendments hereto, and any supplemental escrow instructions delivered to the Escrow Holder that do not materially amend or modify the express provisions of these escrow instructions.

ARTICLE 3 DEVELOPMENT OF THE PROPERTY

3.1 Scope of Development.

3.1.1 The “**Improvements**” to be completed by Developer shall be comprised of a new car dealership (Jaguar and Land Rover) with a showroom and repair facility of approximately 42,000 square feet and as allowed under applicable law. The Developer shall submit development plans for the Improvements within 12 months of the opening of Escrow. Subject to force majeure delays as provided in Section 7.9 below, the Project shall be completed no later than twenty-four (24) months after the Approval Date (“**Completion Date**”). The “**Approval Date**” shall be the date all approvals are issued by all governmental departments, agencies or other units with jurisdiction over the Project for the commencement of the construction of the Improvements. To the extent of any inconsistency between the Schedule of Performance and this Section 3.1.1, this Section 3.1.1 shall control.

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

3.2 Cost of Construction. The cost of constructing all Improvements and all public infrastructure improvements relating to the Project or required by the City or Agency in connection with the Project, if any, shall be borne by the Developer.

3.3 Construction Schedule. Subject to force majeure delays as provided in Section 7.9, the Developer shall begin and complete all construction within the times specified in the Schedule of Performance.

3.4 Rights of Access. In addition to those rights of access to and across the Property to which the Agency and the City may be entitled by law, members of the staffs of the Agency and the City shall have a reasonable right of access to the Property, without charge or fee, at any reasonable time, to inspect the work being performed at the Property.

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

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

3.7 Certificate of Completion.

3.7.1 After (i) completion of construction by the Developer of all of the Improvements, (ii) the Developer has obtained a Certificate of Occupancy, and (iii) the Developer has caused a notice of completion (as described in California Civil Code Section 3093) with respect to the Improvements to be recorded in the Official Records of Los Angeles County, California, the Agency shall, following written request by the Developer, furnish the Developer with a Certificate of Completion for the Improvements within ten (10) business days of such request. The Certificate of Completion shall be in the form attached hereto as Exhibit "D" and incorporated herein by this reference. The Agency shall not unreasonably withhold, condition or delay the issuance of the Certificate of Completion. The Certificate of Completion shall be, and shall so state that it is, a conclusive determination of satisfactory completion by the Developer of all of its construction obligations under this Agreement, as to the Improvements.

3.7.2 If the Agency refuses or fails within ten (10) business days after receipt of a written request from the Developer to issue a Certificate of Completion, the Agency shall provide the Developer with a written statement of the reasons the Agency refused or failed to furnish a Certificate of Completion. The statement shall also specify the actions the Developer must take to obtain a Certificate of Completion for the Improvements. If the reason for such refusal is confined to the immediate availability of specific items or material for landscaping or any other non-structural matters, and the costs of completion does not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00), the Agency shall issue its Certificate of Completion upon the Developer's depositing with the Agency cash or an irrevocable standby letter of credit issued by a bank or other financial institution acceptable to the Agency in an amount equal to the fair value of the work not yet completed as determined by the Agency. The determination of fair value shall be made by the Agency in the exercise of its reasonable judgment.

3.7.3 The Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any holder of a mortgage, trust deed or other security instrument. Such Certificate of Completion shall not be construed as a notice of completion as described in California Civil Code Section 3093.

ARTICLE 4 LIMITATIONS ON TRANSFERS AND SECURITY INTERESTS

4.1 Limitation As To Transfer of the Property and Assignment of Agreement. Prior to the Agency's issuance of the Certificate of Completion, the Developer shall not transfer its rights and obligations, in whole or in part, under this Agreement, or sell, assign, transfer, encumber, pledge or lease the Property, nor cause or suffer a change of more than 49% of the Ownership interests in Developer, directly or indirectly, in one or a series of transactions, without the Agency's prior written consent, which consent shall not be unreasonably withheld or delayed. The Developer acknowledges that the identity of the Developer is of particular concern to the Agency, and it is because of the Developer's identity that the Agency has entered into this Agreement with the Developer. No voluntary or involuntary successor in interest of the Developer shall acquire any rights or powers under this Agreement in violation of the terms hereof. Notwithstanding any provision contained herein to the contrary, this prohibition shall not be deemed to prevent the granting of, easements or permits to facilitate the development of the Project, or any mortgage or deed of trust permitted by this Agreement. Upon the Agency's issuance of a Certificate of Completion, the Developer may transfer the Property to a transferee without restriction so long as the transferee agrees to all of the applicable covenants and conditions set forth in Article 5 of this Agreement.

Upon providing ten (10) days prior written notice to Developer, the Agency may assign its rights and obligations, in whole or in part, under this Agreement to the City without the prior consent of the Developer.

4.2 Security Financing; Right of Holders.

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

(a) Notwithstanding Section 4.1 or any other provision herein to the contrary, only mortgages, deeds of trust, sales and leasebacks, or any other form of encumbrance, conveyance, security interest or assignment required for any reasonable method of construction and permanent financing are permitted prior to the issuance of a Certificate of Completion for the Property, but only for the purpose of securing loans of funds to be used for the purchase of the Property or financing the direct and indirect costs of the development of the Project (including reasonable and customary developer fees, loan fees and costs, and other normal and customary project costs), and each such loan secured by the Property shall expressly allow for its prepayment or assumption (upon payment of a market standard prepayment or assumption fee) by and at the option of the City upon the City's purchase of the Property provided in Section 5.7.

