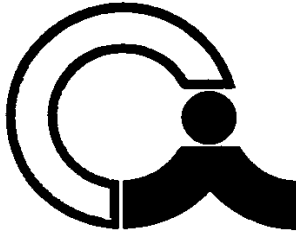


CITY OF INDUSTRY

CITY COUNCIL
REGULAR MEETING AGENDA

MARCH 24, 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.

-
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.

5.3 Consideration of Resolution No. CC 2016-19 – 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 CALFORNIA PUBLIC CONTRACT CODE SECTION 22050 AND SECTION 3.52.110 OF THE CITY’S MUNICIPAL CODE

RECOMMENDED ACTION: Adopt Resolution No. CC 2016-19.

6. **ACTION ITEMS**

6.1 Consideration of a Memorandum of Understanding between the City of Industry and the City of Diamond Bar to establish a reimbursement agreement for consultant costs relating to the preparation of joint FASTLANE and TIGER transportation funding grant applications, in conjunction with the 57/60 Confluence Project

RECOMMENDED ACTION: Approve the Memorandum of Understanding.

- 6.2 Discussion and appointment of a Member and an Alternate to serve on the Alameda Corridor-East Construction Authority Board (Continued from March 10, 2016)

RECOMMENDED ACTION: Discuss and appoint a Member and an Alternate to serve on the Alameda Corridor-East Construction Authority Board.

- 6.3 Discussion and direction regarding a \$50,000.00 sponsorship request from The Gabriel Foundation, for the 2016 Industry Hills Charity Pro Rodeo

RECOMMENDED ACTION: Discuss and provide direction to Staff.

- 6.4 Presentation and discussion regarding steps to achieve compliance with the January 2016 State Controller's City of Industry Review Report

RECOMMENDED ACTION: Discuss and provide direction to Staff.

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): Five Potential Cases.

11. Adjournment. Next regular meeting: Thursday, April 14, 2016 at 9:00 a.m.

CITY COUNCIL

ITEM NO. 5.1

**CITY OF INDUSTRY
AUTHORIZATION FOR PAYMENT OF BILLS
CITY COUNCIL MEETING OF MARCH 24, 2016**

FUND RECAP:

<u>FUND</u>	<u>DESCRIPTION</u>	DISBURSEMENTS
100	GENERAL FUND	7,613,550.41
120	CAPITAL IMPROVEMENT FUND	96,107.02
161	IPUC - ELECTRIC	313,126.24
TOTAL ALL FUNDS		8,022,783.67

BANK RECAP:

<u>BANK</u>	<u>NAME</u>	DISBURSEMENTS
BOFA	BANK OF AMERICA - CKING ACCOUNTS	114,266.37
REF	REFUSE - CKING ACCOUNT	18,733.41
WFBK	WELLS FARGO - CKING ACCOUNT	7,889,783.89
TOTAL ALL BANKS		8,022,783.67

**CITY OF INDUSTRY
BANK OF AMERICA
March 24, 2016**

Check	Date	Payee Name		Check Amount
CITYELEC.CHK - City Electric				
1376	03/09/2016	CITY OF INDUSTRY		\$34,266.37
	Invoice	Date	Description	Amount
	03/09/16	03/09/2016	TRANSFER FUNDS-ELECTRIC	\$34,266.37

CITYGEN.CHK - City General				
24303	03/09/2016	CIVIC RECREATIONAL INDUSTRIAL		\$80,000.00
	Invoice	Date	Description	Amount
	03/09/16	03/09/2016	TRANSFER FUNDS-CRIA A/P	\$80,000.00

Checks	Status	Count	Transaction Amount
	Total	2	\$114,266.37

**CITY OF INDUSTRY
WELLS FARGO REFUSE
March 24, 2016**

Check	Date		Payee Name	Check Amount
REFUSE - Refuse Account				
4167	10/7/2015		PROSPEROUS GREEN INC.	(\$59.43)
	Invoice	Date	Description	Amount
	10/7/2015	10/7/2015	VOIDED-CHECK WAS LOST	(\$59.43)
4214	03/02/2016		SYCAMORE GROUP, LLC	\$5,851.80
	Invoice	Date	Description	Amount
	03/02/16	03/02/2016	REFUND-ACCT #076941	\$5,851.80
4215	03/02/2016		ACME	\$48.94
	Invoice	Date	Description	Amount
	03/02/16	03/02/2016	REFUND-ACCT #080443	\$48.94
4216	03/02/2016		MARQUIS CONSTRUCTION	\$21.68
	Invoice	Date	Description	Amount
	03/02/16	03/02/2016	REFUND-ACCT #080838	\$21.68
4217	03/02/2016		CITY SERVICE PAVING	\$706.46
	Invoice	Date	Description	Amount
	03/02/16	03/02/2016	CONSTRUCTION DEPOSIT REFUND-ACCT #102769	\$706.46
4218	03/02/2016		ACCU-CUT, INC.	\$355.79
	Invoice	Date	Description	Amount
	03/02/16	03/02/2016	REFUND-ACCT #081387	\$355.79
4219	03/02/2016		NORM WILSON AND SONS	\$474.88
	Invoice	Date	Description	Amount
	03/02/16	03/02/2016	REFUND-ACCT #081421	\$474.88
4220	03/02/2016		OVERTON MOORE PROPERTIES	\$9,360.00
	Invoice	Date	Description	Amount
	03/02/16	03/02/2016	REFUND-ACCT #077234	\$9,360.00

**CITY OF INDUSTRY
WELLS FARGO REFUSE
March 24, 2016**

Check	Date	Payee Name		Check Amount
REFUSE - Refuse Account				
4221	03/02/2016	YENSIE, LLC		\$1,002.16
	Invoice	Date	Description	Amount
	03/02/16	03/02/2016	CONSTRUCTION DEPOSIT REFUND-ACCT #101671	\$1,002.16
4222	03/03/2016	ARTSOLUTE MEDIA GROUP		\$971.13
	Invoice	Date	Description	Amount
	03/03/16	03/03/2016	REFUND-ACCT #081436	\$971.13

