

CITY OF INDUSTRY

CITY COUNCIL
REGULAR MEETING AGENDA

JANUARY 28, 2016
9:00 AM



Mayor Mark Radecki
Mayor Pro Tem Cory Moss
Council Member Abraham Cruz
Council Member Roy Haber, III
Council Member Newell Ruggles

Location: City Council Chamber, 15651 East Stafford Street, City of Industry, California 91744

Addressing the City Council:

- ▶ **Agenda Items:** Members of the public may address the City Council 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 City Council is asked to complete a Speaker's Card which can be found at the back of the room and at the podium. The completed card should be submitted to the City Clerk prior to the Agenda item being called and prior to the individual being heard by the City Council.
- ▶ **Public Comments (Non-Agenda Items):** Anyone wishing to address the City Council on an item not on the Agenda may do so during the "Public Comments" period. In order to conduct a timely meeting, there will be a three-minute time limit per person for the Public Comments portion of the Agenda. State law prohibits the City Council from taking action on a specific item unless it appears on the posted Agenda. Anyone wishing to speak to the City Council is asked to complete a Speaker's Card which can be found at the back of the room and at the podium. The completed card should be submitted to the City Clerk prior to the Agenda item being called by the City Clerk and prior to the individual being heard by the City Council.

Americans with Disabilities Act:

- ▶ In compliance with the ADA, if you need special assistance to participate in any City meeting (including assisted listening devices), please contact the City Clerk's Office (626) 333-2211. Notification of at least 48 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 SB 343, 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 City Clerk during regular business hours, Monday through Friday 9:00 a.m. to 5:00 p.m. Any person with a question concerning any agenda item may call the City Clerk's Office at (626) 333-2211.

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

5. **CONSENT CALENDAR**

All matters listed under the Consent Calendar are considered to be routine and will be enacted by one vote. There will be no separate discussion of these items unless members of the City Council, the public, or staff request specific items be removed from the Consent Calendar for separate action.

5.1 Consideration of the Register of Demands

RECOMMENDED ACTION: Approve the Register of Demands and authorize the appropriate City Official to pay the bills.

5.2 Consideration of Resolution No. CC 2015-38 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, APPROVING A PURCHASE AGREEMENT BETWEEN THE CITY OF INDUSTRY AND CT CHESTNUT LLC, FOR THE PROPERTY LOCATED AT 948 S. AZUSA AVENUE, CITY OF INDUSTRY, CALIFORNIA AND ADOPTING THE NOTICE OF EXEMPTION REGARDING SAME

RECOMMENDED ACTION: Staff recommends to extend the consideration of Resolution No. CC 2015-38 to the next regular scheduled meeting.

6. **ACTION ITEMS**

6.1 Consideration of Ordinance No. 793 – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF INDUSTRY REPEALING CHAPTER 13.18 (WATER EFFICIENT LANDSCAPES) OF TITLE 13 (WATER AND SEWERS) OF THE CITY OF INDUSTRY MUNICIPAL CODE AND ADDING A REVISED CHAPTER 13.18; AMENDING SECTION 17.36.080 A.3 (STANDARD CONDITIONS OF APPROVAL) OF CHAPTER 17.36 (DESIGN REVIEW) OF TITLE 17 (ZONING) AND ADOPTING A NOTICE OF EXEMPTION REGARDING SAME (SECOND READING)

RECOMMENDED ACTION: Waive further reading, and adopt Ordinance No. 793.

6.2 Consideration of a deposit of \$57,000.00 to Los Angeles County Department of Public Works for traffic signal modifications located at Amar Road and Baldwin Park Boulevard

RECOMMENDED ACTION: Approve the deposit of \$57,000.00 to Los Angeles County Department of Public Works.

6.3 Consideration of Resolution No. CC 2016-08 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, CONFIRMING THE CONTINUED EXISTENCE OF AN EMERGENCY

CONDITION AT THE FOLLOWS CAMP PROPERTY AND DECLARING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE CERTAIN WORK TO BE PERFORMED WITHOUT COMETITIVE BIDDING PURSUANT TO CALIFORNIA PUBLIC CONTRACT CODE SECTION 22050 AND SECTION 3.52.110 OF THE CITY'S MUNICIPAL CODE

RECOMMENDED ACTION: Adopt Resolution No. CC 2016-08.

- 6.4 Presentation and discussion regarding the First Quarter 2016 City of Industry Government Reforms Update

RECOMMENDED ACTION: Receive and file.

7. **CITY COUNCIL COMMITTEE REPORTS**

8. **AB 1234 REPORTS**

9. **CITY COUNCIL COMMUNICATIONS**

10. **CLOSED SESSION**

- 10.1 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2): Two Potential Cases.

11. Adjournment. Next regular meeting: Thursday, February 11, 2016 at 9:00 a.m.

CITY COUNCIL

ITEM NO. 5.1

**CITY OF INDUSTRY
AUTHORIZATION FOR PAYMENT OF BILLS
CITY COUNCIL MEETING OF JANUARY 28, 2016**

FUND RECAP:

<u>FUND</u>	<u>DESCRIPTION</u>	<u>DISBURSEMENTS</u>
100	GENERAL FUND	2,635,183.00
120	CAPITAL IMPROVEMENT FUND	310,711.46
161	IPUC - ELECTRIC	262,828.93
440	IPFA FUND	3,000.00
TOTAL ALL FUNDS		3,211,723.39

BANK RECAP:

<u>BANK</u>	<u>NAME</u>	<u>DISBURSEMENTS</u>
BOFA	BANK OF AMERICA - CKING ACCOUNTS	282,222.47
REF	REFUSE - CKING ACCOUNT	1,191,222.24
WFBK	WELLS FARGO - CKING ACCOUNT	1,738,278.68
TOTAL ALL BANKS		3,211,723.39

**CITY OF INDUSTRY
BANK OF AMERICA
January 28, 2016**

Check	Date		Payee Name	Check Amount
CITYELEC.CHK - City Electric				
1371	01/12/2016		CITY OF INDUSTRY	\$121,019.62
	Invoice	Date	Description	Amount
	1/12/16	01/12/2016	TRANSFER FUNDS-ELECTRIC	\$121,019.62
CITYGEN.CHK - City General				
24293	01/08/2016		U.S. BANK	\$86,202.85
	Invoice	Date	Description	Amount
	1/8/16	01/08/2016	PFA-2010 LEASE REVENUE BOND	\$86,202.85
24294	01/19/2016		VOIDED- PAPER JAM	\$0.00
24295	01/12/2016		CIVIC RECREATIONAL INDUSTRIAL	\$75,000.00
	Invoice	Date	Description	Amount
	1/12/16	01/12/2016	TRANSFER FUNDS-CRIA A/P	\$75,000.00

Checks	Status	Count	Transaction Amount
	Total	4	\$282,222.47

**CITY OF INDUSTRY
WELLS FARGO REFUSE
January 28, 2016**

Check	Date	Payee Name		Check Amount
REFUSE - Refuse Account				
WT194	01/04/2016	CITY OF INDUSTRY DISPOSAL CO.		\$1,191,222.24
	Invoice	Date	Description	Amount
	2395964	01/04/2016	REFUSE SVC 12/1-12/31/15	\$1,191,222.24

Check	Status	Count	Transaction Amount
	Total	1	\$1,191,222.24

**CITY OF INDUSTRY
WELLS FARGO VOIDED CHECK
January 28, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
62501	08/27/2015	01/14/2016	THOMPSON PUBLISHING GROUP	(\$218.00)
	Invoice	Date	Description	Amount
	832371101	08/04/2015	VOIDED-PAID WRONG VENDOR	(\$218.00)

Check	Status	Count	Transaction Amount
	Total	1	(\$218.00)

**CITY OF INDUSTRY
WELLS FARGO BANK
January 28, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
63338	01/08/2016		SAGE ENVIRONMENTAL GROUP	\$2,077.78
	Invoice	Date	Description	Amount
	548-R1	01/05/2016	BIOLOGICAL SVC - FOLLOW'S CAMP	\$2,077.78
63339	01/15/2016		CITY OF INDUSTRY-PETTY CASH	\$854.77
	Invoice	Date	Description	Amount
	01/06/16	01/06/2016	REIMBURSE PETTY CASH	\$854.77
63340	01/15/2016		L A COUNTY TAX COLLECTOR	\$84.16
	Invoice	Date	Description	Amount
	8636 005 271 11	12/17/2015	FY 11/12 - FOLLOW'S CAMP	\$84.16
63341	01/15/2016		NOBLE AMERICAS ENERGY	\$107,722.77
	Invoice	Date	Description	Amount
	160120005166880	01/12/2016	WHOLESALE USE-DEC 2015	\$107,070.52
	160120005164882	01/12/2016	WHOLESALE GAS-DEC 2015	\$652.25
63342	01/20/2016		AT & T	\$9.07
	Invoice	Date	Description	Amount
	2016-00000848	01/01/2016	01/01-01/31/16 SVC - CITY WHITE PAGES	\$9.07
63343	01/20/2016		AT & T	\$225.00
	Invoice	Date	Description	Amount
	8960173899	01/01/2016	01/01-01/31/16 SVC - METROLINK	\$225.00
63344	01/20/2016		EXXON MOBIL	\$722.61
	Invoice	Date	Description	Amount
	72006767601	01/08/2016	FUEL-SECURITY VEHICLES	\$722.61
63345	01/20/2016		GAS COMPANY, THE	\$1,587.05
	Invoice	Date	Description	Amount

**CITY OF INDUSTRY
WELLS FARGO BANK
January 28, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	1135HATCH-JAN16	01/05/2016	12/01-12/31/15 SVC - 1135 HATCHER AVE	\$59.39
	2016-00000855	01/07/2016	12/03-01/05/16 SVC - 2700 CHINO HILLS PKWY	\$134.06
	2016-00000856	01/07/2016	12/03-01/05/16 SVC - 1 INDUSTRY HILLS PKWY	\$18.16
	2016-00000857	01/11/2016	12/05-01/07/16 SVC - 15633 RAUSCH RD	\$443.18
	2016-00000858	01/11/2016	12/04-01/06/16 SVC - 15651 STAFFORD ST	\$310.77
	2016-00000859	01/11/2016	12/04-01/07/16 SVC - 15625 STAFFORD ST APT A	\$147.84
	2016-00000860	01/11/2016	12/05-01/07/16 SVC - 15625 STAFFORD ST APT B	\$144.50
	2016-00000861	01/11/2016	12/01-01/01/16 SVC - 1 INDUSTRY HILLS PKWY UNIT	\$329.15
63346	01/20/2016		PAETEC COMMUNICATIONS	\$729.39
	Invoice	Date	Description	Amount
	59084815	01/10/2016	PHONE SVC-JAN 2016	\$729.39
63347	01/20/2016		RICOH USA, INC.	\$3,469.35
	Invoice	Date	Description	Amount
	48596860	01/09/2016	COPIER LEASE-HR	\$303.21
	48583416	01/09/2016	COPIER LEASE-JAN 2015	\$3,166.14
63348	01/20/2016		SAN GABRIEL VALLEY WATER CO.	\$231.58
	Invoice	Date	Description	Amount
	2016-00000849	01/14/2016	12/14-01/13/16 SVC - 14329 VALLEY	\$176.65
	2016-00000850	01/15/2016	12/15-01/14/16 SVC - 336 EL ENCANTO	\$54.93
63349	01/20/2016		SHELL	\$18.00
	Invoice	Date	Description	Amount
	8000073489601	01/06/2016	CAR WASH-CITY VEHICLES	\$18.00
63350	01/20/2016		SO CALIFORNIA EDISON COMPANY	\$27,996.46
	Invoice	Date	Description	Amount
	2016-00000836	01/05/2016	12/01-01/01/16 SVC - 600 BREA CYN RD	\$488.30
	2016-00000837	01/05/2016	12/01-01/01/16 SVC - 1 VALLEY/AZUSA	\$16.49

**CITY OF INDUSTRY
WELLS FARGO BANK
January 28, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	2016-00000838	01/06/2016	12/01-01/01/16 SVC - VARIOUS SITES	\$1,904.27
	2016-00000839	01/06/2016	12/04-01/05/16 SVC - 208 S WADDINGHAM WAY CP	\$147.66
	15660STAFF-JAN16	01/07/2016	11/30-12/29/15 SVC - 15660 STAFFORD ST	\$1,627.78
	2016-00000840	01/07/2016	12/04-01/05/16 SVC - 15625 STAFFORD ST	\$4,187.12
	1123AHATCH-JAN16	01/08/2016	12/08-01/07/16 SVC - 1123 HATCHER AVE STE A	\$186.08
	2016-00000841	01/08/2016	12/01-01/01/16 SVC - NOGALES ST / SAN JOSE AVE	\$611.94
	1135HATCH-JAN16	01/08/2016	12/08-01/07/16 SVC - 1135 HATCHER AVE	\$352.17
	2016-00000842	01/09/2016	12/01-01/01/16 SVC - 208 S WADDINGHAM WAY	\$17,269.20
	2016-00000843	01/09/2016	12/08-01/07/2016 SVC - VARIOUS SITES	\$129.70
	2016-00000844	01/12/2016	12/01-01/01/16 SVC - GALE AVE/L ST	\$36.28
	2016-00000845	01/13/2016	11/13-01/08/16 SVC - VALLEY BLVD U-VARIOUS SITES	\$835.77
	2016-00000846	01/13/2016	12/11-01/12/16 SVC - 575 BALDWIN PARK AVE U	\$74.42
	19835WAL-JAN16	01/15/2016	12/15-01/14/16 SVC - 19835 E WALNUT DRIVE	\$59.90
	2016-00000847	01/14/2016	12/14-01/13/16 SVC - 490 7TH U	\$69.38
63351	01/20/2016		SUBURBAN WATER SYSTEMS	\$170.31
	Invoice	Date	Description	Amount
	2016-00000851	01/05/2016	12/04-01/05/16 SVC - NE CNR VALLEY/STIMS	\$170.31
63352	01/20/2016		TECHNOLOGY UNLIMITED	\$381.17
	Invoice	Date	Description	Amount
	300579	01/04/2016	ANNUAL SOFTWARE SUPPORT	\$381.17
63353	01/20/2016		TELEPACIFIC COMMUNICATIONS	\$5,871.00
	Invoice	Date	Description	Amount
	74250248-0	12/31/2015	INTERNET SVC-CITY HALL/METRO SOLAR	\$5,871.00
63354	01/20/2016		VERIZON	\$2,785.53
	Invoice	Date	Description	Amount
	2016-00000823	12/28/2015	12/28-01/27/16 SVC - EM-21912 GARCIA LN-ALARM	\$62.97
	2016-00000824	12/28/2015	12/28-01/27/16 SVC - EM-179 S. GRAND AVE	\$39.25

**CITY OF INDUSTRY
WELLS FARGO BANK
January 28, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	2016-00000825	12/28/2015	12/28-01/27/16 SVC - ELECTRIC MODEM	\$55.72
	2016-00000826	01/01/2016	01/01-01/31/16 SVC - GENERATOR SITE-TELEMETRY	\$56.01
	2016-00000827	01/01/2016	01/01-01/31/16 SVC - GENERATOR SITE-TELEMETRY	\$58.94
	2016-00000828	01/01/2016	01/01-01/31/16 SVC - VARIOUS SITES	\$999.24
	2016-00000830	01/01/2016	01/01-01/31/16 SVC - CITY HALL FAXES	\$522.29
	2016-00000831	01/01/2016	01/01-01/31/16 SVC - VARIOUS SITES	\$297.42
	HATCHER-JAN16	01/01/2016	01/01-01/31/16 SVC - HATCHER	\$52.24
	2016-00000832	01/01/2016	01/01-01/31/16 SVC - TRES HERMANOS	\$50.92
	2016-00000833	01/04/2016	01/04-02/03/16 SVC - GS-21620 VALLEY	\$58.94
	2016-00000834	01/04/2016	01/04-02/03/16 SVC - EM-21858 GARCIA LN-ALARM	\$63.28
	2016-00000835	01/07/2016	01/07-02/06/16 SVC - GS-408 BREA CYN RD	\$25.25
	841 7TH-JAN16	01/10/2016	01/10-02/09/16 SVC - 841 7TH	\$98.47
	2016-00000852	01/10/2016	01/10-02/09/16 SVC - EM-21508 BAKER PKWY	\$56.01
	2016-00000853	01/10/2016	01/10-02/09/16 SVC - EM-21808 GARCIA LN-ALARM	\$63.28
	2016-00000854	01/10/2016	01/10-02/09/16 SVC - 600 BREA CYN RD	\$225.30
63355	01/20/2016		VERIZON BUSINESS	\$149.01
	Invoice	Date	Description	Amount
	63938898	01/10/2016	12/01-12/31/15 SVC - VARIOUS SITES	\$117.42
	HATCHER-63938897	01/10/2016	12/01-12/31/15 SVC - HATCHER WAREHOUSE	\$31.59
63356	01/20/2016		VERIZON WIRELESS - LA	\$1,069.58
	Invoice	Date	Description	Amount
	9757917018	12/26/2015	11/27-12/26/15 SVC - MOBILE BROADBAND	\$114.03
	9757917017	12/26/2015	11/27-12/26/15 SVC - VARIOUS WIRELESS	\$955.55
63357	01/20/2016		WALNUT VALLEY WATER DISTRICT	\$7,053.55
	Invoice	Date	Description	Amount
	2185563	01/12/2016	12/01-12/31/15 SVC - BREA CYN N OF RR TRKS	\$129.05
	2185564	01/12/2016	12/01-12/31/15 SVC - BREA CYN N OF CURRIER	\$21.41
	2185566	01/12/2016	12/01-12/31/15 SVC - 60 FWY INTERCHANGE	\$21.41