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

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

4.2.2 Notice of Default to Mortgage, Deed of Trust or Other Security Interest Holders; Right to Cure. Whenever the Agency shall deliver a notice or demand to the Developer with respect to any Default by the Developer in completion of development of the Project or otherwise, the Agency shall at the same time deliver a copy of such notice or demand to each holder of record of any first mortgage, deed of trust or other security interest authorized by this Agreement who has previously made a written request to the Agency for special notice hereunder (a “**Holder**”). No notice of Default to the Developer shall be effective against any such Holder unless given to such Holder as aforesaid. Such Holder shall (insofar as the rights of the Agency are concerned) have the right, at such Holder’s option, within sixty (60) days after receipt of the notice, to cure or remedy any such Default and to add the cost thereof to the security interest debt and the lien of its security interest; provided, however, that if longer than sixty (60) days is required to cure such Default, such longer period shall be granted to Holder, provided that Holder diligently pursues such cure during such longer period. If such Default shall be a default which can only be remedied or cured by such Holder upon obtaining possession of the Property, such Holder shall seek to obtain possession of the Property with diligence and continuity through a receiver or otherwise, and shall remedy or cure such Default within a reasonable period of time as necessary to remedy or cure such Default of the Developer. If such Default shall be a default as to or by Developer which cannot be cured, Agency shall not seek to enforce the same against Holder and Holder shall not be subject thereto. Agency agrees to provide any actual or potential mortgagee, beneficiary or lender of funds for the construction and permanent financing of the Project (collectively, “**Lender**”) such additional assurances and documents as are reasonably required by such Lender to induce Lender to make such loan, including, without limitation, subordination of Agency’s purchase rights under Section 5.7 to such Lender’s security instrument.

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

ARTICLE 5 USE OF THE PROPERTY

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

5.2 Maintenance of the Property. After completion of the Project, Developer shall maintain the Property and the Project (including landscaping) in a commercially reasonable condition and repair to the extent practicable and in accordance with industry health and safety standards and the City's municipal code. Notwithstanding the foregoing, if and when the Developer conveys the Property to a third party after completion of the Improvements thereon in accordance with the Agreement, the Developer shall be relieved of any further responsibility under this Section 5.2 as to the Property so conveyed.

5.3 Obligation to Refrain from Discrimination. The Developer 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 Developer (itself or any person claiming under or through the Developer) 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 Developer conveys the Property to a third party after completion of the Improvements thereon in accordance with the Agreement, the Developer shall be relieved of any further responsibility under this Section 5.3 as to the Property so conveyed.

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

5.4.1 In deeds: "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."

5.4.2 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.”

5.4.3 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.”

5.5 Restrictive Covenant. In order to insure the Developer’s compliance with the covenants set forth in Sections 5.1, 5.2, 5.3, and 5.4 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.

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

(1) The non-discrimination and non-segregation requirements set forth in Sections 5.1, 5.3 and 5.4 shall remain in effect in perpetuity;

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

(3) Easements to the Agency, City or other public agencies for utilities existing as of the execution of this Agreement, which shall remain in effect according to their terms.

5.7 City's Purchase for Failure to Complete Construction. If the Developer shall fail to commence construction of the Improvements within sixty (60) days following the Approval Date or complete the construction of the Improvements on or prior to the Completion Date, both subject to force majeure delays as provided in Section 7.9, the Agency may give written notice (a "**Breach Notice**") of such breach to the Developer and, if applicable, to any Holder. The Developer shall have a period of thirty (30) days after the date of the Breach Notice to cure said breach, or if a cure is not possible within such thirty (30) day period, to commence such cure and diligently prosecute the same to completion, which shall in any event not exceed ninety (90) days from the date of the Breach Notice. In the event that the Developer shall fail to cure such breach within such period, the City shall have the right, at its option, to purchase and take possession of the Property with all improvements thereon. To exercise its option to purchase and take possession of the Property, the City shall pay to the Developer, in cash, an amount equal to:

1. the Purchase Price paid to Agency for the Property; plus
2. the amount, if any, of the costs incurred by Developer for on-site labor and materials for the construction of the Improvements, as well as fees and commissions paid to architects, designers, other design professionals, lawyers, accountants and brokers, that are not otherwise payable or paid from the proceeds of any loan secured by any Holders' mortgage or deed of trust encumbering the Property or the Improvements, provided such costs are reasonably documented by reasonable evidence delivered to the Agency and City within thirty (30) days after the Purchase Notice (as hereinafter defined) and such sums are reflected in an overall Project budget approved in writing by the Agency prior to the commencement of construction on the Property; less
3. any and all sums outstanding under any Holder's mortgage or deed of trust encumbering the Property or the Improvements and any prepayment premium and expenses related thereto.

The City's purchase of the Property pursuant to this Section 5.7 must be exercised by City by giving sixty (60) days written notice to Developer ("**Purchase Notice**"). Once timely notice is given by the City, then the City must purchase and take possession of the Property, and close escrow for the purchase, within six (6) months after the act or failure to act giving rise to the Breach Notice. Developer agrees to cooperate in good faith, and to promptly execute and record all documents necessary to effect the purchase described in this Section 5.7. City is a third party beneficiary of this Article 5.

In the event the City purchases and takes possession of the Property, Developer shall indemnify the City pursuant to Section 7.2 for the presence or clean-up of Hazardous Substances on, in or under the Property to the extent the same was caused by Developer or Developer's affiliates, agents or employees.

ARTICLE 6
EVENTS OF DEFAULT, REMEDIES AND TERMINATION

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

6.1.1 The Developer’s failure to commence construction of the Improvements or to complete construction of the Improvements as provided herein and the Developer’s failure to cure such breach, as provided in Section 5.7, provided that such failure is not due to causes beyond the Developer’s control as provided in Section 7.9; or

6.1.2 The Developer’s sale, lease, or other transfer, or the occurrence of any involuntary transfer, of the Property or any part thereof or interest therein in violation of this Agreement; or

6.1.3 The Developer’s neglect, failure or refusal to keep in force and effect any permit or approval with respect to development of the Project (and the Agency shall reasonably cooperate with the Developer as to the same), unless such failure is due to causes beyond the Developer’s reasonable control as provided in Section 7.9, or any policy of insurance required hereunder, and, so long as such failure is not caused by any wrongful act of the Agency or the City, the Developer’s failure to cure such breach within thirty (30) days after receipt of written notice from the Agency of the Developer’s breach; or

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

6.1.5 The Developer’s failure to perform any requirement or obligation of Developer set forth herein or in the Schedule of Performance, on or prior to the date for such performance set forth herein or in the Schedule of Performance (subject to delays pursuant to Section 7.9), and, so long as such failure is not caused by any wrongful act of the Agency or the City, the Developer’s failure to cure such breach within thirty (30) days after receipt of written notice from the Agency of the Developer’s breach; or

6.1.6 The Developer’s failure to deposit with Escrow Holder the Deposit or the balance of the Purchase Price as required by Section 2.2.