Checks	Status	Count	Transaction Amount
	Total	10	\$18,733.41

**CITY OF INDUSTRY
WELLS FARGO BANK
March 24, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
63650	03/03/2016		CITY OF INDUSTRY	\$6,000,000.00
	Invoice	Date	Description	Amount
	03/03/16	03/03/2016	TO TRANSFER MONEY BACK TO BANK OF AMERICA	\$6,000,000.00
63651	03/03/2016		VFW POST 1944	\$27,500.00
	Invoice	Date	Description	Amount
	2016-105	03/01/2016	DONATION FOR ROOF AND PARKING LOT REPAIRS	\$27,500.00
63652	03/07/2016		CASSO & SPARKS, LLP	\$81,824.77
	Invoice	Date	Description	Amount
	20144	03/07/2016	COI-LEGAL SVC FOR OCT 2016	\$81,824.77
63653	03/07/2016		PHOTO-SCAN OF LOS ANGELES,	\$1,122.50
	Invoice	Date	Description	Amount
	18326	02/09/2016	PROVIDE & INSTALL CABLING-CITY HALL	\$1,122.50
63654	03/07/2016		SHELL ENERGY NORTH AMERICA-	\$80,400.00
	Invoice	Date	Description	Amount
	1591691	03/03/2016	WHOLESALE USE-FEB 2016	\$80,400.00
63655	03/08/2016		AT & T	\$9.07
	Invoice	Date	Description	Amount
	2016-00001102	03/01/2016	03/01-03/31/16 SVC - CITY WHITE PAGES	\$9.07
63656	03/08/2016		JNL CREATIONS	\$440.36
	Invoice	Date	Description	Amount
	03/07/16	03/07/2016	COI POLO SHIRTS FOR CODE ENFORCEMENT	\$440.36
63657	03/08/2016		SO CALIFORNIA EDISON COMPANY	\$3,315.85
	Invoice	Date	Description	Amount
	2016-00001108	03/01/2016	01/28-02/29/16 SVC - 137 N HUDSON AVE	\$295.53

**CITY OF INDUSTRY
WELLS FARGO BANK
March 24, 2016**

Check	Date	Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo			
	2016-00001109	03/02/2016 02/01-03/01/16 SVC - 1 VALLEY/AZUSA	\$15.89
	2016-00001110	03/02/2016 01/28-02/29/16 SVC - VARIOUS SITES	\$552.68
	2016-00001111	03/02/2016 02/01-03/01/16 SVC - 600 BREA CYN RD	\$475.78
	2016-00001112	03/05/2016 02/01-03/01/16 SVC - VARIOUS SITES	\$1,855.44
	2016-00001113	03/05/2016 02/03-03/04/16 SVC - 208 S WADDINGHAM WAY CP	\$120.53
63658	03/08/2016	SO CALIFORNIA EDISON COMPANY	\$637.11
	Invoice	Date Description	Amount
	7500644692	02/24/2016 11/01-11/30/15 SVC - RELIABILITY SVC	\$637.11
63659	03/08/2016	SUBURBAN WATER SYSTEMS	\$160.00
	Invoice	Date Description	Amount
	180040797183	03/02/2016 02/03-03/02/16 SVC - NE CNR VALLEY/STIMS	\$160.00
63660	03/08/2016	TELEPACIFIC COMMUNICATIONS	\$4,961.85
	Invoice	Date Description	Amount
	75946902-0	02/29/2016 INTERNET SVC-CITY HALL/METRO SOLAR	\$4,961.85
63661	03/08/2016	VERIZON	\$362.93
	Invoice	Date Description	Amount
	2016-00001103	02/25/2016 02/25-03/24/16 SVC - ELECTRIC MODEM	\$53.67
	2016-00001104	02/25/2016 02/25-03/24/16 SVC - ELECTRIC MODEM	\$49.39
	2016-00001105	02/28/2016 02/28-03/27/16 SVC - ELECTRIC MODEM	\$56.01
	2016-00001106	02/28/2016 02/28-03/27/16 SVC - EM-21912 GARCIA LN	\$49.39
	2016-00001107	02/28/2016 02/28-03/27/16 SVC - EM-179 S. GRAND	\$39.52
	2016-00001114	03/01/2016 03/01-03/31/16 SVC - GENERATOR SITE-TELEMETRY	\$58.94
	2016-00001115	03/01/2016 03/01-03/31/16 SVC - GENERATOR SITE-TELEMETRY	\$56.01
63662	03/08/2016	VERIZON WIRELESS - LA	\$1,081.39
	Invoice	Date Description	Amount
	9761175545	02/26/2016 01/27-02/26/16 SVC - MOBILE BROADBAND	\$114.03

**CITY OF INDUSTRY
WELLS FARGO BANK
March 24, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	9761175544	02/26/2016	01/27-02/26/16 SVC - VARIOUS WIRELESS	\$967.36
63663	03/10/2016		L A COUNTY REGISTRAR-	\$75.00
	Invoice	Date	Description	Amount
	DP 15-20	03/07/2016	FEE-NOTICE OF AVAILABILITY DP15-20	\$75.00
63664	03/10/2016		NOBLE AMERICAS ENERGY	\$169,852.27
	Invoice	Date	Description	Amount
	160690005392898	03/09/2016	WHOLESALE GAS-FEB 2016	\$28.69
	160690005394474	03/09/2016	WHOLESALE USE-FEB 2016	\$169,823.58
63665	03/10/2016		STANTEC ARCHITECTURE, INC.	\$2,900.00
	Invoice	Date	Description	Amount
	JN 9223	03/10/2016	REFUND-ENVIRONMENTAL REVIEW DEPOSIT AND	\$2,900.00
63666	03/14/2016		PUENTE HILLS CHEVROLET	\$1,916.88
	Invoice	Date	Description	Amount
	57925	03/10/2016	AUTO MAINT-LIC 6PKM569	\$1,916.88
63667	03/15/2016		AT & T	\$225.00
	Invoice	Date	Description	Amount
	8960525078	03/01/2016	03/01-03/31/16 SVC - METROLINK	\$225.00
63668	03/15/2016		GAS COMPANY, THE	\$668.25
	Invoice	Date	Description	Amount
	2016-00001121	03/07/2016	02/01-03/01/16 SVC - 1 INDUSTRY HILLS PKWY UNIT	\$67.64
	2016-00001122	03/07/2016	02/02-03/03/16 SVC - 710 NOGALES ST	\$18.58
	1135HATCH-MAR16	03/07/2016	02/02-03/03/16 SVC - 1135 HATCHER AVE	\$48.84
	2016-00001123	03/09/2016	02/04-03/07/16 SVC - 1 INDUSTRY HILLS PKWY	\$16.72
	2016-00001124	03/09/2016	02/04-03/07/16 SVC - 2700 CHINO HILLS PKWY	\$70.49
	2016-00001129	03/11/2016	02/08-03/08/16 SVC - 15651 STAFFORD ST	\$116.62