**CITY OF INDUSTRY
WELLS FARGO BANK
January 28, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
2185401	01/12/2016		12/01-12/31/15 SVC - IRR 820 FAIRWAY DR	\$76.27
2185453	01/12/2016		12/01-12/31/15 SVC - LEMON AVE N OF CURRIER RD	\$35.52
2185502	01/12/2016		12/01-12/31/15 SVC - FERRERO & GRAND EAST	\$444.43
2185487	01/12/2016		12/01-12/31/15 SVC - BREA CYN RD & OLD RANCH RD	\$30.84
2185530	01/12/2016		12/01-12/31/15 SVC - 22002 VALLEY BLVD	\$210.24
2185520	01/12/2016		12/01-12/31/15 SVC - BAKER PKWY METER#1	\$126.80
2185521	01/12/2016		12/01-12/31/15 SVC - BAKER PKWY METER#2	\$187.53
2185527	01/12/2016		12/01-12/31/15 SVC - GRAND AVE CROSSING	\$126.08
2185528	01/12/2016		12/01-12/31/15 SVC - GRAND AVE CROSSING	\$71.07
2185547	01/12/2016		12/01-12/31/15 SVC - 21350 VALLEY-MEDIAN	\$76.08
2185548	01/12/2016		12/01-12/31/15 SVC - GRAND CROSSING EAST	\$41.76
2185549	01/12/2016		12/01-12/31/15 SVC - GRAND CROSSING WEST	\$40.20
2185557	01/12/2016		12/01-12/31/15 SVC - E/S GRAND S/O BAKER PKWY	\$116.83
2185584	01/12/2016		12/01-12/31/15 SVC - END OF BAKER PKWY-TEMP	\$3,660.39
2185550	01/12/2016		12/01-12/31/15 SVC - BAKER PKWY & GRAND N/W	\$1,466.23
2186254	01/13/2016		12/02-12/30/15 SVC - PUMP STN BREA CYN	\$18.29
2186478	01/13/2016		12/02-12/30/15 SVC - NOGALES PUMP STN	\$54.43
19835WAL-JAN16	01/13/2016		12/02-12/30/15 SVC - 19835 WALNUT DR	\$98.69
63358	01/28/2016		ALVAKA NETWORKS	\$330.00
Invoice	Date	Description	Amount	
156004NP	12/31/2015	TRIP CHARGE	\$330.00	
63359	01/28/2016		ARAMARK REFRESHMENT SERVICE,	\$197.38
Invoice	Date	Description	Amount	
9165417	01/19/2016	COFFEE/OFFICE SUPPLIES	\$131.45	
1355543	01/07/2016	WATER FILTER	\$65.93	
63360	01/28/2016		AVANT-GARDE, INC	\$220.00
Invoice	Date	Description	Amount	
3886	12/17/2015	PROJECT MGMT-AZUSA AVE BRIDGE	\$220.00	

**CITY OF INDUSTRY
WELLS FARGO BANK
January 28, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
63361	01/28/2016		BALLAS, JOHN	\$833.32
	Invoice	Date	Description	Amount
	10/26-11/08/15	01/11/2016	CHILD CARE-P/R 11/15/15	\$208.33
	11/9-11/22/15	01/11/2016	CHILD CARE-P/R 11/30/15	\$208.33
	11/23-12/06/15	01/11/2016	CHILD CARE-P/R 12/15/15	\$208.33
	12/7-12/20/15	01/11/2016	CHILD CARE-P/R 12/31/15	\$208.33
63362	01/28/2016		BLAKE AIR CONDITIONING	\$1,341.80
	Invoice	Date	Description	Amount
	M33832	01/11/2016	A/C MAINT-CITY HALL	\$1,019.00
	37515	11/05/2015	A/C REPAIR-105660 STAFFORD	\$322.80
63363	01/28/2016		CAL-PERS	\$840.00
	Invoice	Date	Description	Amount
	100000014688574	01/11/2016	SURVIVOR BENEFIT FY 15/16 ID#4633577005	\$588.00
	100000014690435	01/12/2016	SURVIVOR BENEFIT FY 15/16 ID#4633577005	\$210.00
	100000014689220	01/11/2016	SURVIVOR BENEFIT FY 15/16 ID#4633577005	\$42.00
63364	01/28/2016		CALVO, ELISE	\$2,499.96
	Invoice	Date	Description	Amount
	DECEMBER 2015	01/06/2016	CHILD CARE 7/1-12/31/15	\$2,499.96
63365	01/28/2016		CASC ENGINEERING AND	\$12,273.00
	Invoice	Date	Description	Amount
	34806	11/30/2015	NPDES ENG SVC-COI	\$12,126.00
	34807	11/30/2015	NPDES ENG SVC-FOLLOW'S CAMP	\$147.00
63366	01/28/2016		CHEM PRO LABORATORY, INC	\$269.00
	Invoice	Date	Description	Amount
	598822	12/23/2015	WATER TREATMENT-DEC 2015	\$269.00

**CITY OF INDUSTRY
WELLS FARGO BANK
January 28, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
63367	01/28/2016		CITY OF INDUSTRY	\$1,271.66
	Invoice	Date	Description	Amount
	2016-00000043	12/31/2015	IH FUEL PUMP-SECURITY VEHICLES	\$966.58
	2016-00000045	12/31/2015	IH FUEL PUMP-CITY VEHICLES	\$305.08
63368	01/28/2016		CITY OF INDUSTRY DISPOSAL CO.	\$2,362.08
	Invoice	Date	Description	Amount
	2395922	12/31/2015	MO SVC-CITY RESIDENCES	\$2,362.08
63369	01/28/2016		CITY OF INDUSTRY-MEDICAL	\$22,000.00
	Invoice	Date	Description	Amount
	REG 1/28/16	01/20/2016	TRANSFFER FUNDS-MEDICAL	\$22,000.00
63370	01/28/2016		CITY OF INDUSTRY-PAYROLL ACCT	\$50,000.00
	Invoice	Date	Description	Amount
	P/R 1/15/16	01/15/2016	PAYROLL REIMBURSEMENT FOR 1/15/16	\$50,000.00
63371	01/28/2016		CITY OF INDUSTRY-REFUSE	\$11,950.76
	Invoice	Date	Description	Amount
	2394527A	01/01/2016	DISP SVC-205 HUDSON	\$184.24
	2394527B	01/01/2016	DISP SVC-841 7TH AVE	\$184.24
	2394272	01/01/2016	DISP SVC/BOX RENTAL-TONNER CYN	\$1,596.12
	2394273	01/01/2016	DISP SVC-CITY HALL	\$299.47
	2395615	12/31/2015	DISP SVC-1123 HATCHER	\$4,916.42
	2394275	01/01/2016	DISP SVC-TRES HERMANOS	\$138.38
	2394274	01/01/2016	STORAGE BOX RENTAL-TONNER CYN	\$255.56
	2394869	01/01/2016	DISP SVC-CITY BUS STOPS	\$4,376.33
63372	01/28/2016		CITY OF SOUTH EL MONTE	\$2,000.00
	Invoice	Date	Description	Amount

**CITY OF INDUSTRY
WELLS FARGO BANK
January 28, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	1073	12/16/2015	COALITION SR60 PROJ-JAN 2016	\$2,000.00
63373	01/28/2016		CNC ENGINEERING	\$247,521.09
	Invoice	Date	Description	Amount
	44273	01/14/2016	INDUSTRY 66KV ELECTRICAL FACILITY	\$3,254.20
	44274	01/14/2016	ON-CALL STREET MAINT PROGRAM	\$711.79
	44275	01/14/2016	GALE AVE STREET IMPROVEMENTS	\$78.44
	44276	01/14/2016	WALNUT DR SOUTH WIDENING	\$2,081.31
	44277	01/14/2016	VALLEY BLVD PCC PAVEMENT RECONSTRUCTION	\$21,615.54
	44278	01/14/2016	CLARK AVE WIDENING AND SIDEWALK	\$2,599.65
	44279	01/14/2016	2015 CLEANOUT OF STORMWATER DEVICES	\$380.01
	44280	01/14/2016	EMERGENCY CREEK AND ROADWAY REPAIRS-	\$13,089.18
	44281	01/14/2016	GENERAL ENGINEERING SVC-CIP	\$48,739.64
	44282	01/14/2016	GENERAL ENGINEERING SVC 12/21-1/10/16	\$63,374.85
	44283	01/14/2016	TONNER CYN PROPERTY	\$1,882.56
	44284	01/14/2016	COLIMA RD AND ALBATROSS RD WIDENING	\$352.72
	44285	01/14/2016	PUENTE VALLEY OPERABLE UNIT GROUNDWATER	\$941.28
	44286	01/14/2016	MAINT OF CITY HALL	\$1,067.95
	44287	01/14/2016	MAINT OF THE IMC	\$723.98
	44288	01/14/2016	HOMESTEAD MUSEUM MAINT	\$470.64
	44289	01/14/2016	PUC RAILROAD SAFETY UPGRADE FOR FAIRWAY	\$235.32
	44290	01/14/2016	PUC RAILROAD SAFETY UPGRADE FOR TEMPLE	\$156.88
	44291	01/14/2016	GENERAL ENGINEERING AND MISC ITEMS-ELEC	\$162.71
	44292	01/14/2016	OPERATION AND MAINT OF METRO PAKING LOT	\$2,157.10
	44293	01/14/2016	MAINT AND REPAIR OF STREET LIGHTING SYSTEM	\$39.22
	44294	01/14/2016	TRAFFIC SIGNAL AT DON JULIAN/SIXTH AVE	\$325.42
	44295	01/14/2016	SAN JOSE AVE RECONSTRUCTION	\$3,294.48
	44296	01/14/2016	PROPERTY PURCHASE AND REDEVELOP-1135	\$12,434.60
	44297	01/14/2016	TRAFFIC SIGNAL AND INTERSECTION	\$714.18
	44298	01/14/2016	INDUSTRY HILLS IMPROVEMENTS	\$156.88
	44299	01/14/2016	LAUNDRY BLDG SETTLEMENT ISSUES	\$9,639.64

**CITY OF INDUSTRY
WELLS FARGO BANK
January 28, 2016**

Check	Date	Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo			
44300	01/14/2016	INDUSTRY HILLS FUEL TANK DISPENSING	\$627.52
44301	01/14/2016	PACIFIC PALMS REPAIRS TO PARKING LOT	\$313.76
44302	01/14/2016	PROPERTY MGMT FOR CITY OWNED PROPERTIES	\$3,807.72
44303	01/14/2016	205 HUDSON AVE-SHERIFF'S YAL OFFICES	\$2,257.55
44304	01/14/2016	STORM DRAIN IN AJAX AVE	\$470.64
44305	01/14/2016	VARIOUS ASSIGNMENTS - SA TO IUDA	\$11,400.60
44306	01/14/2016	CITY PROPERTY-110 ACRES SOUTH OF	\$760.02
44307	01/14/2016	REPAIRS/UPGRADES TO STORM WATER PUMP	\$1,411.92
44308	01/14/2016	BICYCLE MASTER PLAN	\$886.69
44309	01/14/2016	MAINT OF 1123 HATCHER AVE	\$947.11
44310	01/14/2016	ARENTH AVE RECONSTRUCTION	\$10,254.97
44311	01/14/2016	CITY OF INDUSTRY MUNICIPAL CODE COMPLIANCE	\$470.64
44312	01/14/2016	CIVIC FINANCIAL CTR PARKING LOT EXPANSION	\$4,998.70
44313	01/14/2016	PECK ROAD STORM DRAIN DEBRIS REMOVAL	\$470.64
44314	01/14/2016	SURVEY OF MUNICIPALITIES	\$313.76
44315	01/14/2016	ANNEXATION TO THE CENTERLINE OF VALLEY BLVD	\$1,857.92
44316	01/14/2016	FULLETON RD GRADE SEPARATION	\$784.40
44317	01/14/2016	ALAMEDA CORRIDOR EAST RELATED PROJECTS	\$5,021.52
44318	01/14/2016	FAIRWAY DR GRADE SEPARATION	\$1,333.48
44319	01/14/2016	NOGALES GRADE SEPARATION	\$3,451.36
022016	02/01/2016	MEALS/WHEELS RENT-FEB 2016	\$5,000.00
63374	01/28/2016	CORELOGIC INFORMATION	\$192.50
Invoice	Date	Description	Amount
81648929	12/31/2015	GEOGRAPHIC PKG-DEC 2015	\$192.50
63375	01/28/2016	DAKOTA BACKFLOW CO.	\$255.00
Invoice	Date	Description	Amount
37693	12/23/2015	ANNUAL TESTING-VARIOUS SITES	\$80.00
37622	12/21/2015	REPAIR B/F DEVICE-DON JULIAN	\$175.00

**CITY OF INDUSTRY
WELLS FARGO BANK
January 28, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
63376	01/28/2016		DEPT OF ANIMAL CARE & CONTROL	\$1,042.98
	Invoice	Date	Description	Amount
	1/15/16	01/15/2016	SHELTER COSTS-DEC 2015	\$1,042.98
63377	01/28/2016		EASYLINK SERVICES	\$55.50
	Invoice	Date	Description	Amount
	07634191601	01/02/2016	FAX SVC-DEC 2015	\$55.50
63378	01/28/2016		ENCO UTILITY SERVICES	\$5,109.50
	Invoice	Date	Description	Amount
	0612-000393S	01/11/2016	METER SYSTEM MONITORING-DEC 2015	\$2,846.00
	0113-0036MR	01/11/2016	METER READING-DEC 2015	\$2,263.50
63379	01/28/2016		FEDERAL EXPRESS CORP.	\$179.76
	Invoice	Date	Description	Amount
	5-280-74611	01/08/2016	MESSENGER SVC	\$179.76
63380	01/28/2016		FRAZER, LLP	\$63,270.00
	Invoice	Date	Description	Amount
	141294	01/15/2016	COI-ACCTG SVC 1/1-1/15/16	\$31,875.00
	141133	12/31/2015	COI-PROF SVC FOR DEC 2015	\$5,000.00
	140913	12/31/2015	COI-PROF SVC 11/16-12/15/15	\$26,395.00
63381	01/28/2016		GMS ELEVATOR SERVICES, INC	\$138.00
	Invoice	Date	Description	Amount
	00081429	01/04/2016	MO SVC - ELEVATOR	\$138.00
63382	01/28/2016		H & H GENERAL ENGINEERING, INC.	\$107,302.50
	Invoice	Date	Description	Amount
	\$1CITY-1426	01/28/2016	EMERGENGY CREEK & ROADWAY REPAIRS-	\$112,950.00

**CITY OF INDUSTRY
WELLS FARGO BANK
January 28, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
63383	01/28/2016		HUNTER ELECTRIC SERVICE, INC.	\$4,019.04
	Invoice	Date	Description	Amount
	2015-195	12/22/2015	REPLACE PUMP-TONNER CYN	\$4,019.04
63384	01/28/2016		INDUSTRY SECURITY SERVICES	\$38,997.90
	Invoice	Date	Description	Amount
	14-16401	01/08/2016	SECURITY SVC-TRES HERMANOS	\$2,355.44
	14-16390	01/08/2016	SECURITY SVC 1/1-1/7/16	\$17,508.04
	14-16463	01/15/2016	SECURITY SVC-TRES HERMANOS	\$2,187.12
	14-16452	01/15/2016	SECURITY SVC 1/8-1/14/16	\$16,947.30
63385	01/28/2016		INTERNATIONAL LINE BUILDERS	\$64,580.50
	Invoice	Date	Description	Amount
	776908	10/26/2015	ELECTRICAL SVC-EAST END DEVELOPMENT	\$64,580.50
63386	01/28/2016		JOBS AVAILABLE	\$390.00
	Invoice	Date	Description	Amount
	1601015	12/29/2015	AD FOR CITY CONTROLLER	\$390.00
63387	01/28/2016		KIMLEY-HORN & ASSOCIATES, INC.	\$10,974.32
	Invoice	Date	Description	Amount
	7303573	11/30/2015	STREET LIGHTING ANALYSIS-RALROAD ST AND	\$6,676.38
	7316250	11/30/2015	GENERAL TRAFFIC-ENGINEERING/REVIEW	\$181.58
	7316299	11/30/2015	FAIRWAY DR GRADE SEPARATION	\$2,526.50
	7327915	11/30/2015	TRAFFIC SURVEY-VARIOUS SITES	\$1,589.86
63388	01/28/2016		KLEINFELDER, INC.	\$3,077.50
	Invoice	Date	Description	Amount
	0011084175	11/19/2015	GEO STUDY-VALLEY BLVD IMPROVEMENTS	\$3,077.50
63389	01/28/2016		L A COUNTY DEPT OF PUBLIC	\$5,517.00

**CITY OF INDUSTRY
WELLS FARGO BANK
January 28, 2016**

Check	Date	Payee Name	Check Amount	
CITY.WF.CHK - City General Wells Fargo				
	Invoice	Date	Description	Amount
	IN160000619	12/05/2015	PILOT ROUTINE MAINT	\$5,517.00
63390	01/28/2016		L A COUNTY REGISTRAR-	\$75.00
	Invoice	Date	Description	Amount
	AJAX	01/06/2016	FEE-NOTICE OF EXEMPTION-AJAX STORM DRAIN	\$75.00
63391	01/28/2016		L A COUNTY REGISTRAR-	\$75.00
	Invoice	Date	Description	Amount
	VALLEY BL	01/06/2016	FEE-NOTICE OF EXEMPTION FOR VALLEY BL	\$75.00
63392	01/28/2016		L A COUNTY REGISTRAR-	\$75.00
	Invoice	Date	Description	Amount
	ZA15-3	01/14/2016	FEE-NOTICE OF EXEMPTION FOR THE ZA15-3	\$75.00
63393	01/28/2016		L A COUNTY SHERIFF'S	\$732,499.72
	Invoice	Date	Description	Amount
	162497NH	01/14/2016	SPECIAL EVENT-HOLIDAY DEPLOYMENT	\$17,193.70
	162498NH	01/14/2016	SPECIAL EVENT-DIRECTED PATROL	\$24,928.07
	162266NH	01/07/2016	SHERIFF CONTRACT-DEC 2015	\$690,377.95
63394	01/28/2016		LANG, HANSEN, O'MALLEY &	\$25,000.00
	Invoice	Date	Description	Amount
	5181	01/05/2016	LEGISLATIVE SVC-JAN 2016	\$25,000.00
63395	01/28/2016		LINSCOTT, LAW & GREENSPAN	\$1,160.50
	Invoice	Date	Description	Amount
	16325-00119	12/08/2015	TRAFFIC ENG SVC-DON JULIAN/SIXTH AVE	\$1,160.50
63396	01/28/2016		LOCKS PLUS	\$44.92
	Invoice	Date	Description	Amount