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

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

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

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

6.3 Remedies in the Event of Default.

6.3.1 Remedies General. In the event of a breach or a default under this Agreement by either Developer or Agency, prior to the Close of Escrow, the non-defaulting party shall have the right to terminate this Agreement by providing ten (10) days written notice thereof to the defaulting party. If such breach or default is not cured within such ten (10) day period (other than a failure by the Agency to convey the Property at the Close of Escrow, for which there shall be no cure period), this Agreement and the Escrow for the purchase and sale of the Property shall terminate. Except as herein otherwise expressly provided, such termination of the Escrow by a non-defaulting party shall be without prejudice to the non-defaulting party's rights and remedies against the defaulting party at law or equity.

In the event of a Default under this Agreement after the Close of Escrow, the non-defaulting party may seek against the defaulting party any available remedies at law or equity, including but not limited to the right to receive reimbursement for its documented out-of-pocket costs relating to this purchase transaction or to pursue an action for specific performance, but in no event shall such non-defaulting party be entitled to receive any consequential or special damages. In addition, the City may purchase and take possession of the Property as set forth in Section 5.7.

IF THE DEVELOPER FAILS TO COMPLETE THE ACQUISITION OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF ANY DEFAULT OF THE DEVELOPER, IT IS AGREED THAT THE DEPOSIT SHALL BE NON-REFUNDABLE AND THE AGENCY SHALL BE ENTITLED TO SUCH DEPOSIT, WHICH AMOUNT SHALL BE ACCEPTED BY THE AGENCY AS LIQUIDATED DAMAGES AND NOT AS A PENALTY AND AS THE AGENCY'S SOLE AND EXCLUSIVE REMEDY. IT IS AGREED THAT SAID AMOUNT CONSTITUTES A REASONABLE ESTIMATE OF THE DAMAGES TO THE AGENCY PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1671 ET SEQ. THE AGENCY AND DEVELOPER AGREE THAT IT WOULD BE IMPRACTICAL OR IMPOSSIBLE TO PRESENTLY PREDICT WHAT MONETARY DAMAGES THE AGENCY WOULD SUFFER UPON THE DEVELOPER'S FAILURE TO COMPLETE ITS ACQUISITION OF THE PROPERTY. THE DEVELOPER DESIRES TO LIMIT THE MONETARY DAMAGES FOR WHICH IT MIGHT BE LIABLE HEREUNDER AND THE DEVELOPER AND AGENCY DESIRE TO AVOID THE COSTS AND DELAYS THEY WOULD INCUR IF A LAWSUIT WERE COMMENCED TO RECOVER DAMAGES OR OTHERWISE ENFORCE THE AGENCY'S RIGHTS. IF FURTHER INSTRUCTIONS ARE REQUIRED BY ESCROW HOLDER TO EFFECTUATE THE TERMS OF THIS PARAGRAPH, THE DEVELOPER AND AGENCY AGREE TO EXECUTE THE SAME.

THE PARTIES ACKNOWLEDGE THIS PROVISION BY PLACING THEIR INITIALS BELOW:

Agency

Developer

6.3.2 Liberal Construction. The rights established in this Agreement are to be interpreted in light of the fact that the Agency will convey the Property to the Developer for development and operation of the Project thereon and not for speculation in undeveloped land or for construction of different improvements. The Developer acknowledges that it is of the essence of this Agreement that the Developer is obligated to complete all Improvements comprising the Project.

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

6.5 Legal Actions.

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

6.5.2 Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

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

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

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

ARTICLE 7 GENERAL PROVISIONS

7.1 Insurance.

7.1.1 Prior to commencement of any demolition or construction work on the Property by the Developer, the Developer shall obtain, at the Developer's sole cost and expense, and shall maintain in force until completion of construction of the Improvements, with a reputable and financially responsible insurance company reasonably acceptable to the Agency, broad form commercial general public liability insurance, insuring the Developer and the Agency against claims and liability for bodily injury, death, or property damage arising from the use, occupancy, condition, or operation of the Property and the Improvements thereon, which insurance shall provide combined single limit protection of at least Two Million Dollars (\$2,000,000.00), and include contractual liability endorsement. Such insurance shall name the City, the Agency and the Oversight Board and their respective council members, board members, officers, employees, consultants, independent contractors, and attorneys as additional insureds.

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

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

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

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

recording of the Grant Deed and shall not be deemed merged into the Grant Deed upon its recording.

7.2 Indemnity.

7.2.1 The Developer shall indemnify, defend, protect, and hold harmless the Agency, the City and the Oversight Board and any and all agents, employees, attorneys and representatives of the Agency, the City and the Oversight Board, from and against all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) and demands of any nature whatsoever, related directly or indirectly to, or arising out of or in connection with:

- (a) the Developer's use, ownership, management, occupancy, or possession of the Property;
- (b) any breach or Default of the Developer hereunder;
- (c) any of the Developer's activities on the Property (or the activities of the Developer's agents, employees, lessees, representatives, licensees, guests, invitees, contractors, subcontractors, or independent contractors on the Property), including without limitation, the construction of the Improvements on the Property;
- (d) the presence or clean-up of Hazardous Substances on, in or under the Property to the extent the same was caused by Developer or Developer's affiliates, agents or employees; or,
- (e) any other fact, circumstance or event related to the Developer's performance hereunder, or which may otherwise arise from the Developer's ownership, use, possession, improvement, operation or disposition of the Property, regardless of whether such damages, losses and liabilities shall accrue or are discovered before or after termination or expiration of this Agreement, or before or after the conveyance of the Property.