**CITY OF INDUSTRY
WELLS FARGO BANK
March 24, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	2016-00001130	03/11/2016	02/08-03/09/16 SVC - 15625 STAFFORD ST APT A	\$47.60
	2016-00001131	03/11/2016	02/08-03/09/16 SVC - 15625 STAFFORD ST APT B	\$29.78
	2016-00001132	03/11/2016	02/08-03/09/16 SVC - 15633 RAUSCH RD	\$251.98
63669	03/15/2016		SO CALIFORNIA EDISON COMPANY	\$24,183.21
	Invoice	Date	Description	Amount
	15660STAFF-MAR16	03/08/2016	01/28-02/29/16 SVC - 15660 STAFFORD ST	\$1,718.55
	2016-00001125	03/08/2016	02/03-03/04/16 SVC - 15625 STAFFORD ST	\$3,674.27
	1135HATCH-MAR16	03/09/2016	02/05-03/08/16 SVC - 1135 HATCHER AVE	\$351.95
	2016-00001126	03/09/2016	02/01-03/01/16 SVC - NOGALES ST/SAN JOSE AVE	\$587.80
	1123AHATCH-MAR16	03/09/2016	02/05-03/08/16 SVC - 1123 HATCHER AVE STE A	\$158.57
	2016-00001133	03/10/2016	02/05-03/08/16 SVC - VARIOUS SITES	\$115.38
	2016-00001134	03/10/2016	02/01-03/01/16 SVC - 208 S. WADDINGHAM WAY	\$16,826.40
	2016-00001135	03/11/2016	02/01-03/01/16 SVC - GALE AVE/L ST	\$34.73
	2016-00001136	03/12/2016	01/14-03/09/16 SVC - VALLEY BLVD U-VARIOUS SITES	\$650.07
	2016-00001137	03/12/2016	02/10-03/11/16 SVC - 575 BALDWIN PARK AVE U	\$65.49
63670	03/15/2016		VERIZON	\$1,982.56
	Invoice	Date	Description	Amount
	2016-00001138	03/01/2016	03/01-03/31/16 SVC - CITY HALL FAXES	\$522.24
	2016-00001139	03/01/2016	03/01-03/31/16 SVC - VARIOUS SITES	\$300.96
	HATCHER-MAR16	03/01/2016	03/01-03/31/16 SVC - HATCHER	\$52.24
	2016-00001140	03/01/2016	03/01-03/31/16 SVC - TRES HERMANOS	\$50.92
	2016-00001141	03/01/2016	03/01-03/31/16 SVC - VARIOUS SITES	\$1,004.65
	2016-00001142	03/04/2016	03/04-04/03/16 SVC - EM-21858 GARCIA LN	\$51.55
63671	03/15/2016		VERIZON BUSINESS	\$147.66
	Invoice	Date	Description	Amount
	HATCHER-67846850	03/10/2016	02/01-02/29/16 SVC - VARIOUS SITES & HATCHER	\$31.27
	67846851	03/10/2016	02/01-02/29/16 SVC - VARIOUS SITES	\$116.39

**CITY OF INDUSTRY
WELLS FARGO BANK
March 24, 2016**

Check	Date	Payee Name		Check Amount
CITY.WF.CHK - City General Wells Fargo				
63672	03/15/2016	WALNUT VALLEY WATER DISTRICT		\$3,746.60
	Invoice	Date	Description	Amount
	2240365	03/08/2016	02/02-02/29/16 SVC - BREA CYN RD & OLD RANCH RD	\$31.92
	2240381	03/08/2016	02/02-02/29/16 SVC - FERRERO & GRAND EAST	\$460.41
	2240331	03/08/2016	02/02-02/29/16 SVC - LEMON AVE N OF CURRIER	\$38.44
	2240279	03/08/2016	02/02-02/29/16 SVC - IRR 820 FAIRWAY DR	\$62.69
	2240445	03/08/2016	02/02-02/29/16 SVC - 60 FWY INTERCHANGE	\$23.76
	2240442	03/08/2016	02/02-02/29/16 SVC - BREA CYN N OF RR TRKS	\$129.71
	2240443	03/08/2016	02/02-02/29/16 SVC - BREA CYN N OF CURRIER	\$22.13
	2240399	03/08/2016	02/02-02/29/16 SVC - BAKER PKWY METER #1	\$136.93
	2240400	03/08/2016	02/02-02/29/16 SVC - BAKER PKWY METER #2	\$136.93
	2240406	03/08/2016	02/02-02/29/16 SVC - GRAND AVE CROSSING	\$73.34
	2240407	03/08/2016	02/02-02/29/16 SVC - GRAND AVE CROSSING	\$73.34
	2240409	03/08/2016	02/02-02/29/16 SVC - 22002 VALLEY BLVD	\$194.92
	2240426	03/08/2016	02/02-02/29/16 SVC - 21350 VALLEY-MEDIAN	\$75.93
	2240427	03/08/2016	02/02-02/29/16 SVC - GRAND CROSSING EAST	\$43.33
	2240428	03/08/2016	02/02-02/29/16 SVC - GRAND CROSSING WEST	\$40.07
	2240429	03/08/2016	02/02-02/29/16 SVC - BAKER PKWY & GRAND N/W	\$1,453.08
	2240436	03/08/2016	02/02-02/29/16 SVC - E/S GRAND S/O BAKER PKWY	\$123.00
	2240463	03/08/2016	02/02-02/29/16 SVC - END OF BAKER PKWY-TEMP	\$449.79
	2241135	03/09/2016	02/02-03/02/16 SVC - PUMP STN BREA CYN	\$18.87
	2241272	03/09/2016	02/02-03/02/16 SVC - 19835 WALNUT DR	\$101.84
	2241361	03/09/2016	02/02-03/02/16 SVC - NOGALES PUMP STN	\$56.17
63673	03/24/2016	AIR-BREE, INC		\$11,425.00
	Invoice	Date	Description	Amount
	1160223114	02/23/2016	REPAIR COOLING TOWER-CITY HALL	\$11,425.00
63674	03/24/2016	ALVAKA NETWORKS		\$19,095.17
	Invoice	Date	Description	Amount
	156398	02/29/2016	ADD'L HOURS FOR FEB 2016	\$5,440.00