**CITY OF INDUSTRY
WELLS FARGO BANK
January 28, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	23148	01/12/2016	DUPLICATE KEYS	\$44.92
63397	01/28/2016		MERRITT'S ACE HARDWARE	\$35.61
	Invoice	Date	Description	Amount
	090109	01/04/2016	MISC SUPPLIES	\$3.04
	090136	01/05/2016	MISC SUPPLIES	\$32.57
63398	01/28/2016		METHOD TECHNOLOGIES	\$47.50
	Invoice	Date	Description	Amount
	23348	12/31/2015	UPDATE CITY WEBSITE	\$47.50
63399	01/28/2016		MX GRAPHICS, INC.	\$1,921.13
	Invoice	Date	Description	Amount
	8930	01/07/2016	BLUEPRINT SVC-JN 6205	\$423.66
	8926	01/07/2016	BLUEPRINT SVC-JN 6205	\$393.02
	8907	01/06/2016	BLUEPRINT SVC-JN 6205	\$1,054.25
	8899	01/04/2016	BLUEPRINT SVC-JN 6205	\$15.70
	8858	12/22/2015	BLUEPRINT SVC-MP 11 09	\$34.50
63400	01/28/2016		MYERS & SONS HI-WAY SAFETY,	\$1,309.00
	Invoice	Date	Description	Amount
	82281	09/30/2015	EQUIPMENT RENTALS FOR RAILROAD SAFETY	\$1,309.00
63401	01/28/2016		PLACEWORKS	\$16,180.86
	Invoice	Date	Description	Amount
	58111	12/31/2015	INDUSTRY CLIMATE ACTION PLAN	\$5,526.15
	58048	12/31/2015	STAFF SERVICES	\$510.00
	58040	12/31/2015	CKE RESTAURANT HOLDINGS/TOMMY'S	\$3,005.96
	58034	12/31/2015	CHÅLMERS EQUITY GROUP	\$500.00
	58033	12/31/2015	MAJESTIC REALTY/OFFICE BLDG CROSSROADS	\$1,313.75
	58032	12/31/2015	CT REALTY INVESTORS/WAREHOUSING DEVELOP	\$5,058.75

**CITY OF INDUSTRY
WELLS FARGO BANK
January 28, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	58036	12/31/2015	DONLON/ECHELON AVE DEVELOPMENT	\$266.25
63402	01/28/2016		POST ALARM SYSTEMS	\$273.25
	Invoice	Date	Description	Amount
	842055	01/05/2016	MONITORING SVC-FEB 2016	\$273.25
63403	01/28/2016		PREMIER DEVELOPING SERVICES,	\$6,555.36
	Invoice	Date	Description	Amount
	97202	12/11/2015	EMERGENCY GAS LINE REPAIR-EL ENCANTO	\$6,555.36
63404	01/28/2016		R.F. DICKSON CO., INC.	\$16,795.60
	Invoice	Date	Description	Amount
	2507740	12/31/2015	STREET AND PARKING LOT SWEEPING	\$16,795.60
63405	01/28/2016		RICKABUS, GRACE M.	\$3,500.00
	Invoice	Date	Description	Amount
	FEBRUARY 2016	01/12/2016	LEASE OF STORAGE SPACE	\$3,500.00
63406	01/28/2016		SAGE ENVIRONMENTAL GROUP	\$16,760.00
	Invoice	Date	Description	Amount
	549	01/07/2016	BIOLOGICAL SVC-FOLLOW'S CAMP	\$16,760.00
63407	01/28/2016		SAN GABRIEL VALLEY FAMILY	\$4,300.00
	Invoice	Date	Description	Amount
	2719	12/31/2015	GRAFFITI REMOVAL-DEC 2015	\$4,300.00
63408	01/28/2016		SCS FIELD SERVICES	\$10,486.33
	Invoice	Date	Description	Amount
	0267321	11/30/2015	MAINT LANDFILL GAS SYTEM	\$10,486.33
63409	01/28/2016		SO CALIFORNIA EDISON COMPANY	\$4,246.98

**CITY OF INDUSTRY
WELLS FARGO BANK
January 28, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	Invoice	Date	Description	Amount
	1/11/16	01/11/2016	INSTALLATION OF STREET LIGHT PEDESTALS-	\$4,246.98
63410	01/28/2016		STAPLES BUSINESS ADVANTAGE	\$822.06
	Invoice	Date	Description	Amount
	8037448064	01/02/2016	OFFICE SUPPLES	\$306.30
	8037539816	01/09/2016	OFFICE SUPPLES	\$515.76
63411	01/28/2016		STATE WATER RESOURCES	\$3,301.00
	Invoice	Date	Description	Amount
	WD-0108779	11/02/2015	ANNUAL PERMIT FEE-IBC EAST	\$3,301.00
63412	01/28/2016		SUNRISE ROOFING	\$300.00
	Invoice	Date	Description	Amount
	1/11/2016	01/11/2016	ROOF REPAIR-17723 EL GALE AVE	\$300.00
63413	01/28/2016		THE PUN GROUP	\$13,000.00
	Invoice	Date	Description	Amount
	2015-0420	12/31/2015	COI-AUDIT FY 14/15	\$10,000.00
	2015-0422	12/31/2015	PFA-AUDIT FY 14/15	\$3,000.00
63414	01/28/2016		THRALL, RANCE	\$14,580.00
	Invoice	Date	Description	Amount
	JANUARY 2016	01/12/2016	MAINT SVC-JAN 2016	\$14,580.00
63415	01/28/2016		TRIMARK ASSOCIATES, INC.	\$1,726.67
	Invoice	Date	Description	Amount
	EB1100C	01/01/2016	MAINT SVC-METRO SOLAR	\$1,726.67
63416	01/28/2016		UNDERGROUND SERVICE ALERT OF	\$30.00
	Invoice	Date	Description	Amount

**CITY OF INDUSTRY
WELLS FARGO BANK
January 28, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	1220150154	01/01/2016	DIG ALERTS	\$30.00
63417	01/28/2016		VANGUARD CLEANING SYSTEMS,	\$925.00
	Invoice	Date	Description	Amount
	16026	01/02/2016	JANITORIAL SVC-JAN 2016	\$925.00
63418	01/28/2016		WASTE SYSTEMS TECHNOLOGY,	\$18,110.00
	Invoice	Date	Description	Amount
	COI-1-2016	01/08/2016	COMMERCIAL WASTE PROGRAM	\$18,110.00
63419	01/28/2016		WEST COAST ARBORISTS, INC.	\$20,140.00
	Invoice	Date	Description	Amount
	1-2266	12/24/2015	PRUNE TREES-HOMESTEAD	\$13,295.00
	1-2181	11/09/2015	PRUNING TREES-WORKMAN MILL RD	\$6,845.00

Checks	Status	Count	Transaction Amount
	Total	82	\$1,738,496.68

CITY COUNCIL

ITEM NO. 5.2

RESOLUTION NO. CC 2015-38

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, APPROVING A PURCHASE AGREEMENT BETWEEN THE CITY AND CT CHESTNUT LLC, FOR THE PROPERTY LOCATED AT 948 S. AZUSA AVENUE, CITY OF INDUSTRY, CALIFORNIA AND ADOPTING THE NOTICE OF EXEMPTION REGARDING SAME

RECITALS

WHEREAS, the City of Industry is the owner of certain real property located at 948 S. Azusa, City of Industry, California (APN: 8264-025-911) ("Property"); and

WHEREAS, the Property consists of approximately 22,330 square feet, with a zoning designation of Commercial and a general plan designation of Employment; and

WHEREAS, in or around 2007, as part of a public works project, the City widened Railroad Avenue at its intersection with Azusa Avenue, which resulted in a loss of approximately 2,728 square feet of usable land area at the Property; and

WHEREAS, on or about March 10, 2015, the Successor Agency to the Industry Urban-Development Agency ("Agency") and CT Chestnut LLC ("Developer"), entered into a Purchase Agreement for the real property located adjacent to the Property on the East Side of Azusa, North of Railroad Street and 17300 Chestnut Street in the City of Industry, California ("Agency Property"); and

WHEREAS, pursuant to the terms of the Purchase Agreement for the Agency Property, the Developer is required to construct a Class-A industrial project of approximately 550,000-650,000 square feet, with a maximum of eight buildings; and

WHEREAS, Developer wishes to purchase the Property from the City, for the purpose of constructing certain improvements set forth in the Purchase Agreement for the Agency Property; and

WHEREAS, pursuant to Government Code Section 37350, the City may dispose of real property for the common benefit; and

WHEREAS, California law does not establish any rules, regulations or procedures for the City's sale of real property; and

WHEREAS, by selling the Property to Developer, the City is making use of a remnant parcel that is predominately vacant, and will no longer be responsible for the maintenance and upkeep and the associated costs of the Property; and

WHEREAS, the sale of the Property allows for the development of the Property, which will improve the aesthetics of the City, assist in the elimination of blight, and will allow for a cohesive, well-planned, new development; and

WHEREAS, the future development of the Property will bring additional employment opportunities to the City, and will improve the economic and physical conditions of the City which is a benefit to the City's residents, business owners and members of the community; and

WHEREAS, the sale of the Property is categorically exempt from the California Environmental Quality Act ("CEQA") (Public Resources Code Section 21000 *et seq.*), pursuant to Section 15061(b)(3) of the CEQA Guidelines (Title 14, Chapter 3 of the California Code of Regulations), because the sale of the property does not have a potential for causing a significant effect on the environment. Any future development will require further analysis pursuant to the requirements of CEQA; and

WHEREAS, based on the foregoing, the City desires to sell the Property to Developer for the fair market value price of Eight Hundred Eighty Thousand Dollars (\$880,000.00).

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INDUSTRY DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

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

SECTION 2: All necessary public meetings and opportunities for public testimony and comment have been conducted in compliance with State law and the City's Code.

SECTION 3: Based upon independent review and consideration of the information contained in the Staff Report and the Notice of Exemption for the sale of the Property, City Council hereby finds and determines that the sale of the Property will not result in or have a significant impact on the environment, because the sale would not create any public health or safety hazards and would not have a significant impact on the resources or services within the surrounding area, such as water, sanitary services, surrounding roadways and intersections. Further, any future development at the Property will be subject to additional environmental review and independent analysis as required by CEQA. Therefore, the proposed project is exempt from the California Environmental Quality Act ("CEQA") (Public Resources Code Section 21000 *et seq.*), pursuant to Section 15061(b)(3). Based on these findings, the City Council adopts the Notice of Exemption and directs staff to file same as required by law.

SECTION 4: The City Council hereby approves the sale of the Property to Developer, pursuant to the terms and conditions set forth in the Purchase Agreement, attached hereto as Exhibit A, and incorporated herein by reference, and subject to the following conditions:

- a. Said approval of the sale shall be contingent upon the Planning Commission's finding that the sale of the Property conforms to the City's General Plan; and
- b. Said approval of the sale shall be contingent upon Developer's dedication of an irrevocable right of way and easement, to account for the widening of Railroad Avenue at the Property. The dedication shall be made at close of escrow.

SECTION 5: The officers and staff of the City are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution.

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

SECTION 7: That the City Clerk shall certify to the adoption of this Resolution and that the same shall be in full force and effect.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Industry at a regular meeting held on October 22, 2015 by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:

Mark D. Radecki, Mayor

ATTEST:

Cecelia Dunlap, Deputy City Clerk

EXHIBIT A

PURCHASE AGREEMENT
948 S. AZUSA AVE., CITY OF INDUSTRY, CA

CITY OF INDUSTRY, a municipal corporation
“City”

CT CHESTNUT LLC,
a Delaware limited liability company
“Developer”

_____, 2015

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1 DEFINITIONS.....	2
1.1 Definitions.....	2
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.....	4
2.4 Conditions to Close of Escrow	5
2.5 Condition of Title; Survey; Title Insurance	7
2.6 Escrow and Title Charges; Prorations.....	8
2.7 Due Diligence Period; Access	9
2.8 Condition of the Property.....	9
2.9 Escrow Holder	10
ARTICLE 3	13
ARTICLE 4 LIMITATIONS ON TRANSFERS AND SECURITY INTERESTS	13
4.1 Limitation As To Transfer of the Property and Assignment of Agreement	13
4.2 Security Financing; Right of Holders	14
ARTICLE 5 USE OF THE PROPERTY	15
5.1 Use	15
5.2 Maintenance of the Property	15
5.3 Obligation to Refrain from Discrimination.....	16
5.4 Form of Nondiscrimination and Nonsegregation Clauses.....	16
5.5 Restrictive Covenant.....	17

TABLE OF CONTENTS (cont.)

	<u>Page</u>
5.6 Effect and Duration of Covenants.....	17
ARTICLE 6 EVENTS OF DEFAULT, REMEDIES AND TERMINATION	18
6.1 Developer Events of Defaults	18
6.2 City Events of Default	18
6.3 Remedies in the Event of Default	18
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.....	20
ARTICLE 7 GENERAL PROVISIONS	20
7.1 Insurance	20
7.2 Indemnity	21
7.3 Notices	22
7.4 Construction.....	23
7.5 Developer’s Warranties	23
7.6 Interpretation.....	23
7.7 Time of the Essence; Definition of Business Day	23
7.8 Attorneys’ Fees	23
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

TABLE OF CONTENTS (cont.)

	<u>Page</u>
7.15 Survival.....	25
7.16 Representations of City.....	25
7.17 Developer’s Broker(s).....	26

PURCHASE AGREEMENT
948 S. AZUSA AVENUE, CITY OF INDUSTRY, CA

THIS PURCHASE AGREEMENT for the property located at 948 S. AZUSA AVENUE, CITY OF INDUSTRY, CA (this “**Agreement**”), dated as of October _____, 2015 (the “**Effective Date**”) is entered into by and between the **CITY OF INDUSTRY, a municipal corporation** (the “**City**”), and **CT CHESTNUT LLC**, a Delaware limited liability company (the “**Developer**”). The City 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 City owns the fee interest in that certain real property located in the City of Industry, County of Los Angeles, State of California, consisting of approximately 22,330 square feet of land and as more particularly described in Exhibit “A” attached hereto and incorporated herein by this reference (such real property is referred to herein as the “**Property**”).

B. In addition, the Successor Agency to the Industry Urban-Development Agency (“**Agency**”) and Developer previously entered into that certain Purchase Agreement [East Side of Azusa North of Railroad Street and 17300 Chestnut Road] dated March 10, 2015, as amended by that certain (i) Consent to Extension of Due Diligence Period dated May 11, 2015, (ii) Second Consent to Extension of Due Diligence Period dated June 1, 2015, (iii) Third Consent to Extension of Due Diligence Period dated July 29, 2015, and (iv) Fourth Amendment to Purchase Agreement dated as of October 8, 2015 (collectively the “**Agency Agreement**”), with respect to the real property located adjacent to the Property on the East Side of Azusa, North of Railroad Street and 17300 Chestnut Street in the City of Industry, California, which is more particularly described in the Agreement (the “**Agency Property**”).

C. The Developer wishes to acquire fee title to the Property from the City to enable the Developer to utilize the Property to construct certain improvements, as set forth in the Agency Agreement (the “**Project**”).

D. 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 City, and the health, safety and welfare of the residents and taxpayers of the City.

E. A material inducement to the City to enter into this Agreement is the agreement by the Developer to develop the Project within a limited period of time, and the City 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 Agreement means this Purchase Agreement.

1.1.2 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, Suite 100, City of Industry, California 91744.

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

1.1.4 Deemed Disapproved Exceptions is defined in Section 2.5.2.

1.1.5 Default is defined in Section 5.2.

1.1.6 Deposit is defined in Section 2.2.1.

1.1.7 Developer means CT Chestnut LLC, a Delaware limited liability company. The principal office of the Developer for purposes of this Agreement is c/o CT Realty Corporation, 65 Enterprise, Aliso Viejo, California 92656.

1.1.8 Disapproved Exceptions is defined in Section 2.5.2.

1.1.9 Disapproval Notice is defined in Section 2.5.2.

1.1.10 Due Diligence Period is defined in Section 2.7.

1.1.11 Escrow is defined in Section 2.3.1.

1.1.12 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.

1.1.13 Grant Deed is defined in Section 2.5.3.

1.1.14 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.