7.2.2 The indemnity obligations described in this Section 7.2 shall survive for a period of four (4) years from the earlier of (i) the termination of this Agreement, or (ii) the completion of the Improvements, and shall not be deemed merged into the Grant Deed upon the recording.

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

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

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

Developer: Roger S. Penske Jr, Manager
P.T. Enterprises, LLC
9136 E. Firestone Blvd.
Downey, CA 92041
Phone: (626) 859-1241
Email: penske@socalpenske.com

with a copy to: **PENSKE ATTORNEY, if any**

7.4 Construction. The parties agree that each party and its counsel have reviewed and revised this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or exhibits thereto.

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

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

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

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

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

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

7.8 Attorneys’ Fees. If any party brings an action to enforce the terms hereof or declare its rights hereunder, the prevailing party in any such action shall be entitled to its reasonable attorneys’ fees to be paid by the losing party as fixed by the court. If the Agency, or the Developer, without fault, is made a party to any litigation instituted by or against the other party, such other party shall defend it against and save it harmless from all costs and expenses including reasonable attorney’s fees incurred in connection with such litigation.

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

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

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

7.12 Entire Agreement, Waivers and Amendments. This Agreement is executed in duplicate originals, each of which is deemed to be an original. This Agreement, together with all attachments and exhibits hereto, constitutes the entire understanding and agreement of the parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to the subject matter hereof. No subsequent agreement, representation or promise made by either party

hereto, or by or to any employee, officer, agent or representative of either party, shall be of any effect unless it is in writing and executed by the party to be bound thereby. No person is authorized to make, and by execution hereof the Developer and the Agency acknowledge that no person has made, any representation, warranty, guaranty or promise except as set forth herein; and no agreement, statement, representation or promise made by any such person which is not contained herein shall be valid or binding on the Developer or the Agency.

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

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

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

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

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

(b) As of the Effective Date, the Agency has made available to Developer, by online link entitled <http://www.cityofindustry.org/?p=city-hall&cs=for-sale>, complete copies of all studies, reports, agreements, documents, instruments, environmental assessments, surveys, soils reports, documents, plans, maps, permits and entitlements in Agency's possession (excluding only appraisals) concerning the Property.

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

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

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

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

(g) As of the Close of Escrow and to the actual knowledge of the Agency, the Agency has not received any written notice from any governmental entity regarding the violation of any law or governmental regulation with respect to the Property, except as may be set forth in Attachment 1.

7.17 Developer's Broker(s). Developer shall pay all commissions and fees that may be payable to any broker, finder or salesperson engaged by Developer, and shall defend, indemnify and hold Agency and City harmless from and against any and all claims, liabilities, losses, damages, costs and expenses relating thereto.

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

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have entered into this agreement as of the Effective Date.

AGENCY

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT
AGENCY

By: _____
Mark D. Radecki, Chairman

DEVELOPER

P.T. Enterprise, LLC,
a California limited liability company

By: _____
Roger S. Penske, Manager

ATTEST:

Diane M. Schlichting, Agency Secretary

APPROVED AS TO FORM:

James M. Casso, Agency General Counsel

LIST OF EXHIBITS

- Exhibit "A" Legal Description of the Property
- Exhibit "B" Schedule of Performance
- Exhibit "C" Form of Grant Deed
- Exhibit "D" Right of Entry and Access Agreement
- Exhibit "E" List of Environmental Reports
- Exhibit "F" Improvements
- Exhibit "G" Form of Certificate of Completion
- Exhibit "H" Legal Description for Easement (JN)
- Exhibit "I" Easement Grant Deed (JN)
- Exhibit "J" Legal Description for Electronic Sign Property (JN)

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

(17647 Gale Ave)

APN 8264-012-923, 8264-013-913 and 8264-013-914

THOSE PORTIONS OF PARCELS 17, 18, 20 AND 21 OF PARCEL MAP No. 234, IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 188, PAGES 74 THROUGH 77, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF PARCEL 9, OF SAID PARCEL MAP No. 234, SAID POINT ALSO BEING ON THE NORTHERLY LINE OF GALE AVENUE, 67.00 FOOT WIDE; THENCE ALONG SAID NORTHERLY LINE, NORTH 81° 31' 24" WEST, 906.24 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE CONTINUING ALONG SAID NORTHERLY LINE, NORTH 81° 31' 24" WEST, 373.33 FEET; THENCE LEAVING SAID NORTHERLY LINE NORTH 04° 05' 41" EAST, 50.15 FEET; THENCE NORTH 81° 31' 24" WEST, 43.83 FEET TO THE EASTERLY LINE OF PARCEL 1 OF MINOR LOT LINE ADJUSTMENT No. 62 IN SAID CITY, COUNTY AND STATE, RECORDED MAY 13, 2005, AS INSTRUMENT No. 05-1141417 OF OFFICIAL RECORDS; THENCE ALONG SAID EASTERLY LINE OF SAID PARCEL 1, NORTH 04° 05' 41" EAST, 540.08 FEET TO ITS INTERSECTION WITH A NON-TANGENT CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 5809.60 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 23° 27' 52" WEST, SAID CURVE BEING CONCENTRIC WITH AND 30.00 FEET SOUTHERLY FROM THE SOUTHERLY LINE OF THE UNION PACIFIC RAILROAD RIGHT-OF-WAY, 100.00 FEET WIDE, FORMERLY LOS ANGELES AND SALT LAKE RAILROAD, BEING A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 5779.60 FEET; THENCE EASTERLY ALONG THE ARC OF FIRST SAID CURVE, THROUGH A CENTRAL ANGLE OF 05° 18' 16", AN ARC DISTANCE OF 537.86 FEET TO ITS INTERSECTION WITH THE NORTHERLY PROLONGATION OF A LINE PARALLEL WITH AND 3.24 FEET WESTERLY AS MEASURED AT RIGHT ANGLES FROM THE EASTERLY LINE OF SAID PARCEL 18; THENCE NON-TANGENT TO LAST SAID CURVE, ALONG SAID PARALLEL LINE SOUTH 08° 28' 36" WEST, 338.31 FEET TO THE BEGINNING OF A NON TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 46.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 31° 30' 45" EAST; THENCE WESTERLY, SOUTHWESTERLY AND SOUTHERLY ALONG THE ARC OF LAST SAID CURVE, THROUGH A CENTRAL ANGLE OF 149° 54' 21", AN ARC DISTANCE OF 120.35 FEET THE BEGINNING OF A REVERSE CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 44.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 61° 36' 24" EAST; THENCE SOUTHERLY ALONG THE ARC OF SAID REVERSE CURVE, THROUGH A CENTRAL ANGLE OF 36° 52' 12", AN ARC DISTANCE OF 28.31 FEET;