**CITY OF INDUSTRY
WELLS FARGO BANK
March 24, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	156400NP	02/29/2016	TRIP CHARGE	\$495.00
	156268	03/01/2016	NETWORK MAINT-APR 2016	\$6,620.00
	156295	03/01/2016	NETWORK MAINT-APR 2016	\$6,540.17
63675	03/24/2016		APPLIED METERING	\$540.00
	Invoice	Date	Description	Amount
	5393	02/25/2016	METER MAINT-JAN 2016	\$540.00
63676	03/24/2016		ARAMARK REFRESHMENT SERVICE,	\$171.92
	Invoice	Date	Description	Amount
	9079693	03/15/2016	COFFEE/OFFICE SUPPLIES	\$171.92
63677	03/24/2016		AVANT-GARDE, INC	\$3,517.50
	Invoice	Date	Description	Amount
	3942	02/16/2016	PROJECT MGMT SVC-CITY BRIDGES	\$220.00
	3933	02/17/2016	PROJECT MGMT-AZUSA AVE BRIDGE	\$3,297.50
63678	03/24/2016		BALLAS, JOHN	\$833.32
	Invoice	Date	Description	Amount
	01/04-01/17/16	03/14/2016	CHILD CARE-P/R 1/15/16	\$208.33
	01/18-01/31/16	03/14/2016	CHILD CARE-P/R 1/31/16	\$208.33
	02/01-02/14/16	03/14/2016	CHILD CARE-P/R 2/15/16	\$208.33
	02/15-02/24/16	03/14/2016	CHILD CARE-P/R 2/29/16	\$208.33
63679	03/24/2016		BANK OF AMERICA - VISA	\$1,184.89
	Invoice	Date	Description	Amount
	2016-00001143	03/06/2016	2/7-3/6/16 AUTHORIZED REP	\$1,184.89
63680	03/24/2016		BLAKE AIR CONDITIONING	\$477.60
	Invoice	Date	Description	Amount
	39227	03/10/2016	A/C MAINT-CITY HALL	\$262.80

**CITY OF INDUSTRY
WELLS FARGO BANK
March 24, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	38771	02/08/2016	A/C MAINT-CITY HALL	\$214.80
63681	03/24/2016		BOLIN TECHNOLOGY	\$1,225.09
	Invoice	Date	Description	Amount
	9933704	03/15/2016	CAMERA EQUIPMENT FOR SHERIFF'S DEPT	\$1,225.09
63682	03/24/2016		CITY OF INDUSTRY	\$1,169.61
	Invoice	Date	Description	Amount
	2016-00000061	02/29/2016	IH FUES PUMP-CITY VEHICLES	\$234.35
	2016-00000059	02/29/2016	IH FUES PUMP-SECURITY VEHICLES	\$935.26
63683	03/24/2016		CITY OF INDUSTRY DISPOSAL CO.	\$2,362.08
	Invoice	Date	Description	Amount
	2428949	02/29/2016	MO SVC-CITY RESIDENCES	\$2,362.08
63684	03/24/2016		CITY OF INDUSTRY-MEDICAL	\$20,000.00
	Invoice	Date	Description	Amount
	REG 3/24/16	03/16/2016	TRANSFER FUNDS-MEDICAL	\$20,000.00
63685	03/24/2016		CITY OF INDUSTRY-PAYROLL ACCT	\$50,000.00
	Invoice	Date	Description	Amount
	P/R 3/15/16	03/14/2016	PAYROLL REIMBURSEMENT FOR 3/15/16	\$50,000.00
63686	03/24/2016		CITY OF INDUSTRY-REFUSE	\$9,184.29
	Invoice	Date	Description	Amount
	2426977	03/01/2016	DISP SVC/STORAGE RENTAL-TONNER CYN	\$682.00
	2426976	03/01/2016	STORAGE BOX RENTAL-TONNER CYN	\$300.00
	2426975	03/01/2016	DISP SVC-TRES HERMANOS	\$138.38
	2426974	03/01/2016	DISP SVC-CITY HALL	\$369.19
	2428280	02/29/2016	DISP SVC-1123 HATCHER	\$2,949.91
	2427230A	03/01/2016	DISP SVC-205 HUDSON	\$184.24

**CITY OF INDUSTRY
WELLS FARGO BANK
March 24, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	2427230B	03/01/2016	DISP SVC-841 7TH AVE	\$184.24
	2427570	03/01/2016	DISP SVC-CITY BUS STOPS	\$4,376.33
63687	03/24/2016		CITY OF SOUTH EL MONTE	\$2,000.00
	Invoice	Date	Description	Amount
	1075	02/29/2016	COALITION SR60 PROJ-MAR 2016	\$2,000.00
63688	03/24/2016		CNC ENGINEERING	\$172,319.54
	Invoice	Date	Description	Amount
	44497	03/10/2016	INDUSTRY 66KV ELEC SUBSTATION FACILITY	\$650.84
	44498	03/10/2016	ON-CALL STREET MAINT PROGRAM	\$801.89
	44499	03/10/2016	VALLEY BLVD PCC PAVEMENT RECONSTRUCTION	\$8,309.09
	44500	03/10/2016	CLARK AVE WIDENING	\$4,158.91
	44501	03/10/2016	2015 CLEANOUT OF STORMWATER DEVICES	\$506.68
	44502	03/10/2016	EMERGENCY CREEK AND ROADWAY REPAIRS	\$569.49
	44503	03/10/2016	MAINT REPAIRS AT 205 N. HUDSON AVE	\$1,648.83
	44504	03/10/2016	GENENERAL ENGINEERING-CIP	\$54,737.88
	44505	03/10/2016	GENENERAL ENGINEERING 2/22-3/6/16	\$40,864.62
	44506	03/10/2016	TONNER CYN PROPERTY	\$13,044.36
	44507	03/10/2016	PUENTE VALLEY OPERABLE UNIT	\$78.44
	44508	03/10/2016	PUENTE BASIN WATER MASTER ISSUES	\$747.30
	44509	03/10/2016	MAINT OF CITY HALL	\$977.32
	44510	03/10/2016	MAINT OF IMC BLDG	\$850.65
	44511	03/10/2016	HOMESTEAD MUSEUM MAINT	\$440.43
	44512	03/10/2016	OPERATION AND MAINT OF METRO SOLAR PARKNG	\$1,398.14
	44513	03/10/2016	TRAFFIC SIGNAL AT DON JULIAN/SIXTH AVE	\$1,452.73
	44514	03/10/2016	PACIFIC PALMS IMPROVEMENTS	\$156.88
	44515	03/10/2016	PACIFIC PALMS LAUNDRY BLDG ISSUES	\$156.88
	44516	03/10/2016	INDUSTRY HILLS FUEL STN MAINT	\$313.76
	44517	03/10/2016	PACIFIC PALMS REPAIRS-PARKING LOT	\$156.88
	44518	03/10/2016	PROPERTY MGMT FOR CITY OWNED PROPERTIES	\$2,538.48