1.1.15 Holder is defined in Section 3.2.2.

1.1.16 Outside Date is defined in Section 2.3.2.

1.1.17 Project is defined in Recital C.

1.1.18 Property is defined in Recital A.

1.1.19 Purchase Price is defined in Section 2.1.

1.1.20 Released Parties is defined in Section 2.8.

1.1.21 Review Period is defined in Section 2.5.2.

1.1.22 Right of Entry Agreement is defined in Section 2.7.

1.1.23 [Intentionally Left Blank]

1.1.24 Survey is defined in Section 2.5.1.

1.1.25 Title Company is defined in Section 2.5.4.

1.1.26 Title Policy is defined in Section 2.5.4.

1.1.27 Title Report is defined in Section 2.5.1.

1.1.28 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 City agrees to sell the Property to the Developer, and the Developer agrees to purchase the Property from the City, for the sum of Eight Hundred Eighty Thousand Dollars (\$880,000.00) (the "**Purchase Price**"). The parties acknowledge and agree that the Purchase Price equals approximately Forty Five Dollars (\$45.00) per square foot based on a net usable land area comprising the Property of approximately 19,602 square feet (19,602 square feet represents the net usable area after the widening of Railroad Street, the total Property area is 22,330 square feet). In addition to the Purchase Price, Developer shall reimburse the City for the City's costs of obtaining an appraisal of the Property and the City's legal costs in connection with this Agreement and the disposition of the Property under this Agreement. Such costs shall not exceed Twenty Five Thousand Dollars (\$25,000.00) (the "**Disposition Costs**") and will be paid by Developer to the City at the closing through Escrow.

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

2.2.1 Deposit. Within five (5) business days following the opening of Escrow, Developer shall deposit with Escrow Holder the sum of FIFTY THOUSAND DOLLARS (\$50,000.00), 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 City 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, and except as otherwise provided herein, shall be nonrefundable at the expiration of the Due Diligence Period.

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 an amount equal to all other costs, expenses and prorations payable by Developer hereunder, less any credit due Developer under Section 2.1.

2.3 Escrow.

2.3.1 Opening of Escrow. Within five (5) business days after the parties' full execution of this Agreement, the Developer and the City 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. If the parties supplement this Agreement by executing the Escrow Holder's standard form of escrow instructions, then in the event of any conflict between the terms and provisions of this Agreement and the terms and provisions of such standard form escrow instructions, the terms and provisions of this Agreement shall control. 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 (less any costs, expenses and prorations payable by the City) to the City. Possession of the Property shall be delivered to the Developer on the Close of Escrow. Close of Escrow shall occur simultaneously with the close of escrow of for the purchase by Developer of land owned by the Successor Agency to the Industry Urban Development Agency at 17300 Chestnut Street, City of Industry, California. If the Closing does not occur for any reason, then, except as otherwise provided in this Agreement, this Agreement shall automatically terminate, the Deposit shall be promptly returned to the Developer, Developer shall pay any Escrow cancellation charges.

2.3.3 Delivery of Closing Documents.

(a) The City and Developer agree to deliver to Escrow Holder, at least two (2) business 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 City, conveying a fee simple interest in the Property to Developer, subject only to such exceptions to title as Developer may have approved or have been deemed to have been approved pursuant to Section 2.5.2;

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

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

(iv) Such proof of the City'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 City 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 City 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 City, 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 Disposition Costs).

2.4.2 For the benefit of the City, all actions and deliveries to be undertaken or made by Developer on or prior to the Close of Escrow as set forth in this Agreement shall have occurred, as reasonably determined by the City.

2.4.3 For the benefit of the Developer, all actions and deliveries to be undertaken or made by the City on or prior to the Close of Escrow as set forth in this Agreement shall have occurred.

2.4.4 [Intentionally Left Blank]

2.4.5 For the benefit of the City, 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 City 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 City shall otherwise have satisfactorily complied with its obligations hereunder.

2.4.7 For the benefit of the City, 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 City 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 2.5.2.

2.4.10 For the benefit of the City and Developer, the simultaneous close of escrow for the purchase and sale of the Agency Land under the Agency Agreement.

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 and in which event, neither party shall have, except as expressly set forth in this Agreement, any further rights, duties or obligations hereunder, and, unless the condition or conditions not met were for the City's benefit, Developer shall be entitled to the immediate refund of the Deposit.

2.5 Condition of Title; Survey; Title Insurance.

2.5.1 Within ten (10) days after the Effective Date, the City shall deliver to the Developer for the Developer's review and approval, (i) a current preliminary title report covering the Property (the "**Title Report**") and the most legible copies available of any instruments noted as exceptions thereon, and (ii) any survey of the Property in the City's possession. The Developer at its sole expense may obtain a current or updated ALTA survey of the Property in connection with the issuance of the Title Policy and the City shall cooperate with the same. Any survey provided by the City or obtained by the Developer are each a "**Survey**" hereunder.

2.5.2 The Developer shall have until the expiration of the Due Diligence Period (the "**Review Period**") to disapprove any exceptions to title shown on the Title Report or reflected on the Survey (collectively, "**Disapproved Exceptions**") and to provide City with notice thereof describing the defect with reasonable particularity (the "**Disapproval Notice**"). Any exceptions to title not disapproved within the Review Period shall be deemed approved. Within five (5) days after the City's receipt of the Disapproval Notice, the City shall notify the Developer whether or not the City intends to remove or endorse over the Disapproved Exceptions. The City shall be under no obligation to remove or endorse over any Disapproved Exception, but the City agrees to cooperate in good faith with the Developer in the Developer's efforts to eliminate or endorse over any Disapproved Exception, provided the City is not obligated to pay any sum or assume any liability in connection with the elimination or endorsing over of any such Disapproved Exception. If the City notifies the Developer that the City intends to eliminate or endorse over all of the Disapproved Exception, the City shall do so concurrently with or prior to the Close of Escrow. If the City notifies the Developer that the City does not intend to eliminate or endorse over some or all of the Disapproved Exception(s), the Developer, by notifying the City within five (5) days after its receipt of such notice, may elect to terminate this Agreement and receive a refund of the Deposit or take the Property subject to the Disapproved Exception(s) which the City will not eliminate or endorse over (which Disapproved Exceptions will be deemed approved). Notwithstanding the foregoing, the City covenants to pay in full all loans secured by deeds of trust, any mechanics' and materialmen's liens, and any other monetary liens (other than liens for charges, assessments, taxes, and impositions subject to proration as provided in Section 2.6.2) (collectively, the "**Deemed Disapproved Exceptions**") prior to, or concurrently with, the Close of Escrow, and Escrow Holder is hereby directed to cause the same to be paid from the Purchase Price. The Title Policy shall include such endorsements as the Developer shall reasonably request. Any endorsements to the Title Policy are to be paid for by the Developer, except that endorsements obtained by the City respecting Disapproved Exceptions as provided above shall be paid for by the City. Notwithstanding the foregoing, the Developer may notify the City of its disapproval of an exception to title (including exceptions reflected on the Survey) first raised by Title Company or the surveyor after the Review Period, or otherwise first disclosed to the Developer after the Review Period, by the earlier of (a) within ten (10) days after the same was first raised or disclosed to the Developer in writing, and (b) fifteen (15) days prior to the Close of Escrow. With respect to any exceptions disapproved by the Developer in such notice, the City shall have the same option to eliminate or endorse over such exceptions that applies

to Disapproved Exceptions, and the Developer shall have the same option to accept title subject to such exceptions or to terminate this Agreement and receive a refund of the Deposit.

2.5.3 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**").

2.5.4 At Closing, the Developer shall receive a CLTA Owner's Coverage Policy of Title Insurance (the "**Title Policy**"), together with all endorsements requested by the Developer or obtained by the City pursuant to Section 2.5.2, issued by First American Title Insurance Company ("**Title Company**") in the amount of the Purchase Price, insuring that title to the Property is vested in Developer and is free and clear of all Disapproved Exceptions, all Deemed Disapproved Exceptions and all liens, easements, covenants, conditions, restrictions, and other encumbrances of record except (a) current taxes and assessments of record, but not any overdue or delinquent taxes or assessments, (b) the matters set forth or referenced in the Grant Deed, and (c) such other encumbrances as the Developer approves in writing including those reflected in the Title Report for the Property approved by Developer, or as are deemed approved by Developer as provided in Section 2.5.2. 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 City shall pay all documentary transfer taxes and the coverage premiums on the standard CLTA Title Policy, together with the cost of any endorsements obtained by the City pursuant to Section 2.5.2. Developer shall pay the costs of (i) any Survey obtained by the Developer, (ii) any endorsements to the Title Policy obtained by Developer and (iii) any title insurance premiums for any coverage over and above the standard policy coverage on the CLTA Title Policy to be paid by the City. In addition, the Developer shall pay any and all other usual and customary costs, expenses 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, which shall be paid by Developer.

2.6.2 All non-delinquent and current installments of real estate and personal property taxes, if any, 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 pro-rated 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 City 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 twenty (21) 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 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 and Section 2.9 below. 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 City hereby discloses the following information for the Property, or portions of the Property:

The City acquired the Property in or about 2005, from ConocoPhillips Company (“Conoco”). During the time Conoco owned the Property, it discovered the release of motor fuel hydrocarbons

and other Hazardous Substances on, at or under the Property originating from its activities or the activities of its predecessors in interest.

Conoco prepared a remedial action plan (“RAP”) for the Property, which was approved by the Los Angeles Regional Water Quality Control Board (“RWQCB”) on or about October 6, 2003. Under the RAP, an ozone groundwater treatment system was installed on the Property to remediate fuel hydrocarbon-impacted groundwater. Operation of the system began on November 24, 2008, and discharges micro-encapsulated ozone below the groundwater table to remediate impacted groundwater.

A Notice of Termination Request was submitted to the California Regional Water Quality Control Board on April 17, 2013, and the Termination of General Waste Discharge Requirements was obtained from the State RWQCB on April 26, 2013.

On April 15, 2014, the Los Angeles RWQCB provided the City with a letter indicating that the underground storage tank release at the Property met the low threat criteria for case closure.

On October 13, 2014, the City received a no further action letter from the RWQCB for the Property.

The Parties acknowledge that the City will not be conducting a public records search of the RWQCB’s or any other regulatory agency files, although the City urges Developer to do so to satisfy itself 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 will have an opportunity to conduct its own independent review and investigation of the Property prior to the Close of Escrow; (iii) agrees to rely solely on its own experts in assessing the environmental condition of the Property and its sufficiency for its intended use; and (iv) 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, including without limitation all claims, causes of action and rights of recovery against Conoco.

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 City and the Developer of the fees, charges, and costs necessary to close the Escrow;

(b) Pay and charge the City for any fees, charges and costs payable by the City under this Article. Before such payments are made, the Escrow Holder shall notify the City 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 City 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 City and the Developer.

2.10.3 All communications from the Escrow Holder to the City or the Developer shall be directed to the addresses and in the manner established in Section 6.3 of this Agreement for notices, demands and communications between the City 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
BILLBOARD LEASE

3.1 Billboard Lease.

3.1.1 City acknowledges the existence of that certain billboard lease with M&P Outdoor Advertising, LLC (“Lease”). A copy of the Lease is attached hereto as Exhibit D and incorporated herein by reference. City will retain all rights and interests in the Lease, including, without limitation, the right to receive all rent thereunder up to and through the Close of Escrow. After the Close of Escrow, Developer shall forward all rental income payments from the Lease to the City until the termination of the Lease. The City represents, warrants, and covenants the following:

- a. To the best of the City’s knowledge, the Lease will terminate on or before June 30, 2017; provided, however, that the Developer shall be responsible, at its sole cost and expense, for the removal of the billboard sign.
- b. The City will not extend the term of the lease for any reason beyond the termination date.
- c. Rent of \$2,000 a month is collected (\$1,000.00) per side.
- d. A notification to Tenant of the purchase by Developer will be executed by City and will be delivered to Tenant from Escrow upon Close of Escrow.
- e. In its discretion, Developer may request that the City deliver to and request from the Tenant an estoppel certificate certifying as to key terms of the Lease such as the rental rate and term. In the event Developer fails to request an estoppel certificate, the City shall not be liable for any of the representations set forth in this Section 3.1.1.

3.1.2 Developer shall not, partially or wholly obstruct the billboard during the term of the Lease. In the event that the billboard is partially or wholly obstructed Developer shall be responsible for any and all damages, and/or claims for damages brought by M&P Outdoor Advertising, or its successors and assigns, including any reduction in rent paid to the City as a result thereof.

ARTICLE 4
LIMITATIONS ON TRANSFERS AND SECURITY INTERESTS

4.1 Limitation As To Transfer of the Property and Assignment of Agreement. Prior to the City’s issuance of the Certificate of Completion (as defined in the Agency Agreement), the Developer may assign its rights and obligations under this Agreement to Forever Chestnut, LLC, a California limited liability company, any entity controlled by, or under common control with Developer or its manager, CT Realty Corporation, or to any entity owned or controlled by any institutional investor for which Developer, or CT Realty Corporation, is then acting as investment or development manager, without the City’s prior consent, but only upon twenty (20) business days prior written notice to the City and pursuant to an assignment agreement by which

the assignee shall expressly assume all of the Developer's rights and obligations under this Agreement and otherwise in form and substance reasonably acceptable to City. Except as provided in the preceding sentence and prior to the City'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 City's prior written consent, which consent may be granted or withheld in the sole and absolute discretion of the City. The Developer acknowledges that the identity of the Developer is of particular concern to the City, and it is because of the Developer's identity that the City 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 City's issuance of the 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. Any assignment or other transfer by Developer prior to issuance of the Certificate of Completion shall not release Developer from any of its obligations under this Agreement.

4.2 Security Financing; Right of Holders.

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

(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, 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 exercise of its option to purchase 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 City 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 City 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 City 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 City 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, City shall not seek to enforce the same against Holder and Holder shall not be subject thereto.

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

ARTICLE 5 USE OF THE PROPERTY

5.1 Use. The Developer covenants and agrees for itself, and its successors and its assigns, that the Developer, such successors, and such assigns shall use the Property, and every part thereof, only for the construction of the Project 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 Project thereon 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. Notwithstanding the foregoing, if and when the Developer conveys the Property to a third party after completion of the Project thereon in accordance with the Agreement, the Developer shall be relieved of any further responsibility under this Section 4.2 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 4.3 as to the Property so conveyed.

5.4 Form of Nondiscrimination and Nonsegregation Clauses. 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 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 use and 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 City, or other public agencies for utilities existing as of the execution of this Agreement, which shall remain in effect according to their terms.

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 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

6.1.2 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;

6.1.3 The Developer’s failure to perform any requirement or obligation of Developer set forth herein, on or prior to the date for such performance set forth herein (subject to delays pursuant to Section 7.9), and, so long as such failure is not caused by any wrongful act of the City, the Developer’s failure to cure such breach within thirty (30) days after receipt of written notice from the City of the Developer’s breach; or

6.1.4 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 City 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 (“**City Event of Default**”, and together with the Developer Event of Default, a “**Default**”) under this Agreement:

6.2.1 The City, 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 City breaches any other material provision of this Agreement.

Upon the occurrence of any of the above-described events, the Developer shall first notify the City in writing of its purported breach or failure, giving the City thirty (30) days from receipt of such notice to cure such breach or failure (other than a failure by the City 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 City, 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 City 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, and if Developer is the non-defaulting party, Developer shall thereupon promptly receive a refund of the Deposit and all interest accrued thereon. 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.

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 CITY SHALL BE ENTITLED TO SUCH DEPOSIT, AND ANY DISPOSITION COSTS, WHICH AMOUNTS SHALL BE ACCEPTED BY THE CITY AS LIQUIDATED DAMAGES AND NOT AS A PENALTY AND AS THE CITY'S SOLE AND EXCLUSIVE REMEDY. IT IS AGREED THAT SAID AMOUNTS CONSTITUTE A REASONABLE ESTIMATE OF THE DAMAGES TO THE CITY PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1671 ET SEQ. THE CITY AND DEVELOPER AGREE THAT IT WOULD BE IMPRACTICAL OR IMPOSSIBLE TO PRESENTLY PREDICT WHAT MONETARY DAMAGES THE CITY 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 CITY DESIRE TO AVOID THE COSTS AND DELAYS THEY WOULD INCUR IF A LAWSUIT WERE COMMENCED TO RECOVER DAMAGES OR OTHERWISE ENFORCE THE CITY'S RIGHTS. IF FURTHER INSTRUCTIONS ARE REQUIRED BY ESCROW HOLDER TO EFFECTUATE THE TERMS OF THIS PARAGRAPH, THE DEVELOPER AND CITY AGREE TO EXECUTE THE SAME. THE PARTIES ACKNOWLEDGE THIS PROVISION BY PLACING THEIR INITIALS BELOW:

City Developer

6.3.2 Liberal Construction. The rights established in this Agreement are to be interpreted in light of the fact that the City 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 City 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 City, 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 City, service of process on the City shall be made by personal service upon the City Manager or City Clerk of the City, or in such other manner as may be provided by law. If any legal action is commenced by the City 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 (or cause the General Contractor to 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 City, broad form commercial general public liability

insurance, insuring the Developer and the City 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, 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 City (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 City, 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 City evidence satisfactory to the City 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 City, and (ii) the City shall not be liable for any premiums or assessments. All such insurance shall have deductibility limits reasonably satisfactory to the City. The provisions of this Section shall survive the Close of Escrow and the recordation of the Grant Deed and shall not be deemed merged into the Grant Deed upon its recordation.

7.2 Indemnity.

From and after the Close of Escrow, Developer hereby agrees to indemnify, defend, protect and hold harmless, with counsel of the City's choosing, the City and any and all officials, officers, agents, employees, attorneys and representatives of the City (collectively "City Representatives"), and each of them, from and against all losses, liabilities, claims, damages, penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) and demands of any nature whatsoever, including

attorneys' fees (collectively "Losses and Liabilities"), related directly or indirectly to, or arising out of or in any way connected with the Developer's use, ownership, management, occupancy or possession of the Property; any breach or Default of Developer hereunder; 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; 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; Developer's obligation upon Developer's acquisition of the Property to remediate the existing Hazardous Substances thereon so that the Property is in compliance with all applicable environmental laws relating to the anticipated use of the Property, the construction of any improvements on the Property, or the use or condition of any such improvements; any other fact, circumstance or event related to the Developer's performance hereunder of any covenant to be performed following the closing, or which may otherwise arise from the Developer's ownership, use, possession, improvement, operation or disposition of the Property after the Closing, regardless of whether such damages, losses and liabilities shall accrue or are discovered before or after termination or expiration of this Agreement. This indemnification requires Developer to indemnify the City and any and all City Representatives from and against all Losses and Liabilities, including attorneys' fees, related directly or indirectly to, or arising out of or in any way connected with any existing or future Hazardous Substances on the Property after the acquisition thereof by Developer. Developer's obligation to defend shall arise regardless of any claim or assertion that the Agency and/or City caused or contributed to the Losses and/or Liabilities. The terms of this Section shall survive the expiration or earlier termination of this Agreement.