THENCE TANGENT TO LAST SAID CURVE SOUTH 08° 28' 36" WEST, 22.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 17.00 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF LAST SAID CURVE, THROUGH A CENTRAL ANGLE OF 90° 00' 00", AN ARC DISTANCE OF 26.70 FEET TO THE **TRUE POINT OF BEGINNING**

CONTAINING 253,957 SQUARE FEET (5.83 ACRES) OF LAND, MORE OR LESS.
AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND MADE A PART OF HEREOF.

EXHIBIT "B"

SCHEDULE OF PERFORMANCE

| <u>Activity</u> | <u>Time Frame</u> |
|---|--|
| <u>Initial Deposit</u> | Concurrently with the Letter of Intent |
| <u>Commencement of Due Diligence Period</u> | On the Effective Date |
| <u>Opening of Escrow</u> | Within five (5) business days after the Effective Date |
| <u>Additional Deposit</u> | Within ten (10) business days after the opening of Escrow |
| <u>Expiration of the Due Diligence Period</u> | Forty-five (45) days from the Effective Date |
| <u>Delivery of Closing Documents</u> | At least two (2) days prior to the Close of Escrow |
| <u>Close of Escrow</u> | Within One Hundred and Twenty (120) days following the opening of Escrow |
| <u>Commencement Date</u> | Within Twelve (12) months following the Close of Escrow |
| <u>Issuance of Certificate of Completion.</u> | Promptly after Agency receives written request from Developer once all requirements of the Agreement have been satisfied |

EXHIBIT "C"

FORM OF GRANT DEED

RECORDING REQUESTED BY:

FIRST AMERICAN TITLE INSURANCE COMPANY

AND WHEN RECORDED RETURN TO:

Successor Agency to the
Industry Urban-Development Agency
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Diane Schlichting

[The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383]

GRANT DEED

Documentary Transfer Tax: \$ _____

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 **P.T. Enterprises, LLC**, a California limited liability company (the "**Grantee**"), that certain real property described in Exhibit A attached hereto (the "**Site**") and incorporated herein by this reference, together with all of Grantor's right title and interest in and to all easements, privileges and rights appurtenant to the Site.

This Grant Deed of the Site is subject to the provisions of a Purchase Agreement [17647 Gale Avenue] (the "**Agreement**") entered into by and between the Grantor and Grantee dated as of _____, 2018, 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. The Site as described in Exhibit A is conveyed subject to the condition that the Grantee covenants and agrees for itself, and its successors and its assigns, that the Grantee, such successors, and such assignees shall use the Site, and every part thereof, only for the construction of certain improvements thereon as described in the Agreement and thereafter for any use allowed under applicable law. The Grantor shall have the right to assign all of its rights and benefits hereunder to the City of Industry, California ("**City**"). As provided in Section 5.7 of the Agreement, upon the violation or failure of the foregoing covenant, the City shall purchase and take possession of the Site from the Grantee or its successors and assigns; provided, however, that the City's purchase and possession of the Site shall not arise unless and until the Grantor gives the Grantee

written notice thereof specifying the particular failure or violation in the manner and time period provided in Section 5.7 of the Agreement and, at the expiration of the cure period specified in Section 5.7 of the Agreement, the failure has not been remedied or the violation has not ceased.

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

(a) The Grantee covenants and agrees for itself, its successors and assigns, and every successor in interest to the Site, that after completion of the Project (as defined in the Agreement), the Grantee and the Grantee's transferees, successors and assigns, shall maintain the Site and the Project (including landscaping) in a commercially reasonable condition and repair for a period of fifteen (15) years, and following construction of certain improvements thereon shall use the Site for any such uses as are allowed under applicable law.

(b) The Grantee 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.

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 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.”

4. 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.

5. 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.

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

[Signatures appear on next page.]

IN WITNESS WHEREOF, Grantor and Grantee have caused this Grant Deed to be executed and notarized as of this ____ day of _____, 2018.