**CITY OF INDUSTRY
WELLS FARGO BANK
March 24, 2016**

Check	Date	Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo			
44519	03/10/2016	HIGHWAY BRIDGE PROGRAM FUNDING	\$976.26
44520	03/10/2016	AZUSA AVE OVER VALLEY BLVD BRIDGE	\$1,452.73
44521	03/10/2016	FOLLOW'S CAMP PROPERTY	\$850.65
44522	03/10/2016	CROSSROADS PKY SOUTH PCC PAVEMENT	\$13,501.24
44523	03/10/2016	VARIOUS ASSIGNMENTS - SA TO JUDA	\$1,959.94
44524	03/10/2016	METROLINK STN/COMMUTER RAIL STN	\$156.88
44525	03/10/2016	REPAIRS/UPGRADES-STORM WATER PUMP	\$313.76
44526	03/10/2016	MAINT OF YARD AT 1123 HATCHER AVE	\$410.22
44527	03/10/2016	ARENTH AVE RECONSTRUCTION	\$723.98
44528	03/10/2016	COI MUNICIPAL CODE COMPLIANCE	\$313.76
44529	03/10/2016	CITY OF LA PUENTE LOAN AGRMT-VALLEY BLVD	\$373.65
44530	03/10/2016	PECK RD STORM DRAIN DEBRIS REMOVAL	\$313.76
44531	03/10/2016	SURVEY OF MUNICIPALITIES	\$2,359.30
44532	03/10/2016	FULLERTON RD GRADE SEPARATION	\$1,253.98
44533	03/10/2016	ALAMEDA CORRIDOR EAST RELATED PROJECTS	\$2,514.85
44534	03/10/2016	FAIRWAY DR GRADE SEPARATION	\$2,545.59
44535	03/10/2016	NOGALES GRADE SEPARATION	\$2,738.51
042016	03/14/2016	MEALS/WHEELS RENT-APR 2016	\$5,000.00
63689	03/24/2016	CONSOLIDATED ELECTRICAL DIST.	\$276.86
Invoice	Date	Description	Amount
3301-499813	02/02/2016	LIGHT FOR FLAG POLE-HOMESTEAD	\$276.86
63690	03/24/2016	CORELOGIC INFORMATION	\$192.50
Invoice	Date	Description	Amount
81670377	02/29/2016	GEOGRAPHIC PKG-FEB 2016	\$192.50
63691	03/24/2016	D M V RENEWAL	\$269.00
Invoice	Date	Description	Amount
6UBX655-16	03/15/2016	REGISTRATION RENEWAL-LIC 6UBX655	\$269.00

**CITY OF INDUSTRY
WELLS FARGO BANK
March 24, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
63692	03/24/2016		D M V RENEWAL	\$107.00
	Invoice	Date	Description	Amount
	5HJT180-16	03/15/2016	REGISTRATION RENEWAL-LIC 5HJT180	\$107.00
63693	03/24/2016		DAKOTA BACKFLOW CO.	\$1,530.00
	Invoice	Date	Description	Amount
	37070	02/22/2016	REPAIR BACKFLOW DEVICES-EL ENCANTO	\$1,530.00
63694	03/24/2016		DRAGON FIRE PROTECTION	\$487.00
	Invoice	Date	Description	Amount
	38227	02/26/2016	SVC-HOMESTEAD	\$487.00
63695	03/24/2016		EASYLINK SERVICES	\$56.34
	Invoice	Date	Description	Amount
	07634191603	03/16/2016	FAX SVC-FEB 2016	\$56.34
63696	03/24/2016		EGOSCUE LAW GROUP	\$2,062.50
	Invoice	Date	Description	Amount
	11179	03/02/2016	LEGAL SVC-FOLLOW'S CAMP-FEB 2016	\$2,062.50
63697	03/24/2016		ENCO UTILITY SERVICES	\$2,500.00
	Invoice	Date	Description	Amount
	20-3-02-16	02/29/2016	PROF SVC-FEB 2016	\$2,500.00
63698	03/24/2016		EXXON MOBIL	\$644.00
	Invoice	Date	Description	Amount
	72006767603	03/14/2016	FUEL-SECURITY VEHICLES	\$644.00
63699	03/24/2016		FEDERAL EXPRESS CORP.	\$55.10
	Invoice	Date	Description	Amount
	5-347-88803	03/11/2016	MESSENGER SVC	\$55.10

**CITY OF INDUSTRY
WELLS FARGO BANK
March 24, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
63700	03/24/2016		FRAZER, LLP	\$39,255.00
	Invoice	Date	Description	Amount
	141899	02/29/2016	COI-PROF SVC FOR FEB 2016	\$39,255.00
63701	03/24/2016		FUEL PROS, INC.	\$750.00
	Invoice	Date	Description	Amount
	0000023492	01/23/2016	INDUSTRY HILLS FUEL STN MAINT	\$750.00
63702	03/24/2016		GMS ELEVATOR SERVICES, INC	\$138.00
	Invoice	Date	Description	Amount
	00082099	03/01/2016	MO SVC-ELEVATOR	\$138.00
63703	03/24/2016		GRAND CENTRAL RECYCLING &	\$159.41
	Invoice	Date	Description	Amount
	2429093	02/29/2016	GREEN WASTE-FEB 2016	\$159.41
63704	03/24/2016		HADDICK'S AUTO BODY	\$1,316.98
	Invoice	Date	Description	Amount
	047641	02/25/2016	AUTO MAINT-LIC 1282752	\$1,266.98
	H-73367	03/03/2016	TOWING SVC-LIC 6PKM569	\$50.00
63705	03/24/2016		HISTORICAL RESOURCES, INC.	\$278,475.00
	Invoice	Date	Description	Amount
	03/11/16	03/11/2016	FOURTH QTR OF FY 15/16	\$278,475.00
63706	03/24/2016		HOME DEPOT CREDIT SERVICE	\$101.29
	Invoice	Date	Description	Amount
	4012742	02/04/2016	SUPPLIES-841 7TH AVE	\$71.71
	3012797	02/05/2016	SUPPLIES-GATE AT QUIROZ CT	\$29.58