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 (including by commercial messenger service) or by facsimile transmission. 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, (d) on the day of facsimile transmission, 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:

City: City of Industry
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Paul Philips, City Manager
Facsimile: (626) 961-6795

with a copy to: Casso & Sparks, LLP
Post Office Box 4131
West Covina, CA 91791
Attention: James M. Casso

Developer: CT Chestnut LLC
c/o CT Realty Corporation
65 Enterprise, Suite 150
Aliso Viejo, California 92656
Attention: Michael W. Traynham
Facsimile: (949) 330-5571

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 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; Definition of Business Day. Time is of the essence of this Agreement. For purposes of this Agreement, "business day" means any day other than Saturday, Sunday or a holiday observed by national or federally chartered banks. Unless the context otherwise requires, all periods terminating on a given day, period of days, or date shall terminate at 5:00 p.m. (California time) on such date or dates, and references to "days" shall refer to calendar days except if such references are to business days. Any event specified to occur on a non-business day shall be extended automatically to the end of the first business day thereafter.

7.8 Attorneys' Fees. If any action at law or suit in equity is brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to reasonable

attorneys' fees and all related costs, including costs of expert witnesses and consultants, as well as costs on appeal, in addition to any other relief to which it may be entitled.

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, as defined in the Agency Agreement, or to complete construction of the Improvements on or prior to the Completion Date, as defined in the Agency Agreement, 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 City, 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 City and the Developer. Unless otherwise specifically provided herein, wherever this Agreement requires the City 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.

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 City 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 City.

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 City. The City warrants and represents to the Developer as follows:

(a) The City 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 City, 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 City is a party.

(b) 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 City's knowledge, no such condemnation or similar proceeding is currently threatened or pending.

(c) 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.

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

(e) As of the Close of Escrow, there are no leases or other occupancy agreements affecting the Property, with the exception of the billboard lease, as set forth in Article 3, which shall affect the Property on or following the Close of Escrow.

(f) As of the Close of Escrow and to the actual knowledge of the City, the City has not received any written notice from any governmental entity regarding the violation of any law or governmental regulation with respect to the Property.

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 City harmless from and against any and all claims, liabilities, losses, damages, costs and expenses relating thereto.

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

DEVELOPER

CT CHESTNUT LLC,
a Delaware limited liability company

By: CT Realty Corporation,
a California corporation, its Manager

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

CITY OF INDUSTRY

By: _____
Mark D. Radecki, Mayor

ATTEST:

Cecelia Dunlap, Deputy City Clerk

APPROVED AS TO FORM:

By: _____
James M. Casso, City Attorney

LIST OF EXHIBITS

- Exhibit "A" Legal Description of the Property
- Exhibit "B" Form of Grant Deed
- Exhibit "C" Form of Right of Entry Agreement
- Exhibit "D" Billboard Lease

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

The land referred to is situated in the City of Industry, County of Los Angeles, State of California, and is described as follows:

A PORTION OF LOT 2 OF THE BIDART TRACT, IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN MAP BOOK 15, PAGE 79 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THAT CERTAIN PARCEL 2, DESCRIBED IN QUITCLAIM DEED TO TOSCO OPERATING COMPANY INC., RECORDED DECEMBER 29, 2000, AS INSTRUMENT NO. 00-2027298 OF OFFICIAL RECORDS OF SAID COUNTY, SAID POINT OF BEGINNING ALSO BEING ON THE NORTHERLY LINE OF RAILROAD STREET, 60.00 FEET WIDE, DESCRIBED IN DEED RECORDED APRIL 30, 1964, AS INSTRUMENT NO. 1517, IN BOOK D2453, PAGE 676 OF OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG SAID NORTHERLY LINE, NORTH 84° 15' 00" WEST, 120.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 30.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 90° 00' 00", AN ARC DISTANCE OF 47.12 FEET TO THE EASTERLY LINE OF AZUSA AVENUE, 120.00 FEET WIDE, AS SHOWN ON PARCEL MAP NO. 113, RECORDED IN BOOK 91, PAGE 51, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE TANGENT TO THE LAST CURVE AND ALONG SAID EASTERLY LINE, NORTH 05° 45' 00" EAST, 73.73 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 1440.00 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 01° 50' 51", AN ARC DISTANCE OF 46.44 FEET TO ITS INTERSECTION WITH THE NORTHERLY LINE OF SAID TOSCO OPERATING COMPANY INC. PARCEL; THENCE ALONG SAID NORTHERLY LINE, SOUTH 84° 15' 00" EAST, 149.25 FEET TO THE EASTERLY LINE OF SAID PARCEL; THENCE ALONG SAID EASTERLY LINE, SOUTH 05° 45' 00" WEST, 150.20 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ONE-HALF OF ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES THAT MAY BE PRODUCED IN, UNDER OR UPON SAID LAND BUT WITHOUT THE RIGHT TO LOCATE DRILLING RIG, OR RIGS WITHIN 100 FEET OF ANY IMPROVEMENTS THEREON AT THE TIME OF DRILLING, AS RESERVED IN THE DEED FROM BESSIE ISRAEL, A WIDOW, AND EDITH E. SERCOMBE, A MARRIED WOMAN, EACH AS TO AN UNDIVIDED ONE-HALF INTEREST, RECORDED FEBRUARY 09, 1955 IN BOOK 46858, PAGE 390 OF OFFICIAL RECORDS.

APN: 8264-025-911

EXHIBIT "B"

FORM OF GRANT DEED

RECORDING REQUESTED BY:

FIRST AMERICAN TITLE INSURANCE COMPANY

AND WHEN RECORDED RETURN TO:

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

[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 **CITY OF INDUSTRY** (the "**Grantor**"), hereby grants to **CT CHESTNUT LLC**, a Delaware 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 [_____] (the "**Agreement**") entered into by and between the Grantor and Grantee dated as of _____, 2015, 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.

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 _____, 20__.

GRANTOR:

CITY OF INDUSTRY

By: _____
Name: Mark D. Radecki
Title: Mayor

ATTEST:

Cecelia Dunlap, Deputy City Clerk

GRANTEE:

CT CHESTNUT LLC,
a Delaware limited liability company

By: CT Realty Corporation,
a California corporation, its Manager

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

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 OF THE PROPERTY

(Attached.)

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

The land referred to is situated in the City of Industry, County of Los Angeles, State of California, and is described as follows:

A PORTION OF LOT 2 OF THE BIDART TRACT, IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN MAP BOOK 15, PAGE 79 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THAT CERTAIN PARCEL 2, DESCRIBED IN QUITCLAIM DEED TO TOSCO OPERATING COMPANY INC., RECORDED DECEMBER 29, 2000, AS INSTRUMENT NO. 00-2027298 OF OFFICIAL RECORDS OF SAID COUNTY, SAID POINT OF BEGINNING ALSO BEING ON THE NORTHERLY LINE OF RAILROAD STREET, 60.00 FEET WIDE, DESCRIBED IN DEED RECORDED APRIL 30, 1964, AS INSTRUMENT NO. 1517, IN BOOK D2453, PAGE 676 OF OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG SAID NORTHERLY LINE, NORTH 84° 15' 00" WEST, 120.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 30.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 90° 00' 00", AN ARC DISTANCE OF 47.12 FEET TO THE EASTERLY LINE OF AZUSA AVENUE, 120.00 FEET WIDE, AS SHOWN ON PARCEL MAP NO. 113, RECORDED IN BOOK 91, PAGE 51, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE TANGENT TO THE LAST CURVE AND ALONG SAID EASTERLY LINE, NORTH 05° 45' 00" EAST, 73.73 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 1440.00 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 01° 50' 51", AN ARC DISTANCE OF 46.44 FEET TO ITS INTERSECTION WITH THE NORTHERLY LINE OF SAID TOSCO OPERATING COMPANY INC. PARCEL; THENCE ALONG SAID NORTHERLY LINE, SOUTH 84° 15' 00" EAST, 149.25 FEET TO THE EASTERLY LINE OF SAID PARCEL; THENCE ALONG SAID EASTERLY LINE, SOUTH 05° 45' 00" WEST, 150.20 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ONE-HALF OF ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES THAT MAY BE PRODUCED IN, UNDER OR UPON SAID LAND BUT WITHOUT THE RIGHT TO LOCATE DRILLING RIG, OR RIGS WITHIN 100 FEET OF ANY IMPROVEMENTS THEREON AT THE TIME OF DRILLING, AS RESERVED IN THE DEED FROM BESSIE ISRAEL, A WIDOW, AND EDITH E. SERCOMBE, A MARRIED WOMAN, EACH AS TO AN UNDIVIDED ONE-HALF INTEREST, RECORDED FEBRUARY 09, 1955 IN BOOK 46858, PAGE 390 OF OFFICIAL RECORDS.

APN: 8264-025-911

EXHIBIT "C"

RIGHT OF ENTRY AND ACCESS AGREEMENT

THIS RIGHT OF ENTRY AND ACCESS AGREEMENT (herein called this "Agreement") is made and entered into as of _____, 2015, by the **SUCCESSOR CITY OF INDUSTRY**, a public body, corporate and politic (herein called "Grantor"), and **CT CHESTNUT LLC**, a Delaware limited liability company (herein called "Grantee").

WITNESSETH:

WHEREAS, Grantor is the owner of the real property more particularly described on 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.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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.

7. Assignment. This Agreement may be assigned by Grantee, in whole or in part.

8. Governing Law. This Agreement shall be construed, enforced and interpreted in accordance with the laws of the State of California.

9. 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.

10. 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.

GRANTEE:

CT CHESTNUT LLC,
a Delaware limited liability company

By: CT Realty Corporation,
a California corporation, its Manager

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Address for notices: CT Chestnut LLC
c/o CT Realty Corporation
65 Enterprise, Suite 150
Aliso Viejo, California 92656
Attention: Michael W. Traynham
Facsimile: (949) 330-5571

(Signatures continued)

GRANTOR:

CITY OF INDUSTRY

By: _____

Name: Mark D. Radecki

Title: Mayor

Address for notices: City of Industry
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Paul Philips, City Manager
Telephone: (626) 333-1480
Facsimile: (626) 336-4273

With a copy to: Casso & Sparks, LLP
Post Office Box 4131
West Covina, CA 91791
Attn.: James M. Casso, Esq.
Telephone: (626) 512-5470

Exhibit A

LEGAL DESCRIPTION OF THE PROPERTY

(Attached.)

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

The land referred to is situated in the City of Industry, County of Los Angeles, State of California, and is described as follows:

A PORTION OF LOT 2 OF THE BIDART TRACT, IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN MAP BOOK 15, PAGE 79 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THAT CERTAIN PARCEL 2, DESCRIBED IN QUITCLAIM DEED TO TOSCO OPERATING COMPANY INC., RECORDED DECEMBER 29, 2000, AS INSTRUMENT NO. 00-2027298 OF OFFICIAL RECORDS OF SAID COUNTY, SAID POINT OF BEGINNING ALSO BEING ON THE NORTHERLY LINE OF RAILROAD STREET, 60.00 FEET WIDE, DESCRIBED IN DEED RECORDED APRIL 30, 1964, AS INSTRUMENT NO. 1517, IN BOOK D2453, PAGE 676 OF OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG SAID NORTHERLY LINE, NORTH 84° 15' 00" WEST, 120.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 30.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 90° 00' 00", AN ARC DISTANCE OF 47.12 FEET TO THE EASTERLY LINE OF AZUSA AVENUE, 120.00 FEET WIDE, AS SHOWN ON PARCEL MAP NO. 113, RECORDED IN BOOK 91, PAGE 51, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE TANGENT TO THE LAST CURVE AND ALONG SAID EASTERLY LINE, NORTH 05° 45' 00" EAST, 73.73 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 1440.00 FEET; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 01° 50' 51", AN ARC DISTANCE OF 46.44 FEET TO ITS INTERSECTION WITH THE NORTHERLY LINE OF SAID TOSCO OPERATING COMPANY INC. PARCEL; THENCE ALONG SAID NORTHERLY LINE, SOUTH 84° 15' 00" EAST, 149.25 FEET TO THE EASTERLY LINE OF SAID PARCEL; THENCE ALONG SAID EASTERLY LINE, SOUTH 05° 45' 00" WEST, 150.20 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ONE-HALF OF ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES THAT MAY BE PRODUCED IN, UNDER OR UPON SAID LAND BUT WITHOUT THE RIGHT TO LOCATE DRILLING RIG, OR RIGS WITHIN 100 FEET OF ANY IMPROVEMENTS THEREON AT THE TIME OF DRILLING, AS RESERVED IN THE DEED FROM BESSIE ISRAEL, A WIDOW, AND EDITH E. SERCOMBE, A MARRIED WOMAN, EACH AS TO AN UNDIVIDED ONE-HALF INTEREST, RECORDED FEBRUARY 09, 1955 IN BOOK 46858, PAGE 390 OF OFFICIAL RECORDS.

APN: 8264-025-911

EXHIBIT "D"
BILLBOARD LEASE

[Attached]

M&P OUTDOOR ADVERTISING, LLC

42 Via Paradiso
Henderson, Nevada 89011

Telephone: (702) 566-7473 -- Fax: (702) 566-7481

City: Industry State: California Date

1. The undersigned Lessor hereby Leases exclusively to M&P OUTDOOR ADVERTISING (Lessee) subject to cancellation by either party only as herein provided the use of the following described premises and full right of access to the premises for the purpose of maintaining printed or illuminated advertising signs (14x48' sign face) including necessary structures, devices and connections:

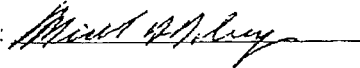
APN: 8264-025-002
LOCATION: Azusa Blvd & Railroad Street N.E.

Situated in the City of Industry, County of Los Angeles, State of California for a period of Ten (10) years from date construction of the sign structure is completed..
2. The consideration shall be One Thousand Dollars (\$1000.00) per month per face, payable by Lessee monthly in advance, commencing the first day of each month after the sign is constructed.
3. Lessee shall save the Lessor harmless from all damage to persons or property by reason of accidents resulting from the negligent acts of its agents, employees or others employed in the construction, maintenance, repair or removal of its signs on the premises.
4. Lease shall continue in full force and effect for its term and thereafter on a month-to-month basis until terminated by either party giving 30 days' written notice thereof. If this Lease is for a portion of land which is unimproved, Lessor shall have the right to terminate the Lease at any time during the period of this Lease if the Lessor is to improve the unimproved property by erecting thereon a permanent private commercial or residential building and Lessee's sign structure would interfere with placing of same, Lessee shall remove its signs within thirty (30) days after receipt of a copy of the applicable building permit, but only if in addition it has been paid in full at the time notice of building is given and the consideration described in the sentence which follows immediately is paid. The Lessor will upon giving such notice of commencement of construction, return to the Lessee all rent paid for the unexpired term plus the total cost of the construction and the removal of Lessee's signs, less 1/60th of such cost for each full month of this Lease prior to the notice of termination. If the Lessor fails to commence the erection of the private commercial or residential building within ninety (90) days after Lessee removes its signs, Lessee shall again have the right to occupy the premises and maintain advertising signs subject to the provisions of this Lease. If any portions of the property are not to be utilized for such building, the Lessee has the option to relocate its signs on the remaining portion on the same terms. At the expiration of the full term of this Lease, Lessor shall not have any obligation to pay compensation of any nature to Lessee.
5. If the view of the property or advertising sign or signs is partially or wholly obstructed, or the advertising value impaired or diminished by reduced vehicular circulation, or the use of such sign or signs is prevented or restricted by law or if permits are not obtained or once obtained, canceled or revoked, the Lessee may immediately at its option either reduce rental in direct proportion to the diminution in value as a result of such obstruction, impairment, prevention or restriction of use, or cancel this agreement and receive all rent paid for the unexpired term of this Lease, by giving the Lessor notice in writing of such obstruction, impairment, prevention or restriction of use.
6. Lessor agrees that he, his tenants, agents, employees, or any other persons acting in his behalf, shall not place or maintain any object on the property or on any neighboring property which would in any way wholly or partially obstruct the view of Lessee's sign structures. If such obstruction occurs the Lessee has the option of requiring the Lessor to remove said obstruction, or the Lessee may itself remove the obstruction charging the cost of said removal to the Lessor or the Lessee may reduce the rental herein paid to the sum of Five Dollars (\$5.00) per year so long as such obstruction continues.
7. The Lessee is and shall remain the owner of all signs, building permits, governmental approvals and improvements placed by it upon Lessor's property.
8. The Lessor represents that they are the owner of the above described property and has the authority to make this Lease and grant the rights herein provided.
9. The word "Lessor" as herein used shall include all "Lessors." This Lease is binding upon the heirs, assigns and successors of both the Lessor and Lessee.
10. In the event of any litigation to determine the rights of either party under this Lease or to construe the said Lease, or the obligations of either party in regard hereto, the prevailing party shall be entitled to reasonable attorney's fees and all court costs.
11. Lessee shall not be bound by any terms, conditions or oral representations made to Lessor by its officers, agents, or employees, unless the same are incorporated in this Lease.
12. The parties agree that in the event of any conflict between the printed form of this Lease and any rider or addendum hereto, the language contained in such rider or addendum shall govern and prevail.
13. The lessor will have the right of approval as to all advertising that includes nudity, profanity, or deemed lewd, crude or offensive.
14. Lessee will not display any advertising that is in direct competition with current or future tenants of Lessor.
15. Throughout the term of this Lease, Lessee shall maintain liability insurance with policy limits of not less than a combined single limit of Two Million Dollars (\$2,000,000.00) and naming Lessor as an additional insured.