GRANTOR:

SUCCESSOR AGENCY TO THE INDUSTRY
URBAN-DEVELOPMENT AGENCY

By: _____

Name: _____

Title: _____

ATTEST:

Agency Secretary

GRANTEE:

P.T. Enterprises, LLC,
a California limited liability company

By: _____

Name: Roger S. Penske

Title: Manager

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

(17647 Gale Ave)

APN 8264-012-923, 8264-013-913 and 8264-013-914

THOSE PORTIONS OF PARCELS 17, 18, 20 AND 21 OF PARCEL MAP No. 234, IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 188, PAGES 74 THROUGH 77, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF PARCEL 9, OF SAID PARCEL MAP No. 234, SAID POINT ALSO BEING ON THE NORTHERLY LINE OF GALE AVENUE, 67.00 FOOT WIDE; THENCE ALONG SAID NORTHERLY LINE, NORTH 81° 31' 24" WEST, 906.24 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE CONTINUING ALONG SAID NORTHERLY LINE, NORTH 81° 31' 24" WEST, 373.33 FEET; THENCE LEAVING SAID NORTHERLY LINE NORTH 04° 05' 41" EAST, 50.15 FEET; THENCE NORTH 81° 31' 24" WEST, 43.83 FEET TO THE EASTERLY LINE OF PARCEL 1 OF MINOR LOT LINE ADJUSTMENT No. 62 IN SAID CITY, COUNTY AND STATE, RECORDED MAY 13, 2005, AS INSTRUMENT No. 05-1141417 OF OFFICIAL RECORDS; THENCE ALONG SAID EASTERLY LINE OF SAID PARCEL 1, NORTH 04° 05' 41" EAST, 540.08 FEET TO ITS INTERSECTION WITH A NON-TANGENT CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 5809.60 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 23° 27' 52" WEST, SAID CURVE BEING CONCENTRIC WITH AND 30.00 FEET SOUTHERLY FROM THE SOUTHERLY LINE OF THE UNION PACIFIC RAILROAD RIGHT-OF-WAY, 100.00 FEET WIDE, FORMERLY LOS ANGELES AND SALT LAKE RAILROAD, BEING A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 5779.60 FEET; THENCE EASTERLY ALONG THE ARC OF FIRST SAID CURVE, THROUGH A CENTRAL ANGLE OF 05° 18' 16", AN ARC DISTANCE OF 537.86 FEET TO ITS INTERSECTION WITH THE NORTHERLY PROLONGATION OF A LINE PARALLEL WITH AND 3.24 FEET WESTERLY AS MEASURED AT RIGHT ANGLES FROM THE EASTERLY LINE OF SAID PARCEL 18; THENCE NON-TANGENT TO LAST SAID CURVE, ALONG SAID PARALLEL LINE SOUTH 08° 28' 36" WEST, 338.31 FEET TO THE BEGINNING OF A NON TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 46.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 31° 30' 45" EAST; THENCE WESTERLY, SOUTHWESTERLY AND SOUTHERLY ALONG THE ARC OF LAST SAID CURVE, THROUGH A CENTRAL ANGLE OF 149° 54' 21", AN ARC DISTANCE OF 120.35 FEET THE BEGINNING OF A REVERSE CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 44.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 61° 36' 24" EAST; THENCE SOUTHERLY ALONG THE ARC OF SAID REVERSE CURVE, THROUGH A CENTRAL ANGLE OF 36° 52' 12", AN ARC DISTANCE OF 28.31 FEET;

THENCE TANGENT TO LAST SAID CURVE SOUTH 08° 28' 36" WEST, 22.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 17.00 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF LAST SAID CURVE, THROUGH A CENTRAL ANGLE OF 90° 00' 00", AN ARC DISTANCE OF 26.70 FEET TO THE **TRUE POINT OF BEGINNING**

CONTAINING 253,957 SQUARE FEET (5.83 ACRES) OF LAND, MORE OR LESS.
AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND MADE A PART OF HEREOF.

EXHIBIT "D"

RIGHT OF ENTRY AND ACCESS AGREEMENT

THIS RIGHT OF ENTRY AND ACCESS AGREEMENT (herein called this "**Agreement**") is made and entered into as of _____, 2018, by the **SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY**, a public body, corporate and politic (herein called "**Grantor**"), and P.T. Enterprises, LLC, a California limited liability company (herein called "**Grantee**").

WITNESSETH:

WHEREAS, Grantor is the owner of the real property located at 17647 Gale Avenue, Industry, California 91748 and more particularly described in Exhibit "A", which exhibit is attached hereto and incorporated herein by reference (herein called the "**Property**");

WHEREAS, concurrently with the execution of this Agreement, Grantor and Grantee contemplate entering into a Purchase Agreement related to the Property (the "**Purchase Agreement**");

WHEREAS, Grantee has requested the right of entry upon and access to the Property for the purpose of undertaking tests, inspections and other due diligence activities (herein called the "**Due Diligence Activities**") in connection with the proposed acquisition by Grantee of the Property;

WHEREAS, Grantor has agreed to grant to Grantee, and Grantee has agreed to accept from Grantor, a non-exclusive, revocable license to enter upon the Property to perform the Due Diligence Activities in accordance with the terms and provisions of this Agreement;

WHEREAS, Grantor and Grantee desire to execute and enter into this Agreement for the purpose of setting forth their agreement with respect to the Due Diligence Activities and Grantee's entry upon the Property.

NOW, THEREFORE, for and in consideration of the foregoing premises, the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee do hereby covenant and agree as follows:

1. Access by Grantee.

a. Subject to Grantee's compliance with the terms and provisions of this Agreement, until the earlier to occur of (i) the expiration of the Due Diligence Period (as defined in the Purchase Agreement); or (ii) the earlier termination of this Agreement, Grantee and Grantee's agents, employees, contractors, representatives and other designees (herein collectively called "**Grantee's Designees**") shall have the right to enter upon the Property for the purpose of conducting the Due Diligence Activities.