**CITY OF INDUSTRY
WELLS FARGO BANK
March 24, 2016**

Check	Date	Payee Name		Check Amount
CITY.WF.CHK - City General Wells Fargo				
63707	03/24/2016	INDUSTRY SECURITY SERVICES		\$37,368.80
	Invoice	Date	Description	Amount
	14-16963	03/11/2016	SECURITY SVC-TRES HERMANOS	\$2,187.12
	14-16952	03/11/2016	SECURITY SVC 3/4-3/10/16	\$16,485.33
	14-16903	03/04/2016	SECURITY SVC-TRES HERMANOS	\$2,187.12
	14-16891	03/04/2016	SECURITY SVC 2/26-3/3/16	\$16,509.23
63708	03/24/2016	KIMLEY-HORN & ASSOCIATES, INC.		\$7,445.20
	Invoice	Date	Description	Amount
	7500433	01/31/2016	FAIRWAY DR GRADE SEPARATION	\$2,522.02
	7500435	01/31/2016	TRAFFIC SURVEY-VARIOUS SITES	\$4,923.18
63709	03/24/2016	L A COUNTY DEPT OF PUBLIC		\$21,938.19
	Invoice	Date	Description	Amount
	SA160000180	03/09/2016	FINAL COOP AGRMT \$77847-VALLEY BLVD	\$21,938.19
63710	03/24/2016	L A COUNTY DEPT OF PUBLIC		\$5,188.42
	Invoice	Date	Description	Amount
	IN160000903	03/07/2016	PILOT ROUTINE MAINT	\$5,188.42
63711	03/24/2016	L A COUNTY SHERIFF'S		\$690,908.71
	Invoice	Date	Description	Amount
	163049NH	03/03/2016	SHERIFF CONTRACT-FEB 2016	\$690,377.95
	163105NH	03/02/2016	HELICOPTER SVC-JAN 2016	\$159.23
	163104NH	03/02/2016	HELICOPTER SVC-DEC 2015	\$106.15
	163103NH	03/02/2016	HELICOPTER SVC-NOV 2015	\$265.38
63712	03/24/2016	METHOD TECHNOLOGIES		\$332.50
	Invoice	Date	Description	Amount
	30174	01/19/2016	UPDATE CITY WEBSITE	\$47.50
	30337	02/04/2016	UPDATE CITY WEBSITE	\$142.50

**CITY OF INDUSTRY
WELLS FARGO BANK
March 24, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	30577	02/23/2016	UPDATE CITY WEBSITE	\$142.50
63713	03/24/2016		PHILIPS, PAUL J.	\$130.17
	Invoice	Date	Description	Amount
	03/08/16	03/08/2016	REIMBURSE FOR EXPENSES-LUNCH MEETING	\$130.17
63714	03/24/2016		ProcureIT USA, LLC	\$863.15
	Invoice	Date	Description	Amount
	03/04/16	03/04/2016	COMPUTER SUPPLIES	\$863.15
63715	03/24/2016		RICOH USA, INC.	\$2,636.70
	Invoice	Date	Description	Amount
	5040634255	02/22/2016	METER READING	\$2,636.70
63716	03/24/2016		RICOH USA, INC.	\$3,448.87
	Invoice	Date	Description	Amount
	49285686	03/06/2016	COPIER LEASE-HR	\$282.73
	49272920	03/06/2016	COPIER LEASE-MAR 2016	\$3,166.14
63717	03/24/2016		ROBINSON'S FLOWERS	\$299.70
	Invoice	Date	Description	Amount
	2545	03/02/2016	FLOWERS AND DELIVERY	\$299.70
63718	03/24/2016		ROLLING GREEN, INC.	\$2,632.50
	Invoice	Date	Description	Amount
	6672	02/16/2016	PRUNE TREES-15200 DON JULIAN RD	\$2,632.50
63719	03/24/2016		SAN GABRIEL VALLEY FAMILY	\$4,300.00
	Invoice	Date	Description	Amount
	2725	02/29/2016	GRAFFITI REMOVAL-FEB 2016	\$4,300.00

**CITY OF INDUSTRY
WELLS FARGO BANK**

March 24, 2016

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
63720	03/24/2016		SAN GABRIEL VALLEY NEWSPAPER	\$3,809.44
	Invoice	Date	Description	Amount
	0010729756	10/26/2015	CITY FINANCIAL REPORT	\$424.00
	0010752261	12/28/2015	NOTICE OF INTENDED PUBLIC SERVICE	\$440.56
	0010763884	01/29/2016	NOTICE OF PUBLIC HEARING	\$412.96
	0010773927	02/26/2016	NOTICE OF PUBLIC HEARING	\$352.24
	0010755852	01/08/2016	NOTICE OF INTENT	\$479.20
	0010758779	01/15/2016	NOTICE OF PUBLIC HEARING	\$352.24
	0010768777	02/12/2016	NOTICE OF PUBLIC HEARING	\$341.20
	0010773915	02/26/2016	NOTICE OF PUBLIC HEARING	\$335.68
	0010763875	01/29/2016	NOTICE OF PUBLIC HEARING	\$335.68
	0010773920	02/26/2016	NOTICE OF PUBLIC HEARING	\$335.68
63721	03/24/2016		SCS FIELD SERVICES	\$39,968.97
	Invoice	Date	Description	Amount
	0271310	01/31/2016	MAINT LANDFILL GAS SYSTEM	\$15,578.65
	0269747	12/31/2015	MAINT LANDFILL GAS SYSTEM	\$18,109.91
	0271311	01/31/2016	PACIFIC PALMS-FOURTH QTR TESTING	\$6,280.41
63722	03/24/2016		SHELL	\$9.00
	Invoice	Date	Description	Amount
	8000073489603	03/06/2016	CAR WASH-CITY VEHICLE	\$9.00
63723	03/24/2016		SO CAL INDUSTRIES	\$89.93
	Invoice	Date	Description	Amount
	216532	02/26/2016	FENCE RENTAL-INDUSTRY HILLS	\$89.93
63724	03/24/2016		STAPLES BUSINESS ADVANTAGE	\$1,331.44
	Invoice	Date	Description	Amount
	8038341113	03/05/2016	OFFICE SUPPLIES	\$1,009.94
	8038241569	02/27/2016	OFFICE SUPPLIES	\$321.50