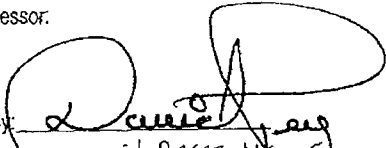
M&P OUTDOOR ADVERTISING, LLC

42 Via Paradiso
Henderson, Nevada 89011
Telephone: (702) 566-7473 -- Fax: (702) 566-7481

Accepted: M&P Outdoor Advertising, LLC
a California Limited Liability Company

By: 

Lessor.

By: 
Name: David Perez, Mayor
Address:

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

Addendum to Lease Agreement

Addendum to Lease Agreement by and between M & P Outdoor Advertising, LLC and the City of Industry, California regarding the property located at Azusa Avenue and Railroad Street N/E.

Paragraph 4 line 8 of the Lease Agreement is amended as follows:

removal of Lessee's sign not to exceed \$72,000.00, less 1/60th of such cost for each full month of this lease prior to the notice of termination.

Paragraph 5 line 3 of the following wording is deleted:

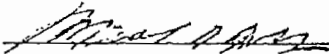
at its option either reduce rental in direct proportion to the diminution in value.

The following three paragraphs are added to the Lease Agreement:

1. Lessee shall arrange and pay for providing a supply of electrical power to the sign or signs and shall be responsible for the cost of all electrical power used in the construction, operation and maintenance of the sign or signs.
2. Lessee, at its own cost and expense, shall keep and maintain the sign or signs and all facilities appurtenant to the sign or signs in good order and repair and in as safe, clean and attractive condition as when erected, and shall promptly repair any damage to the sign or signs as a result of graffiti, vandalism, storms and weather, or other causes. If Lessee fails to do so for any period of 30 or more days after receipt from Lessor of a notice to maintain the sign or signs, then Lessor shall have the option to repair the sign or signs and recoup the costs from Lessee or to demolish and remove the sign or signs at Lessee's expense.
3. Lessee, at Lessee's own cost and expense, shall comply with the statutes, ordinances, regulations, and requirements of all governmental entities, whether Federal, State, County, or local relating to Lessee's use of the premises, whether those statutes, ordinances, regulations, or requirements are now in force or are yet to be enacted. The judgement of any court of competent jurisdiction, or the admission by Lessee in a proceeding brought against Lessee by any government entity, that Lessee has violated any such statute, ordinance, regulation, or requirement shall be conclusive as between Lessor and Lessee and shall be grounds for termination of this Agreement by Lessor.

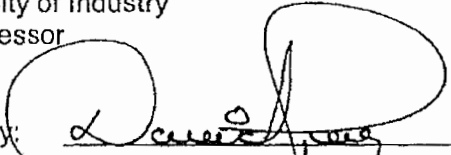
Accepted:

M & P Outdoor Advertising, LLC
Lessee

By: 

Date: 2/2/07

City of Industry
Lessor

By: 

Date: JAN 25 2007

CITY COUNCIL

ITEM NO. 6.1

ORDINANCE NO. 793

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF INDUSTRY REPEALING CHAPTER 13.18 (WATER EFFICIENT LANDSCAPES) OF TITLE 13 (WATER AND SEWERS) OF THE CITY OF INDUSTRY MUNICIPAL CODE AND ADDING A REVISED CHAPTER 13.18; AMENDING SECTION 17.36.080 A.3 (STANDARD CONDITIONS OF APPROVAL) OF CHAPTER 17.36 (DESIGN REVIEW) OF TITLE 17 (ZONING) AND ADOPTING A NOTICE OF EXEMPTION REGARDING SAME

RECITALS

WHEREAS, in 2010 the City Council adopted Chapter 13.18 of the City's Municipal Code ("Code"), concerning Water Efficient Landscape Requirements, in compliance with AB 1881, the Water Conservation in Landscaping Act (Government Code Section 65591 *et seq.*), related to water use, waste, conservation and efficiency; and

WHEREAS, pursuant to Governor Brown's Drought Executive Order of April 1, 2015 (EO B-29-15), the California Water Commission approved an update to the state's Model Water Efficient Landscape Ordinance; and

WHEREAS, the state requires the City to adopt the model ordinance or an ordinance that is at least as effective in conserving water; and

WHEREAS, the City desires to repeal Chapter 13.18, and amend Section 17.36.080 of the City's Code, and replace them with a revised Chapter 13.18 and Section 17.36.080, to ensure that existing City landscape provisions are consistent with the new State water efficient landscape requirements; and

WHEREAS, the proposed amendments are exempt from review under the California Environmental Quality Act ("CEQA") (California Public Resources Code Section 21000 *et seq.*), pursuant to Section 15307 of the State CEQA Guidelines (Actions by Regulatory Agencies for Protection of Natural Resources) which exempts actions taken to assure the maintenance, restoration, enhancement, or protection of a natural resource where the regulatory process involves procedures for protection of the environment. The adoption of this Ordinance will result in the enhancement and protection of water resources in the City, and will not result in cumulative adverse environment impacts; and

WHEREAS, the proposed amendments to Chapter 13.18 and Chapter 17.36 of the Code were considered by the Planning Commission of the City of Industry after a duly noticed public hearing on December 10, 2015, and the Planning Commission recommended adoption of Zone Amendment 15-3; and

WHEREAS, notice of the City Council's January 14, 2016 public hearing on Zone Amendment 15-3 was published in *The San Gabriel Valley Tribune* on December 30, 2015, in compliance with the City's Municipal Code and Government Code Section 65091, and was posted at three public places on December 30, 2015; and

WHEREAS, on January 14, 2016, the City Council of the City of Industry conducted a duly noticed public hearing to consider Zone Amendment 15-3, and considered all testimony written and oral; and

WHEREAS, all legal prerequisites to the adoption of this Ordinance have occurred.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INDUSTRY ORDAINS AS FOLLOWS:

SECTION 1. The City Council finds that all of the facts set forth in the Recitals are true and correct, and are incorporated herein by reference.

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

SECTION 3. Based upon substantial evidence presented to the City Council during the January 14, 2016 public hearing, including public testimony and written and oral staff reports, and which includes without limitation, CEQA, the CEQA Guidelines, the Notice of Exemption, and the City's Code, the City Council finds as follows:

A. The California Department of Water Resources has updated the Model Water Efficient Landscape Ordinance ("State Model Ordinance") pursuant to Governor Brown's Drought Executive Order of April 1, 2015 (EO B-29-15) and the City is required to adopt the State Model Ordinance or its own water efficient landscape ordinance that is "at least as effective in conserving water as" the State Model Ordinance; and

B. The proposed amendment to Chapter 13.18 of the Code is consistent with and at least as effective in conserving water as the State Model Ordinance; and

C. The City Council also desires to amend Chapter 17.36 of the Industry Municipal Code to ensure that existing City landscape provisions are consistent with the new State water efficient landscape requirements; and

D. The proposed amendments to Chapter 13.18 and Section 17.36.080 are consistent with the Resource Management and Land Use Elements of the City's General Plan. Specifically, policy RM1-3 states, "Encourage the conservation of water resources through the use of drought-tolerant plants and water-saving irrigation

systems.” Likewise, policy LU2-6 states, “Support the use of energy-saving designs and equipment in all new development and rehabilitation or reconstruction projects.”

E. Upon independent review and consideration of the information contained in the Staff Report and the Notice of Exemption for Zone Amendment No. 15-3, the City Council hereby finds and determines that Zone Amendment No. 15-3 will not result in or have a significant impact on the environment, because the proposed amendments will result in the enhancement and protection of water resources in the City and will not result in cumulative adverse environment impacts. Therefore, the proposed amendments are categorically exempt from the California Environmental Quality Act (“CEQA”) (Public Resources Code Section 21000 et seq.), pursuant to Section 15307 of the State CEQA Guidelines (Actions by Regulatory Agencies for Protection of Natural Resources) which exempts actions taken to assure the maintenance, restoration, enhancement, or protection of a natural resource where the regulatory process involves procedures for protection of the environment. Based on these findings, the City Council adopts the Notice of Exemption and directs staff to file same as required by law.

SECTION 4. Amendment to the City of Industry Municipal Code

Chapter 13.18 (Water Efficient Landscapes) of Title 13 (Water and Sewers) of the City of Industry Municipal Code is hereby repealed in its entirety.

SECTION 5. Amendment to the City of Industry Municipal Code

A new Chapter 13.18 (Water Efficient Landscapes) of Title 13 (Water and Sewers) of the City of Industry Municipal Code, is hereby adopted, as set forth in Attachment 1, which is attached hereto and incorporated herein by reference.

SECTION 6. Amendment to the City of Industry Municipal Code

Section 17.36.080 A.3. of the City of Industry Municipal Code, is hereby amended to read in its entirety as follows:

“17.36.080 Standard conditions of approval

A.3. The applicant must provide landscaping and automatic irrigation plans to be approved by the planning director prior to the issuance of a building permit. Where applicable, landscaping must be designed to comply with the city’s Water Efficient Landscape regulations, Chapter 13.18, and with the city’s Water Efficient Landscape Guidelines. A current California licensed landscape architect must prepare and sign all landscape and irrigation plans required as part of this condition. Such plans must be in substantial conformity with the development plans approved pursuant to this chapter.”

SECTION 7. Clerical Errors

The City Council directs the City Clerk to correct any clerical errors found in Chapter 13.18 (Water Efficient Landscapes), and Section 17.36.080 A.3., including, but not limited to, typographical errors, irregular numbering, and incorrect section references.

SECTION 8. This Ordinance will take effect and be in full force and operation 30 days after adoption (February 29, 2016).

SECTION 9. If any section, subsection, subdivision, sentence, clause, or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 10: The city clerk is directed to certify to the adoption of this Ordinance and cause the same to be published in accordance with law.

(RECORD OF VOTE AND SIGNATURES ON FOLLOWING PAGE)

PASSED, APPROVED AND ADOPTED by the City Council of the City of Industry at a regular meeting held on January 28, 2016, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Mark D. Radecki, Mayor

ATTEST:

Cecelia Dunlap, Deputy City Clerk

APPROVED AS TO FORM:

James M. Casso, City Attorney

ATTACHMENT 1

**AMENDMENT TO MUNICIPAL CODE
CHAPTER 13.18
WATER EFFICIENT LANDSCAPES**

CHAPTER 13.18

WATER EFFICIENT LANDSCAPES

- 13.18.010. Purpose.**
- 13.18.020. Definitions.**
- 13.18.030. Applicability.**
- 13.18.040. Exemptions.**
- 13.18.050. Water Efficient Landscape Guidelines.**
- 13.18.060. Procedures.**

13.18.010. Purpose.

The purpose of this chapter is to establish water efficient landscape regulations that are “at least as effective in conserving water as” the State Model Water Efficient Landscape Ordinance (Government Code Section 65591 et seq.) in the context of conditions in the city in order to ensure that landscapes are planned, designed, installed, maintained, and managed in a manner that uses water efficiently, encourages water conservation, and prevents water waste.

13.18.020. Definitions.

For the purposes of this chapter and the Water Efficient Landscape Guidelines that implement this chapter, the following terms are defined:

“Applicant” means the person submitting a landscape documentation package. Applicants can be the property owner or the owner’s designee.

“Applied water” means the portion of water supplied by the irrigation system to the landscape.

“Automatic irrigation controller” means a timing device used to remotely control valves that operate an irrigation system. Automatic irrigation controllers are able to self-adjust and schedule irrigation events using either evapotranspiration (weather-based) or soil moisture data.

“Backflow prevention device” means a safety device used to prevent pollution or contamination of the water supply due to the reverse flow of water from the irrigation system.

“Certificate of Completion” means the document required under Section 2.2 of the Water Efficient Landscape Guidelines.

“Certified irrigation designer” means a person certified to design irrigation systems by an accredited academic institution, a professional trade organization or other program such as the US Environmental Protection Agency’s WaterSense irrigation designer certification program and Irrigation Association’s Certified Irrigation Designer program.

“Certified landscape irrigation auditor” means a person certified to perform landscape irrigation audits by an accredited academic institution, a professional trade organization

or other program such as the US Environmental Protection Agency's WaterSense irrigation auditor certification program and Irrigation Association's Certified Landscape Irrigation Auditor program.

"Check valve" or "anti-drain valve" means a valve located under a sprinkler head, or other location in the irrigation system, to hold water in the system to prevent drainage from sprinkler heads when the sprinkler is off.

"Common interest developments" means community apartment projects, condominium projects, planned developments, and stock cooperatives per Civil Code Section 1351.

"Compost" means the safe and stable product of controlled biologic decomposition of organic materials that is beneficial to plant growth.

"Conversion factor (0.62)" means the number that converts acre-inches per acre per year to gallons per square foot per year.

"Distribution uniformity" means the measure of the uniformity of irrigation water over a defined area.

"Drip irrigation" means any non-spray low volume irrigation system utilizing emission devices with a flow rate measured in gallons per hour. Low volume irrigation systems are specifically designed to apply small volumes of water slowly at or near the root zone of plants.

"Ecological restoration project" means a project where the site is intentionally altered to establish a defined, indigenous, historic ecosystem.

"Effective precipitation" or "usable rainfall" (Eppt) means the portion of total precipitation which becomes available for plant growth.

"Emitter" means a drip irrigation emission device that delivers water slowly from the system to the soil.

"Established landscape" means the point at which plants in the landscape have developed significant root growth into the soil. Typically, most plants are established after one or two years of growth.

"Establishment period of the plants" means the first year after installing the plant in the landscape or the first two years if irrigation will be terminated after establishment. Typically, most plants are established after one or two years of growth. Native habitat mitigation areas and trees may need three to five years for establishment.

"Estimated Total Water Use" (ETWU) means the total water used for the landscape as described in Section 2.1.B.2 of the Water Efficient Landscape Guidelines.

"ET adjustment factor" (ETAF) means a factor of 0.55 for residential areas and 0.45 for non-residential areas, that, when applied to reference evapotranspiration, adjusts for plant factors and irrigation efficiency, two major influences upon the amount of water that needs to be applied to the landscape. The ETAF for new and existing (non-rehabilitated) Special Landscape Areas shall not exceed 1.0. The ETAF for existing non-rehabilitated landscapes is 0.8.

“Evapotranspiration rate” means the quantity of water evaporated from adjacent soil and other surfaces and transpired by plants during a specified time.

“flow rate” means the rate at which water flows through pipes, valves and emission devices, measured in gallons per minute, gallons per hour, or cubic feet per second.

“Flow sensor” means an inline device installed at the supply point of the irrigation system that produces a repeatable signal proportional to flow rate. Flow sensors must be connected to an automatic irrigation controller, or flow monitor capable of receiving flow signals and operating master valves. This combination flow sensor/controller may also function as a landscape water meter or submeter.

“Friable” means a soil condition that is easily crumbled or loosely compacted down to a minimum depth per planting material requirements, whereby the root structure of newly planted material will be allowed to spread unimpeded.

“Fuel Modification Plan Guideline” means guidelines from a local fire authority to assist residents and businesses that are developing land or building structures in a fire hazard severity zone.

“Graywater” means untreated wastewater that has not been contaminated by any toilet discharge, has not been affected by infectious, contaminated, or unhealthy bodily wastes, and does not present a threat from contamination by unhealthful processing, manufacturing, or operating wastes. “Graywater” includes, but is not limited to, wastewater from bathtubs, showers, bathroom washbasins, clothes washing machines, and laundry tubs, but does not include wastewater from kitchen sinks or dishwashers. Health and Safety Code Section 17922.12.

“Hardscapes” means any durable material (pervious and non-pervious).

“Hydrozone” means a portion of the landscaped area having plants with similar water needs and rooting depth. A hydrozone may be irrigated or non-irrigated.

“Infiltration rate” means the rate of water entry into the soil expressed as a depth of water per unit of time (e.g., inches per hour).

“Invasive plant species” means species of plants not historically found in California that spread outside cultivated areas and can damage environmental or economic resources. Invasive species may be regulated by county agricultural agencies as noxious species. Lists of invasive plants are maintained at the California Invasive Plant Inventory and USDA invasive and noxious weeds database.

“Irrigation audit” means an in-depth evaluation of the performance of an irrigation system conducted by a Certified Landscape Irrigation Auditor. An irrigation audit includes, but is not limited to: inspection, system tune-up, system test with distribution uniformity or emission uniformity, reporting overspray or runoff that causes overland flow, and preparation of an irrigation schedule. The audit must be conducted in a manner consistent with the Irrigation Association’s Landscape Irrigation Auditor Certification program or other U.S. Environmental Protection Agency “WaterSense” labeled auditing program.

“Irrigation efficiency” (IE) means the measurement of the amount of water beneficially used divided by the amount of water applied. Irrigation efficiency is derived from

measurements and estimates of irrigation system characteristics and management practices. The irrigation efficiency for purposes of this ordinance are 0.75 for overhead spray devices and 0.81 for drip systems.

“Irrigation survey” means an evaluation of an irrigation system that is less detailed than an irrigation audit. An irrigation survey includes, but is not limited to: inspection, system test, and written recommendations to improve performance of the irrigation system.

“Irrigation water use analysis” means an analysis of water use data based on meter readings and billing data.

“Landscape architect” means a person who holds a license to practice landscape architecture in the state of California Business and Professions Code, Section 5615.