b. Grantee expressly agrees as follows: (i) any activities by or on behalf of Grantee, including, without limitation, the entry by Grantee or Grantee's Designees onto the Property in

connection with the Due Diligence Activities shall not materially damage the Property in any manner whatsoever or disturb or interfere with the rights or possession of any tenant on the Property, (ii) in the event the Property is materially altered or disturbed in any manner in connection with the Due Diligence Activities, Grantee shall immediately return the Property to substantially the same condition existing prior to the Due Diligence Activities, and (iii) Grantee, to the extent allowed by law, shall indemnify, defend and hold Grantor harmless from and against any and all claims, liabilities, damages, losses, costs and expenses of any kind or nature whatsoever (including, without limitation, attorneys' fees and expenses and court costs) suffered, incurred or sustained by Grantor as a result of, by reason of, or in connection with the Due Diligence Activities or the entry by Grantee or Grantee's Designees onto the Property; provided, however, that in no event shall Grantee be liable for any liabilities, damages, losses, costs or expenses of any kind or nature that relate, directly or indirectly, to (y) consequential or punitive damages; or (z) matters that are merely discovered, but not exacerbated, by Grantee. Notwithstanding any provision of this Agreement to the contrary, Grantee shall not have the right to undertake any invasive activities or tests upon the Property, or any environmental testing on the Property beyond the scope of a standard "Phase I" investigation, without the prior written consent of Grantor of a workplan for such "Phase II" or invasive testing. If Grantor does not respond or reject any workplan within ten (10) days of Grantee's delivery of the written workplan proposal to Grantor pursuant to the notice provisions of this Agreement, then Grantor shall be deemed to have approved the submitted workplan and Grantee may proceed with such testing. If Grantor rejects such proposed workplan in whole or in part, then this Agreement shall become null and void at the sole option of Grantee, which option must be exercised by Grantee's giving Grantor written notice on or before the expiration of the Due Diligence Period, as defined in the Purchase Agreement.

c. Lien Waivers. Upon receipt of a written request from Grantor, Grantee will provide Grantor with lien waivers following completion of the Due Diligence Activities from each and every contractor, materialman, engineer, architect and surveyor who might have lien rights, in form and substance reasonably satisfactory to Grantor and its counsel. Grantee hereby indemnifies Grantor from and against any claims or demands for payment, or any liens or lien claims made against Grantor or the Property as a result of the Due Diligence Activities.

d. Insurance. Grantee shall, and shall cause all of Grantee's Designees performing the Due Diligence Activities to, procure or maintain a policy of commercial general liability insurance issued by an insurer reasonably satisfactory to Grantor covering each of the Due Diligence Activities with a single limit of liability (per occurrence and aggregate) of not less than One Million Dollars (\$1,000,000.00), and to deliver to Grantor a certificate of insurance evidencing that such insurance is in force and effect, and evidencing that Grantor has been named as an additional insured thereunder with respect to the Due Diligence Activities. Such insurance shall be maintained in force throughout the term of this Agreement.

e. Successors. To the extent any rights or obligations under this Agreement remain in effect, this Agreement shall be binding upon and enforceable against, and shall inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

f. Limitations. Grantor does not hereby convey to Grantee any right, title or interest in or to the Property, but merely grants the specific rights and privileges hereinabove set forth.

g. Notices. Whenever any notice, demand, or request is required or permitted under this Agreement, such notice, demand, or request shall be in writing and shall be delivered by hand, be sent by registered or certified mail, postage prepaid, return receipt requested, or shall be sent by nationally recognized commercial courier for next business day delivery, to the addresses set forth below the respective executions of the parties hereof, or to such other addresses as are specified by written notice given in accordance herewith, or shall be transmitted by facsimile to the number for each party set forth below their respective executions hereof, or to such other numbers as are specified by written notice given in accordance herewith. All notices, demands, or requests delivered by hand shall be deemed given upon the date so delivered; those given by mailing as hereinabove provided shall be deemed given on the date of deposit in the United States Mail; those given by commercial courier as hereinabove provided shall be deemed given on the date of deposit with the commercial courier; and those given by facsimile shall be deemed given on the date of facsimile transmittal. Nonetheless, the time period, if any, in which a response to any notice, demand, or request must be given shall commence to run from the date of receipt of the notice, demand, or request by the addressee thereof. Any notice, demand, or request not received because of changed address or facsimile number of which no notice was given as hereinabove provided or because of refusal to accept delivery shall be deemed received by the party to whom addressed on the date of hand delivery, on the date of facsimile transmittal, on the first calendar day after deposit with commercial courier, or on the third calendar day following deposit in the United States Mail, as the case may be.

h. Assignment. This Agreement may be assigned by Grantee, in whole or in part.

i. Governing Law. This Agreement shall be construed, enforced and interpreted in accordance with the laws of the State of California.

j. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

k. No Recording of Agreement or Memorandum of Agreement. In no event shall this Agreement or any memorandum hereof be recorded in the Official Records of Los Angeles County, California, and any such recordation or attempted recordation shall constitute a breach of this Agreement by the party responsible for such recordation or attempted recordation.

IN WITNESS WHEREOF, Grantor and Grantee have caused this Agreement to be executed and sealed, all the day and year first written above.

GRANTOR

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT
AGENCY

By: _____
Mark D. Radecki, Chairman

GRANTEE

P.T. Enterprises, LLC.
a California limited liability company

By: _____
Roger S. Penske, Manager

ATTEST:

Diane M. Schlichting, Agency Secretary

APPROVED AS TO FORM:

James M. Casso, Agency General Counsel

Exhibit "A"

LEGAL DESCRIPTION

(17647 Gale Ave)