“Landscape area” means all the planting areas, turf areas, and water features in a landscape design plan subject to the Maximum Applied Water Allowance calculation. The landscape area does not include footprints of buildings or structures, sidewalks, driveways, parking lots, decks, patios, gravel or stone walks, other pervious or non-pervious hardscapes, and other non-irrigated areas designated for non-development (e.g., open spaces and existing native vegetation).

“Landscape contractor” means a person licensed by the state of California to construct, maintain, repair, install, or subcontract the development of landscape systems.

“Landscape Documentation Package” means the documents required under Section 13.18.060.

“Landscape project” means total area of landscape in a project as defined in “landscape area” for the purposes of this ordinance, meeting requirements under Section 13.18.030.

“Landscape water meter” means an inline device installed at the irrigation supply point that measures the flow of water into the irrigation system and is connected to a totalizer to record water use.

“Lateral line” means the water delivery pipeline that supplies water to the emitters or sprinklers from the valve.

“Local agency” means a city or county, including a charter city or charter county, that is responsible for adopting and implementing the ordinance. The local agency is also responsible for the enforcement of this ordinance, including but not limited to, approval of a permit and plan check or design review of a project.

“Local water purveyor” means any entity, including a public agency, city, county, or private water company that provides retail water service.

“Low volume irrigation” means the application of irrigation water at low pressure through a system of tubing or lateral lines and low-volume emitters such as drip, drip lines, and bubblers. Low volume irrigation systems are specifically designed to apply small volumes of water slowly at or near the root zone of plants.

“Main line” means the pressurized pipeline that delivers water from the water source to the valve or outlet.

“Master shut-off valve” is an automatic valve installed at the irrigation supply point which controls water flow into the irrigation system. When this valve is closed water will not be supplied to the irrigation system. A master valve will greatly reduce any water loss due to a leaky station valve.

“Maximum Applied Water Allowance” (MAWA) means the upper limit of annual applied water for the established landscaped area as specified in Section 2.1.B.2 of the Water Efficient Landscape Guidelines. It is based upon the area’s reference evapotranspiration, the ET Adjustment Factor, and the size of the landscape area. The Estimated Total Water Use shall not exceed the Maximum Applied Water Allowance. Special Landscape Areas, including recreation areas, areas permanently and solely dedicated to edible plants such as orchards and vegetable gardens, and areas irrigated with recycled water are subject to the MAWA with an ETAF not to exceed 1.0. $MAWA = (ET_o) (0.62) [(ETAF \times LA) + ((1-ETAF) \times SLA)]$

“Median” is an area between opposing lanes of traffic that may be unplanted or planted with trees, shrubs, perennials, and ornamental grasses.

“Microclimate” means the climate of a small, specific area that may contrast with the climate of the overall landscape area due to factors such as wind, sun exposure, plant density, or proximity to reflective surfaces.

“Mined-land reclamation projects” means any surface mining operation with a reclamation plan approved in accordance with the Surface Mining and Reclamation Act of 1975.

“Mulch” means any organic material such as leaves, bark, straw, compost, or inorganic mineral materials such as rocks, gravel, or decomposed granite left loose and applied to the soil surface for the beneficial purposes of reducing evaporation, suppressing weeds, moderating soil temperature, and preventing soil erosion.

“New construction” means, for the purposes of this ordinance, a new building with a landscape or other new landscape, such as a park, playground, or greenbelt without an associated building.

“Non-residential landscape” means landscapes in commercial, institutional, industrial and public settings that may have areas designated for recreation or public assembly. It also includes portions of common areas of common interest developments with designated recreational areas.

“Operating pressure” means the pressure at which the parts of an irrigation system are designed by the manufacturer to operate.

“Overhead sprinkler irrigation systems” or “overhead spray irrigation systems” means systems that deliver water through the air (e.g., spray heads and rotors).

“Overspray” means the irrigation water which is delivered beyond the target area.

“Parkway” means the area between a sidewalk and the curb or traffic lane. It may be planted or unplanted, and with or without pedestrian egress.

“Permit” means an authorizing document issued by the city for new construction or rehabilitated landscapes.

“Pervious” means any surface or material that allows the passage of water through the material and into the underlying soil.

“Planning Approval Letter (Letter #1)” is issued by the City and is required in order for the Los Angeles County Building and Safety Department to issue building and grading permits.

“Planning Final Letter (Letter #2)” is issued by the City and is required in order for the Los Angeles County Building and Safety Department to issue a Certificate of Occupancy (final building permit approval).

“Plant factor” or “plant water use factor” is a factor, when multiplied by ETo, estimates the amount of water needed by plants. For purposes of this ordinance, the plant factor range for very low water use plants is 0 to 0.1, the plant factor range for low water use plants is 0.1 to 0.3, the plant factor range for moderate water use plants is 0.4 to 0.6, and the plant factor range for high water use plants is 0.7 to 1.0. Plant factors cited in this ordinance are derived from the publication “Water Use Classification of Landscape Species”. Plant factors may also be obtained from horticultural researchers from academic institutions or professional associations as approved by the California Department of Water Resources (DWR).

“Project applicant” means the individual or entity submitting a Landscape Documentation Package required under Section 13.18.060, to request a permit, plan check, or design review from the city. A project applicant may be the property owner or his or her designee.

“Rain sensor” or “rain sensing shutoff device” means a component which automatically suspends an irrigation event when it rains.

“Record drawing” or “as-builts” means a set of reproducible drawings which show significant changes in the work made during construction and which are usually based on drawings marked up in the field and other data furnished by the contractor.

“Recreational area” means areas, excluding private single family residential areas, designated for active play, recreation or public assembly such in parks, sports fields, picnic grounds, amphitheaters or golf course tees, fairways, roughs, surrounds and greens.

“Recycled water,” “reclaimed water,” or “treated sewage effluent water” means treated or recycled waste water of a quality suitable for nonpotable uses such as landscape irrigation and water features. This water is not intended for human consumption.

“Reference evapotranspiration” or “ETo” means a standard measurement of environmental parameters which affect the water use of plants. ETo is expressed in inches per day, month, or year as represented in Appendix B of the Water Efficient Landscape Guidelines, and is an estimate of the evapotranspiration of a large field of four- to seven-inch tall, cool-season grass that is well watered. Reference evapotranspiration is used as the basis of determining the Maximum Applied Water Allowances so that regional differences in climate can be accommodated.

“Regional Water Efficient Landscape Ordinance” means a local Ordinance adopted by two or more local agencies, water suppliers and other stakeholders for implementing a

consistent set of landscape provisions throughout a geographical region. Regional ordinances are strongly encouraged to provide a consistent framework for the landscape industry and applicants to adhere to.

“Rehabilitated landscape” means any re-landscaping project that requires a permit, plan check, or design review, meets the requirements of Section 13.18.030, and the modified landscape area is equal to or greater than 2,500 square feet.

“Residential landscape” means landscapes surrounding single or multifamily homes.

“Run off” means water which is not absorbed by the soil or landscape to which it is applied and flows from the landscape area. For example, run off may result from water that is applied at too great a rate (application rate exceeds infiltration rate) or when there is a slope.

“Soil moisture sensing device” or “soil moisture sensor” means a device that measures the amount of water in the soil. The device may also suspend or initiate an irrigation event.

“Soil texture” means the classification of soil based on its percentage of sand, silt, and clay.

“Special Landscape Area” (SLA) means an area of the landscape dedicated solely to edible plants, recreational areas, areas irrigated with recycled water, or water features using recycled water.

“Sprinkler head” or “spray head” means a device which delivers water through a nozzle.

“Static water pressure” means the pipeline or municipal water supply pressure when water is not flowing.

“Station” means an area served by one valve or by a set of valves that operate simultaneously.

“Swing joint” means an irrigation component that provides a flexible, leak-free connection between the emission device and lateral pipeline to allow movement in any direction and to prevent equipment damage.

“Submeter” means a metering device to measure water applied to the landscape that is installed after the primary utility water meter.

“Turf” means a ground cover surface of mowed grass. Annual bluegrass, Kentucky bluegrass, Perennial ryegrass, Red fescue, and Tall fescue are cool-season grasses. Bermudagrass, Kikuyugrass, Seashore Paspalum, St. Augustinegrass, Zoysiagrass, and Buffalo grass are warm-season grasses.

“Valve” means a device used to control the flow of water in the irrigation system.

“Water conserving plant species” means a plant species identified as having a very low or low plant factor.

“Water Efficient Landscape Guidelines” or “Guidelines” refers to the Water Efficient Landscape Guidelines, as approved by and available at the City, which describes procedures, calculations, and requirements for landscape projects subject to the Guidelines.

“Water Efficient Landscape Ordinance” means Chapter 13.18 of the Industry Municipal Code.

“Water feature” means a design element where open water performs an aesthetic or recreational function. Water features include ponds, lakes, waterfalls, fountains, artificial streams, spas, and swimming pools (where water is artificially supplied). The surface area of water features is included in the high water use hydrozone of the landscape area. Constructed wetlands used for on-site wastewater treatment or stormwater best management practices that are not irrigated and used solely for water treatment or stormwater retention are not water features and, therefore, are not subject to the water budget calculation.

“Watering window” means the time of day irrigation is allowed.

“WUCOLS” means the Water Use Classification of Landscape Species published by the University of California Cooperative Extension and the Department of Water Resources 2014.

13.18.030. Applicability.

A. This ordinance shall apply to all of the following landscape projects:

1. New construction projects with an aggregate landscape area equal to or greater than 500 square feet requiring a building or landscape permit, plan check or design review;
2. Rehabilitated landscape projects with an aggregate landscape area equal to or greater than 2,500 square feet requiring a building or landscape permit, plan check, or design review;
3. Existing landscapes limited to Section 3.1 of the Water Efficient Landscape Guidelines; and
4. Cemeteries. Recognizing the special landscape management needs of cemeteries, new and rehabilitated cemeteries are limited to Sections 2.1.B.2, 2.2.A.4, and 2.2.A.5 of the Water Efficient Landscape Guidelines; and existing cemeteries are limited to Section 3.1 of the Water Efficient Landscape Guidelines.

B. Any project with an aggregate landscape area of 2,500 square feet or less may comply with the performance requirements of this ordinance or conform to the prescriptive measures contained in Appendix E of the Water Efficient Landscape Guidelines.

C. For projects using treated or untreated graywater or rainwater captured on site, any lot or parcel within the project that has less than 2500 sq. ft. of landscape and meets the lot or parcel’s landscape water requirement (Estimated Total Water Use) entirely with treated or untreated graywater or through stored rainwater captured on site is subject only to Section B.5 of Appendix E of the Water Efficient Landscape Guidelines.

13.18.040. Exemptions.

A. This ordinance does not apply to:

1. Registered local, state or federal historical sites;
2. Ecological restoration projects that do not require a permanent irrigation system;
3. Mined-land reclamation projects that do not require a permanent irrigation system; or
4. Existing plant collections, as part of botanical gardens and arboretums open to the public.

13.18.050. Water Efficient Landscape Guidelines.

A. Water Efficient Landscape Guidelines. The Water Efficient Landscape Guidelines as adopted by resolution of the city council, as they may be amended from time to time, is hereby incorporated into this chapter by reference.

13.18.060. Procedures.

A. Landscape Design and Review. Prior to installation and construction, the Applicant shall submit a complete Landscape Documentation Package that complies with the provisions of this chapter and the Water Efficient Landscape Guidelines to the Planning Department for approval. The Landscape Documentation Package shall include the following elements, as detailed in the Water Efficient Landscape Guidelines:

1. Project information including all of the following;
 - a. Date
 - b. Applicant
 - c. Project address (if available, parcel and/or lot number(s))
 - d. Total landscape area (square feet)
 - e. Project type (e.g., new, rehabilitated, public, private, cemetery, homeowner-installed)
 - f. Water supply type (e.g., potable, recycled, well) and identify the local retail water purveyor if the applicant is not served by a private well
 - g. Checklist of all documents in Landscape Documentation Package
 - h. Project contacts to include contact information for the Applicant and property owner.
 - i. Applicant signature and date with statement, "I agree to comply with the requirements of the Water Efficient Landscape Guidelines and submit a complete Landscape Documentation Package".
2. Water Efficient Landscape Worksheet including calculations for the Maximum Applied Water Allowance (WAWA) and Estimated Total Water Use (ETWU) in

compliance with this chapter and as contained in Appendix C of the Water Efficient Landscape Guidelines;

3. Soil management report;
 4. Landscape design plan;
 5. Irrigation design plan;
 6. Grading design plan; and
 7. A Certificate of Landscape Design (Appendix A of the Water Efficient Landscape Guidelines) on the landscape plans verifying that the Landscape Documentation Package, including landscape, irrigation, and grading designs have been prepared in accordance with the provisions of this chapter and the Water Efficient Landscape Guidelines and containing the following:
 - a. The statement: "I have complied with Chapter 13.18 of the City of Industry Municipal Code and the Water Efficient Landscape Guidelines and applied them for the efficient use of water in this landscape design plan"; and
 - b. The professional stamp, contact information, and signature of the California-licensed landscape architect who prepared the landscape plan.
- B. Final Approval after Installation. Upon installation and prior to final inspection and approval, the Applicant shall submit a Certificate of Completion (Appendix D of the Water Efficient Landscape Guidelines) to the Planning Department that includes:
1. Project information sheet containing:
 - a. Date;
 - b. Project name;
 - c. Applicant name, telephone, and mailing address;
 - d. Project address and location; and
 - e. Property owner name, telephone, and mailing address.
 2. Certification by either the signer of the landscape design plan, the signer of the irrigation design plan, or the licensed landscape contractor that the landscape project has been installed per the approved Landscape Documentation Package;
 3. Irrigation scheduling parameters used to set the controller.
 4. Landscape and irrigation maintenance schedule.
 5. Irrigation audit report conducted by a third party certified landscape irrigation auditor.
 6. Soil analysis report, if not submitted with Landscape Documentation Package, and documentation verifying implementation of soil report recommendations.
 7. Documentation showing that copies of the approved Certificate of Completion have been submitted to the local water purveyor and property owner or his or her designee.

CITY COUNCIL

ITEM NO. 6.2





CITY OF INDUSTRY

P.O. Box 3366 • 15625 E. Stafford St. • City of Industry, CA 91744-0366 • (626) 333-2211 • FAX (626) 961-6795

MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: Paul J. Philips, City Manager 

Staff: John Ballas, City Engineer 

Date: January 20, 2016

SUBJECT: Request for Deposit for Amar Road at Baldwin Park Boulevard Traffic Signal Modification—Service Request No. 31336, Project ID No. RDC0016108

Attached for consideration is a Request for Deposit of \$57,000 to Los Angeles County Department of Public Works (LACDPW) for traffic signal modifications at the intersection of Amar Road and Baldwin Park Boulevard. This “T” shaped intersection is jurisdictionally shared with 89% in the City of Industry and 11% in the County of Los Angeles. The existing southbound left turn from Baldwin Park Boulevard to eastbound Amar Road is presently controlled by a protective-permissive signal.

In response to motorists complaints that the left turn arrow is only activated when 7-8 vehicles occupied the southbound left turn lane, the County of Los Angeles conducted a traffic study in March, 2015. The County’s recommendation is to eliminate the permissive operation of the traffic signal and install protected left turn phasing. Such modifications are expected to reduce the number of accidents involving vehicles turning left.

In April, 2015, the City issued a service request to Los Angeles County to design and install the signal modifications (see attached). LACDPW is now requesting this deposit to implement southbound left turn phasing at this intersection. The total cost for this modification is \$64,000. Since the City’s jurisdictional share is 89%, the current estimated cost for this project is \$57,000.

Staff, therefore, recommends that the Council approve the Request for Deposit to Los Angeles County Department of Public Works for this traffic signal modification.

PJP:JDB:mk

DEC 21 2015



GAIL FARBER, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE
REFER TO FILE: FI-8

CERTIFIED MAIL RECEIPT NO. 7014 0510 0001 1689 4955

December 16, 2015

Mr. John D. Ballas
Director of Public Works
City of Industry
15625 East Stafford Street, Suite 100
Industry, CA 91744-3995

Dear Mr. Ballas:

**REQUEST FOR DEPOSIT
AMAR ROAD AT BALDWIN PARK BOULEVARD
TRAFFIC SIGNAL MODIFICATION
CITY OF INDUSTRY – SERVICE REQUEST NO. 31336
PROJECT ID NO. RDC0016108
PROJECT NO. X210001109**

Enclosed is Public Works Deposit Invoice No. DI160000007 for the subject project. Service Request No. 31336, submitted by the City of Industry on April 17, 2015, provides for the County of Los Angeles to perform the preliminary engineering and administer the implementation of the subject project with the City to deposit sufficient funds with the County to finance its jurisdictional share of the project cost. The City's jurisdictional share of the cost of the project is currently estimated to be \$57,000.

Please return a copy of the enclosed invoice with your remittance to:

County of Los Angeles
Department of Public Works
P.O. Box 7437
Alhambra, CA 91802-7437

FILE COPY

Mr. John D. Ballas
December 16, 2015
Page 2

If you have any questions regarding this billing, please contact Ms. Christy Cheung of our Accounts Receivable Section at (626) 458-6510 or ccheung@dpw.lacounty.gov.

Very truly yours,

GAIL FARBER
Director of Public Works

Jeanne Hall for

MARK BLANK, Chief
Fiscal Division

cc *cc* *cc* CC:cf
P:\dpub\ACCTREC\SPEC_ACC\Cty_City-Agreement_FY2016_Amar Rd AT Bakiwin Park Blvd Traffic Signal Modification_D116000007_City of Industry

ct Enc.

bc: Programs Development (City Services, Transportation Infrastructure Management)
Fiscal (S. Huang, J. Nguyen)

City Service Request

Request No.: **31336**

Status: **Approved**

As-Needed Service Request

Requesting City:	Industry	Date Submitted:	04/17/2015
Estimated Project Amount:	\$57,000.00	Purchase Order No:	
Desired Completion:	<i>not defined</i>		
Subject: MP 15-04 Baldwin Park Blvd and Amar Rd Left Turn Phasing			
Location: Intersection of Baldwin Park Blvd and Amar Road			
<p>Per the County's request to implement left turn phasing at Baldwin Park Blvd and Amar Road, please make the required modifications to the signal and bill the City of Industry's share of the project to this service request. According to the County's estimate, the City's share should be \$56,960 which is 89% of the total estimate of \$64,000. I have uploaded the County's estimate to this service request. If you have any questions regarding this, please contact Joshua Nelson with CNC Engineering at 626-956-8288 or jnelson@cc-eng.com.</p>			
✓ Plans, maps and/or attachments to follow			
General Services > [Other] > Other (Detail in Subject)			
Requested By: <u>Joshua Nelson</u> (626) 333-0336 Ext 252			
Approved By: <u>Joshua Nelson</u> (626) 333-0336 Ext 252			

County Summary

Cost Estimate:	\$57,000.00
Est. Completion Date:	07/15/2016
Actual Completion Date:	<i>not defined</i>
<u>County Work Comment:</u> Design plans and provide work to As Needed contractor in constructing the signal modification. Estimated completion date is 12 months after approval of Board of Supervisors memo which is approximately in July 2016.	

History

Date	Remark	User
05/12/15 02:26 PM	<i>County Work Comment:</i> Design plans and provide work to As Needed contractor in constructing the signal modification. Estimated completion date is 12 months after approval of Board of Supervisors memo which is approximately in July 2016.	-County-
05/12/15 02:26 PM	Initial estimated completion date entry. (07/15/2016) (\$57,000.00)	-County-
05/13/15 06:46 AM	Estimates approved by city.	Joshua Nelson

CITY COUNCIL

ITEM NO. 6.3



CITY OF INDUSTRY

P.O. Box 3366 • 15625 E. Stafford St. • City of Industry, CA 91744-0366 • (626) 333-2211 • FAX (626) 961-6795

MEMORANDUM

To: Honorable Mayor Radecki and Members of the City Council

From: Paul Phillips, City Manager *Paul J. Phillips*

Staff: Alex Gonzalez, Director of Administrative Services
Clem Calvillo, CNC Engineering
Josh Nelson, CNC Engineering

Date: January 28, 2016

SUBJECT: Consideration of Resolution CC 2016-08 Confirming the Continued Existence of an Emergency Condition for Follows Camp Facilities Maintenance and Repair Project Pursuant to California Public Contract Code Section 22050 and Section 3.52.110 of the City's Municipal Code

The City retains title to 84.37 acres of land commonly known as "Follows Camp" at 23100 and 23400 E. East Fork Road in Azusa ("Property"). The Property is situated in the San Gabriel Mountains, adjacent to the boundaries of the San Gabriel Mountains National Monument above the cities of Azusa and Glendora. The Property currently contains two crossing points over the East Fork of the San Gabriel River, a small bridge commonly known as the "Railroad Car Bridge" and an Arizona Crossing. During storm events, the waterway is a dynamic system which moves large quantities of debris which includes large cobbles, sand, and trees within the riverbed limits. As a result of storm events that have accumulated debris in the riverbed, the Railroad Car Bridge maintains less than one foot of freeboard on its northern end, and the Arizona Crossing is impassable due to downed trees and debris.

Based on the predicted severity of winter El Niño driven storm events, it has been determined that emergency repair activities are necessary to ensure: 1) the structural integrity of the Railroad Car Bridge, 2) the structural integrity of the Arizona Crossing, and 3) the structural integrity of the East Fork Road. It is critical to maintain the integrity of these assets to: maintain access to Southern California Edison powerlines on the Follows Camp property ridgeline that serve Camp Williams and National Forest Service properties, and ensure the structural integrity of the East Fork Road, which is a critical link within the National Monument and the only road that parallels the East Fork of the San Gabriel River.

On November 25, 2015 the City Council adopted Resolution 2015-42 for the Follows Camp Facilities Maintenance and Repairs Project, declaring that the public interest and

necessity demand the immediate expenditure of public money and completion of certain work without competitive bidding to safeguard life, health, or property and authorizing the City Manager to execute all necessary contracts and documents with qualified contractors to respond to the emergency conditions.

On November 27, 2015, the City received Notice to Proceed from the U.S. Army Corps of Engineers under Region General Permit (RGP) No. 63 for Repair and Protection Activities in Emergency Situations.

On December 10, 2015 the City Council adopted Resolution 2015-45 for the Follows Camp Facilities Maintenance and Repairs Project, declaring that the public interest and necessity demand the immediate expenditure of public money and completion of certain work without competitive bidding to safeguard life, health, or property and authorizing the City Manager to execute all necessary contracts and documents with qualified contractors to respond to the emergency conditions.

Pre-construction site preparation commenced on December 14, 2015. Work commenced and was completed on the Arizona Crossing December 21, 2015. Work on the Railroad Car Bridge occurred on December 23, 2015 and December 29, 2015; with completion of the Railroad Car Bridge activities on December 29, 2015.

On December 29, 2015 Sage Environmental Group notified the U.S. Army Corps of Engineers and the U.S. Fish and Wildlife Service that work on the Railroad Car Bridge and the Arizona Crossing were completed without any direct contact to open waters and no contact with endangered species.

On January 13, 2016 City staff and CNC Engineering staff met with Forest Service staff at the property to discuss resolution of permitting issues and coordination with Los Angeles County Building and Safety, Los Angeles County Planning, and Los Angeles County Public Works to complete the temporary stabilization work on the East Fork Road and receive guidance from Forest Service staff on the process for long term improvements.

On January 14, 2016 the City Council adopted Resolution 2016-03 for the Follows Camp Facilities Maintenance and Repairs Project, declaring that the public interest and necessity demand the immediate expenditure of public money and completion of certain work without competitive bidding to safeguard life, health, or property and authorizing the City Manager to execute all necessary contracts and documents with qualified contractors to respond to the emergency conditions.

Work remains to be completed on stabilizing the East Fork Road. As requested by Forest Service staff, City staff has reached out again to Los Angeles County Public Works and Building and Safety staff to meet at the location and receive a final determination as to the emergency nature of the repair work. Forest Service staff will review the Los Angeles County Public Works determination on the current condition of the roadway, and will consider whether permitting a temporary emergency repair is necessary, or if a long-term improvement is the preferred solution for the roadway segment. If a long-term improvement is recommended over a temporary emergency improvement by Los Angeles County Public Works and the Forest Service is in concurrence, the City will close out its

emergency repairs at the site and include improvements to protect the roadway segment in future improvements at the site.

It is expected that the process to complete preliminary studies, engineering, environmental review, and permitting for future improvements at the Follows Camp site will last between four to five years. If the emergency declaration is lifted, work will continue to secure the site and perform minor maintenance work as allowed under existing permit processes and regulatory restrictions. However, any major improvements in the future are subject to the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA). The City has contracted with Cordoba Corporation to study the future use of the property, and any future plans are subject to City Council approval.

The City has adopted the Uniform Public Construction Cost Accounting Act ("Act"), and under the provisions of the Act (California Public Contract Code Section 22035(b)), and Section 3.52.110 of the City's Code, in the event of an emergency, upon a four-fifths vote by the City Council, the City may procure any necessary equipment, services and supplies for the emergency without engaging in the competitive bidding process. In accordance with the provisions of Section 22050(a)(2) of the Public Contract Code, it is necessary for the City Council to make a finding that the emergency will not permit a delay resulting from a competitive solicitation for bids, and that the action is necessary to respond to the emergency.

Under the provisions of Section 22050 of the Public Contract Code, upon adoption of an emergency action, the City Council must review the emergency action at every regularly scheduled meeting until the action is terminated, to determine, whether by a four-fifths vote, there is a need for continued action. The City Council's adoption of Resolution CC 2016-08 would make the findings needed pursuant to the California Public Contract Code Section 22050 to continue the declared emergency action to allow the City Manager to immediately retain the services necessary to complete the work.

Pursuant to California Public Contracts Code Section 22050, the City Council will be provided project updates at every regularly scheduled Council meeting until the project is completed.

Exhibits

A: Resolution No. CC 2016-08

EXHIBIT A

Resolution No. CC 2016-08

[Attached]

RESOLUTION NO. CC 2016-08

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, CONFIRMING THE CONTINUED EXISTENCE OF AN EMERGENCY CONDITION AT THE FOLLOWS CAMP PROPERTY AND DECLARING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE CERTAIN WORK TO BE PERFORMED WITHOUT COMPETITIVE BIDDING PURSUANT TO CALIFORNIA PUBLIC CONTRACT CODE SECTION 22050 AND SECTION 3.52.110 OF THE CITY'S MUNICIPAL CODE

RECITALS

WHEREAS, the City owns 84.37 acres of land commonly known as "Follows Camp" located at 23100 and 23400 E. East Fork Road in Azusa ("Property"); and

WHEREAS, the Property currently has two crossing points over the East Fork of the San Gabriel River, a small bridge commonly known as the "Railroad Car Bridge" and an Arizona Crossing. During storm events, the waterway is a dynamic system which moves large quantities of debris which includes large cobbles, sand, and trees within the riverbed limits. Due to storm events that have accumulated debris in the riverbed, the Railroad Car Bridge maintains less than one foot of freeboard on its northern end, and the Arizona Crossing is impassable due to downed trees and debris; and

WHEREAS, given the predicted severity of winter El Niño driven storm events, it has been determined that emergency repair activities are necessary to ensure the structural integrity of the Railroad Car Bridge; the structural integrity of the Arizona Crossing; and the structural integrity of the East Fork Road; and

WHEREAS, the City has adopted the Uniform Public Construction Cost Accounting Act ("Act"), and under the provisions of the Act (California Public Contract Code Section 22035(b)), and Section 3.52.110 of the City's Municipal Code, in the event of an emergency, upon a four-fifths vote by the City Council, the City may procure any necessary equipment, services and supplies for the emergency without engaging in the competitive bidding process; and

WHEREAS, on November 25, 2015 the City Council adopted Resolution 2015-42 for the Follows Camp Facilities Maintenance and Repairs Project, declaring that the public interest and necessity demand the immediate expenditure of public money and completion of certain work without competitive bidding to safeguard life, health, or property, and authorizing the City Manager to execute all necessary contracts and documents with qualified contractors to respond to the emergency conditions; and

WHEREAS, on December 10, 2015 the City Council adopted Resolution 2015-45 for the Follows Camp Facilities Maintenance and Repairs Project, declaring that the public interest and necessity demand the immediate expenditure of public money and completion of certain work without competitive bidding to safeguard life, health, or

property, and authorizing the City Manager to execute all necessary contracts and documents with qualified contractors to respond to the emergency conditions; and

WHEREAS, on January 14, 2016 the City Council adopted Resolution 2016-03 for the Follows Camp Facilities Maintenance and Repairs Project, declaring that the public interest and necessity demand the immediate expenditure of public money and completion of certain work without competitive bidding to safeguard life, health, or property, and authorizing the City Manager to execute all necessary contracts and documents with qualified contractors to respond to the emergency conditions; and

WHEREAS, the City has applied for, and received, a permit from the U.S. Army Corps of Engineers to perform emergency maintenance and repair activities; and

WHEREAS, pursuant to Section 22050 of the Public Contract Code, upon adoption of an emergency action, the City Council must review the emergency action at every regularly scheduled meeting until the action is terminated, to determine, whether by a four-fifths vote, there is a need for continued action; and

WHEREAS, there is a need for continued emergency action at the Property to ensure the structural integrity of the Railroad Car Bridge; the structural integrity of the Arizona Crossing; and the structural integrity of the East Fork Road.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INDUSTRY DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

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

SECTION 2: The City Council hereby finds and determines that due to the prediction of increased winter storm activity as a result of El Niño conditions, continued, immediate attention must be taken to ensure the viability of the river crossings over the East Fork of the San Gabriel River at Follows Camp to ensure access to the area's electrical distribution lines. Moreover, continued, immediate attention must be taken to protect the East Fork Road adjacent to Follows Camp, as it provides a critical link in the area to Camp Williams and National Forest Service properties just east of Follows Camp. The U.S. Army Corps of Engineers also determined that emergency conditions are currently present at the Property and approved the City's request to complete the necessary steps to rectify the emergency situation.

SECTION 3: Based on the foregoing, pursuant to California Public Contract Code Section and 22050 and Section 3.52.110 of the City's Municipal Code, the City Council hereby finds that an emergency situation continues to exist and declares that the public interest and necessity demand the immediate expenditure of public money for such repair work to safeguard life, health, and property without complying with the competitive bidding requirements of the California Public Contract Code. The emergency will not permit a delay resulting from a competitive solicitation for bids, and the action is necessary to respond to the emergency. The City Council hereby continues to waive competitive bidding under Public Contract Code 22050, and Section 3.52.110 of the City's Municipal Code.

SECTION 4: The City Council hereby authorizes the City Manager to execute all necessary contracts and documents with a qualified contractor(s) or vendor(s), for the Follows Camp emergency repair project.

SECTION 5: The City Council shall review the emergency action at every regularly scheduled meeting until the action is terminated, to determine, by a four-fifths vote, that there is a need to continue the action.

SECTION 7: The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

SECTION 8: That the City Clerk shall certify to the adoption of this Resolution and that the same shall be in full force and effect.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Industry at a regular meeting held on January 28, 2016 by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

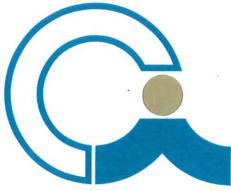
Mark D. Radecki, Mayor

ATTEST:

Cecelia Dunlap, Deputy City Clerk

CITY COUNCIL

ITEM NO. 6.4



MEMORANDUM

To: Honorable Mayor Radecki and Members of the City Council
From: Paul Philips, City Manager *Paul Philips*
Staff: Alex Gonzalez, Director of Administrative Services
Date: January 28, 2016
SUBJECT: City of Industry Government Reforms Update, First Quarter 2016

Pursuant to the City Council's commitment to adopt and uphold best practices for open government and transparency, last summer City of Industry staff began a rigorous review of City operations with the objective of identifying new accountability measures and protocols for both administrative operations and for contractors and vendors.

This memo serves as a progress report for the City Council on the City staff's review of operations and the reforms that have been adopted. Per the direction of the Council, the staff plans on continuing its review of every city function to ensure that best practices and accountability measures are in place.

While the work of protecting the City's residents and businesses remains ongoing, the City has made significant progress, including:

- A review of all contracts and agreements to identify deficiencies and create a system to prioritize the most critical deficiencies.
- An assessment of inventory, control and use of City assets and property by contractors and staff, determination of assets that should be declared as surplus, and the identification of areas where the City can modify existing contracts to ensure contracts are correctly represented.
- Competitively procuring an independent auditing firm and Auditor.
- The recall of all credit and fuel cards from city officials and staff and adoption of appropriate procedures for city staff and officials to submit requests for reimbursement with documentation.

Below we provide a further summary of the work undertaken through December 2015 and measures pending City Council review in 2016.

Contractor/Vendor Reforms and Accountability Measures

- Conducted field investigations and interviews with existing contractors to determine scope of work in comparison to existing agreements.
- Performed a review of contractor invoices to determine whether existing contractor operations are accurately reflected in billing.
- Completed an in-depth analysis of the Industry Security contract and the company's operations to create a model for future contract analysis in October 2015. The model will be used to update all agreements in the future.
- *Recommendations Pending City Council Review, January 2016*
 - Recruitment of an experienced Field Operations and Asset Superintendent to confirm field operations of contractors; perform labor, materials and equipment audits in the field; inspect contractor work product; and develop scope of work for future competitive procurements of all field operations services. The recruitment was advertised in December 2015 and drew 39 applications. The position is scheduled to be filled in February of 2016.
 - Recruitment of two experienced Administrative Analysts to focus on procurement, contract management and budget. The recruitment was advertised in December 2015 and drew 196 applications. The positions are scheduled to be filled in February of 2016.
 - Contract with a technology firm to provide an electronic system for procurement processing, contract management for public works construction, and insurance certificate management to introduce a transparent procurement process and improve oversight.
 - Contract with a technology firm to provide an electronic work order system that tracks labor, equipment, and materials to improve field operations oversight and cost analysis.
 - A plan to update existing contracts and agreements and competitively procure all services within a two- to three-year period without disrupting ongoing operations or conducting procurements that are not thorough or transparent.
 - A plan to analyze and rank agreements and contracts in priority order for competitive procurement will be proposed, based on a scoring matrix that considers critical deficiencies in existing agreements that cannot be remedied with interim agreements.

Administrative Reforms & Accountability Measures

- Assessed the City's organizational structure to ensure that span of control is maintained over contracted operations and city operations function efficiently and effectively.
- Identified critical control processes to maintain current operations in the event of staff and contractor change.

- Pending City Council Review, January 2016
 - Plan to assess the City's organizational structure on a regular basis to ensure that span of control is maintained over contracted operations and city operations to function efficiently and effectively.
 - Recruitment of an experienced City Controller to manage and improve the City's financial, payroll, and accounting systems. The position is scheduled to be filled in February of 2016.

Additional Reforms & Accountability Measures

- Competitively procured a new auditing firm.
- Audited the fuel system to determine staff and contractor use and investigated processes for cost recovery. Fuel control system modified to closely track mileage of City vehicles and identify fuel users.
- Identified gaps in coverage and modified insurance to better protect City assets in September 2015.

Summary

Through its current review of operations, City staff has identified and implemented numerous reforms, accountability measurements, and protocols to protect its residents and businesses. The staff is continuing to methodically review every city function and identify accountability measures, protocols and best practices to adopt. Staff will provide quarterly progress reports to Council.