APN 8264-012-923, 8264-013-913 and 8264-013-914

THOSE PORTIONS OF PARCELS 17, 18, 20 AND 21 OF PARCEL MAP No. 234, IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 188, PAGES 74 THROUGH 77, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF PARCEL 9, OF SAID PARCEL MAP No. 234, SAID POINT ALSO BEING ON THE NORTHERLY LINE OF GALE AVENUE, 67.00 FOOT WIDE; THENCE ALONG SAID NORTHERLY LINE, NORTH 81° 31' 24" WEST, 906.24 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE CONTINUING ALONG SAID NORTHERLY LINE, NORTH 81° 31' 24" WEST, 373.33 FEET; THENCE LEAVING SAID NORTHERLY LINE NORTH 04° 05' 41" EAST, 50.15 FEET; THENCE NORTH 81° 31' 24" WEST, 43.83 FEET TO THE EASTERLY LINE OF PARCEL 1 OF MINOR LOT LINE ADJUSTMENT No. 62 IN SAID CITY, COUNTY AND STATE, RECORDED MAY 13, 2005, AS INSTRUMENT No. 05-1141417 OF OFFICIAL RECORDS; THENCE ALONG SAID EASTERLY LINE OF SAID PARCEL 1, NORTH 04° 05' 41" EAST, 540.08 FEET TO ITS INTERSECTION WITH A NON-TANGENT CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 5809.60 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 23° 27' 52" WEST, SAID CURVE BEING CONCENTRIC WITH AND 30.00 FEET SOUTHERLY FROM THE SOUTHERLY LINE OF THE UNION PACIFIC RAILROAD RIGHT-OF-WAY, 100.00 FEET WIDE, FORMERLY LOS ANGELES AND SALT LAKE RAILROAD, BEING A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 5779.60 FEET; THENCE EASTERLY ALONG THE ARC OF FIRST SAID CURVE, THROUGH A CENTRAL ANGLE OF 05° 18' 16", AN ARC DISTANCE OF 537.86 FEET TO ITS INTERSECTION WITH THE NORTHERLY PROLONGATION OF A LINE PARALLEL WITH AND 3.24 FEET WESTERLY AS MEASURED AT RIGHT ANGLES FROM THE EASTERLY LINE OF SAID PARCEL 18; THENCE NON-TANGENT TO LAST SAID CURVE, ALONG SAID PARALLEL LINE SOUTH 08° 28' 36" WEST, 338.31 FEET TO THE BEGINNING OF A NON TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 46.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 31° 30' 45" EAST; THENCE WESTERLY, SOUTHWESTERLY AND SOUTHERLY ALONG THE ARC OF LAST SAID CURVE, THROUGH A CENTRAL ANGLE OF 149° 54' 21", AN ARC DISTANCE OF 120.35 FEET THE BEGINNING OF A REVERSE CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 44.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 61° 36' 24" EAST; THENCE SOUTHERLY ALONG THE ARC OF SAID REVERSE CURVE,

THROUGH A CENTRAL ANGLE OF $36^{\circ} 52' 12''$, AN ARC DISTANCE OF 28.31 FEET;
THENCE TANGENT TO LAST SAID CURVE SOUTH $08^{\circ} 28' 36''$ WEST, 22.00 FEET TO
THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY AND
HAVING A RADIUS OF 17.00 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF
LAST SAID CURVE, THROUGH A CENTRAL ANGLE OF $90^{\circ} 00' 00''$, AN ARC DISTANCE
OF 26.70 FEET TO THE **TRUE POINT OF BEGINNING**

CONTAINING 253,957 SQUARE FEET (5.83 ACRES) OF LAND, MORE OR LESS.
AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND MADE A PART OF HEREOF.

EXHIBIT "E"

LIST OF ENVIRONMENTAL REPORTS

This property was part of a large group of properties purchased by the IUDA around early 2004. This particular parcel used to have a 3 Day Suit Broker business operating within the one building on this parcel and a business called The Hop on the other parcel. Two separate Phase 1 studies were prepared in April 2006 for the 3 Day Suit Broker and The Hop. A hazardous materials abatement report was prepared for the 3 Day Suit Broker in August 2007. Earlier Phase I studies occurred in 2000 and 2003 for the property known as the Plaza at Puente Hills prior to the purchase of the property but the two from 2006 noted above are specific to the property within this purchase agreement, so we are utilizing them for this summary. The 3 Day Suit Broker report concluded that there were lead containing surface coatings and asbestos containing building materials and that the former Malibu Grand Prix facility had the potential to impact groundwater beneath the site. However, they only recommend exploring the Malibu Grand Prix impacts to groundwater should any groundwater production wells on the site be proposed for installation. The August 2007 abatement report for the 3 Day Suit Broker states that all the proper abatement procedures were followed when the building was demolished and the site was cleared. While the abatement report for the Hop wasn't found in the City's records, it was demolished at the same time by the same contractor that demolished the 3 Day Suite Broker, so it most likely was abated in the same fashion under the same inspection. There are no structures on the property today.

Phase I Environmental Site Assessment Report dated April 7, 2006 and prepared by Leighton Consulting, Inc.

Phase I Environmental Site Assessment dated November 21, 2003 and prepared by Environmental Engineering & Contracting, Inc.

Final Environmental Site Assessment dated October 19, 2000 and prepared by Harding ESE, Inc.

Property Condition Survey Report dated October 10, 2000 and prepared by Marx/Okubo Associates, Ltd.

EXHIBIT "F"
IMPROVEMENTS

To be provided by P.T. Enterprises, LLC

EXHIBIT "G"

FORM OF CERTIFICATE OF COMPLETION

RECORDING REQUESTED BY:

First American Title Insurance Company

AND WHEN RECORDED RETURN TO:

Successor Agency to the
Industry Urban-Development Agency
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Diane Schlichting

[The undersigned declares that this Certificate of Completion is exempt from Recording Fees pursuant to California Government Code Section 27383]

CERTIFICATE OF COMPLETION

This Certificate of Completion is given this ____ day of _____, 2018, with reference to the following matters:

A. The SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, a public body, corporate and politic (the "Agency") and P.T. Enterprises, LLC, a California limited liability company (the "Developer") entered into a certain Purchase Agreement [17647 Gale Avenue] dated as of _____, 2018 (the "Agreement"), which Agreement provides, in Section 3.7 thereof, that the Agency shall furnish the Developer with a Certificate of Completion upon satisfactory completion of the Improvements (as described in the Agreement) on the real property described therein as the Property (the "Site"), which certificate shall be in such form as to permit it to be recorded in the Recorder's Office of Los Angeles County; and

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

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

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

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

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

nor does it constitute evidence of payment of any promissory note or performance of any deed of trust provided by the Developer to the Agency under the Agreement or otherwise.

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

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT AGENCY

By: _____
Name: _____
Title: _____

ATTEST:

Agency Secretary

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

State of California)
County of Los Angeles)

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

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