**CITY OF INDUSTRY
WELLS FARGO BANK
March 24, 2016**

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
63725	03/24/2016		STEINKE ELECTRIC, KIRK	\$395.00
	Invoice	Date	Description	Amount
	1386	02/22/2016	INSTALL SPOT LIGHT-HOMESTEAD	\$395.00
63726	03/24/2016		STOTZ EQUIPMENT	\$2,659.16
	Invoice	Date	Description	Amount
	W10777	02/04/2016	REPAIR OF KUBUTA TRACTOR	\$2,447.60
	P55614	02/04/2016	PARTS FOR REPAIR OF TRACTOR	\$211.56
63727	03/24/2016		THE DOLPHIN GROUP, INC.	\$15,000.00
	Invoice	Date	Description	Amount
	30285	02/29/2016	MEDIA CONSULTING-FEB 2016	\$15,000.00
63728	03/24/2016		THEE BEST ROOTER & PLUMBING	\$529.71
	Invoice	Date	Description	Amount
	4876	02/28/2016	PLUMBING REPAIR-205 HUDSON	\$250.00
	4875	02/28/2016	PLUMBING REPAIR-HOMESTEAD	\$279.71
63729	03/24/2016		THRALL, RANCE	\$14,580.00
	Invoice	Date	Description	Amount
	MARCH 2016	03/08/2016	MAINTENANCE SVC-MAR 2016	\$14,580.00
63730	03/24/2016		UNDERGROUND SERVICE ALERT OF	\$61.50
	Invoice	Date	Description	Amount
	220160153	03/01/2016	DIG ALERTS	\$61.50
63731	03/24/2016		VILLEGAS GENERAL BUILDING	\$495.00
	Invoice	Date	Description	Amount
	201	03/01/2016	REPAIR WALKWAY-HOMESTEAD	\$495.00

**CITY OF INDUSTRY
WELLS FARGO BANK
March 24, 2016**

Check	Date			Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo					
63732	03/24/2016			VORTEX INDUSTRIES, INC.	\$985.83
	Invoice	Date	Description	Amount	
	04-997417-1	01/18/2016	REPAIR ROLLING STEEL DOOR-1123 HATCHER	\$985.83	
63733	03/24/2016			WILLDAN ENGINEERING	\$828.75
	Invoice	Date	Description	Amount	
	00613876	02/24/2016	ENGINEERING SVC-VARIOUS SITES	\$828.75	
63734	03/24/2016			WEATHERITE SERVICE	\$152.00
	Invoice	Date	Description	Amount	
	L166252	03/04/2016	A/C MAINT-IMC	\$152.00	

Checks	Status	Count	Transaction Amount
	Total	85	\$7,889,783.89

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

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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.

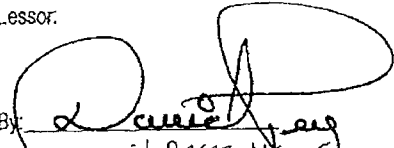
M&P OUTDOOR ADVERTISING, LLC

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.

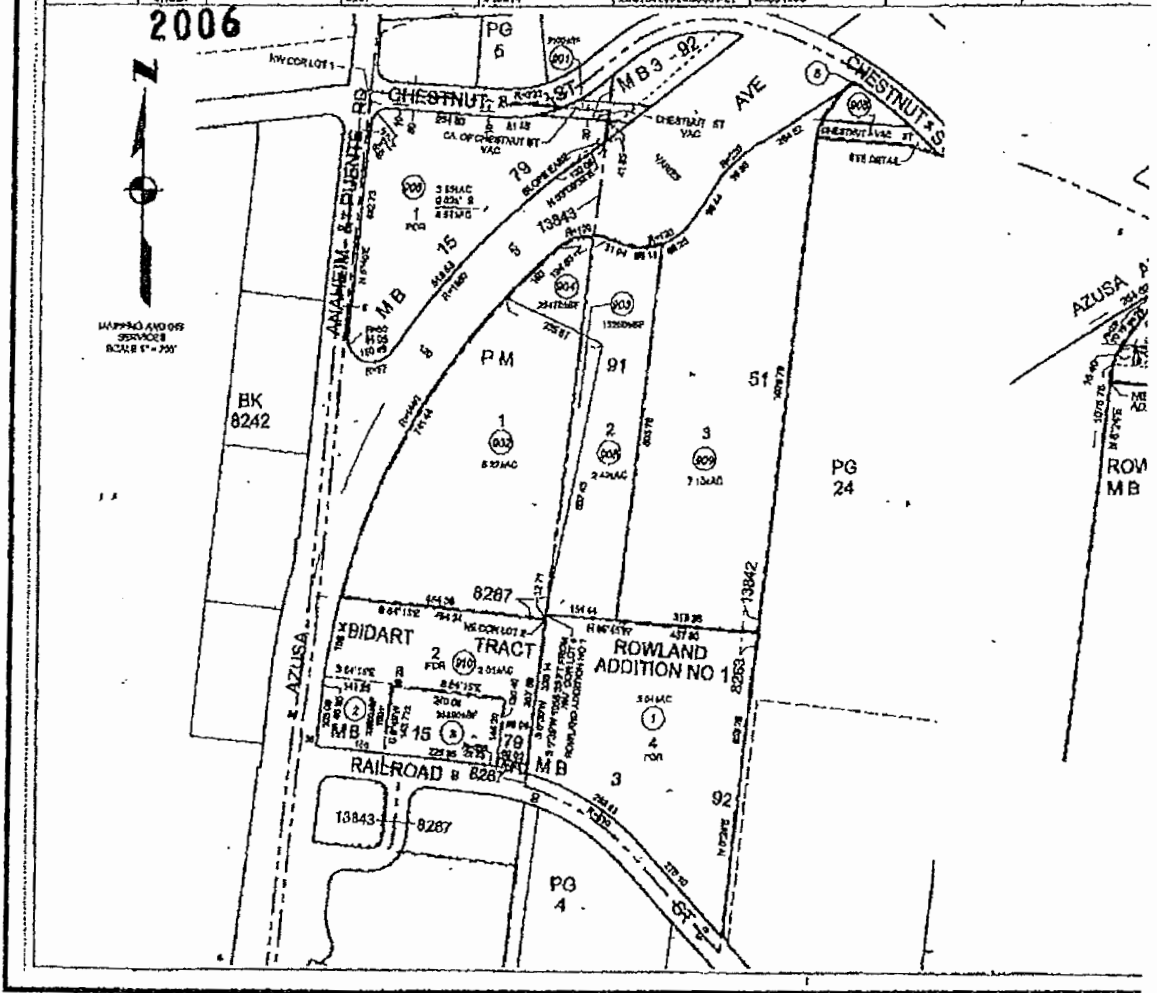
By: 
Name: David Perez, Mayor
Address:

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

View Enlarged Map

County of Los Angeles, Rick Anshbach, Assessor

8264	25	P.A. 8264-4	TRA 8263 13843 8267	REVISED 03/01/2008 255001-27 04/08/14	200104240203001-27 200108280203004-27 200102240203001-27	200304080904004-27 2005031804012001-27 20051206
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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:

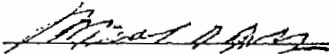
at its option either reduce rental in direct proportion to the diminution in value.

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.

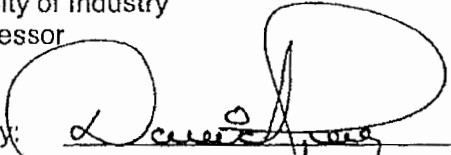
Accepted:

M & P Outdoor Advertising, LLC
Lessee

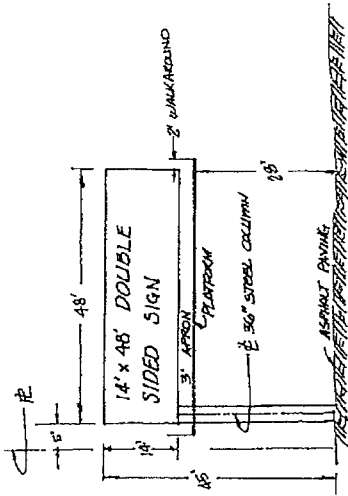
By: 

Date: 2/2/07

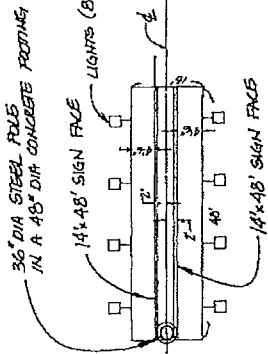
City of Industry
Lessor

By: 

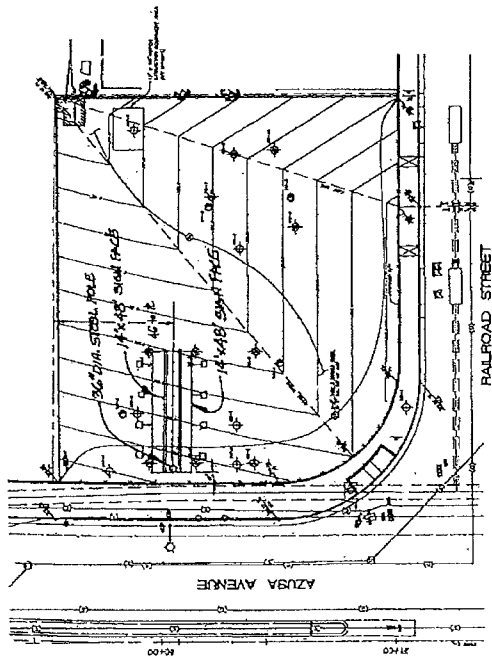
Date: JAN 25 2007



SIGN ELEVATION
Scale: 1" = 10'



SIGN DETAIL
Scale: 1" = 10'



SITE PLAN
Scale: 1" = 20'

- Legend
- Construction Notes
- Notes

PROPERTY ADDRESS:
842 Azusa Avenue
City of Industry, CA. 91744

PLOT PLAN

NO.	DATE	REVISIONS	SHEET NO.	TOTAL SHEETS
			JOB NO.:	SHT. OF

NOTE:
The plan showing the proposed asphalt paving over this parcel was prepared by CNC Engineering and dated "Paving Lot Grading Plan" dated June 2006. It shows the approximate location of the existing groundwater monitoring wells. Their exact location should be verified.

CITY COUNCIL

ITEM NO. 5.3



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 and Members of the City Council

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

Staff: Alex Gonzalez, Director of Development Services and Administration *AG*
Clem Calvillo, City Engineer, CNC Engineering
Josh Nelson, Deputy City Engineer, CNC Engineering

Date: March 24, 2016

SUBJECT: Consideration of Resolution No. CC 2016-19 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 No. 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 No. 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 No. 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.

On January 27, 2016, City staff and CNC Engineering staff met with Los Angeles County Geotechnical and Materials Engineering staff at the property to discuss the possible risk to the East Fork Road based on the guidance received from Forest Service staff. City staff submitted additional materials for review and requested a determination from Los Angeles County Geotechnical staff as to whether: a) an emergency repair is necessary, b) a temporary protective solution is adequate, or c) the area should be monitored before any repairs or protective solutions are considered.

On January 28, 2016, the City Council adopted Resolution No. 2016-08 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 February 8, 2016, the Principal Engineer from the Los Angeles County Department of Public Works, Geotechnical and Materials Engineering Division, notified the City in writing that the current condition of the East Fork Road does not merit an emergency condition. However, the City was directed to maintain and monitor the slope for erosion control on a monthly basis and after every storm event.

On February 11, 2016, the City Council adopted Resolution No. 2016-12 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 February 23, 2016, the City Council adopted Resolution No. 2016-14 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 March 3, 2016, City staff met on site with staff from the U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, California Department of Fish and Wildlife, the Regional Water Quality Control Board, and Sage Environmental to review the current state of the area where work was completed in December 2015 and assess whether additional work is recommended at the site to improve habitat based on the river channel's current condition after multiple storm systems in January and February 2016.

On March 10, 2016, the City Council adopted Resolution No. 2016-15 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.

Based on the direction from LA County Public Works to maintain and monitor the slope below the East Fork Road during storm events, City staff is recommending the continuation of this emergency declaration through the second week of April 2016, at a minimum, to ensure that the City is capable of responding in a timely fashion to any damage that may occur due to El Nino rain events.

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 No. CC 2016-14 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 2016-19

AG:mk

EXHIBIT A

Resolution No. CC 2016-19

[Attached]

RESOLUTION NO. CC 2016-19

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, on January 28, 2016 the City Council adopted Resolution 2016-08 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 February 11, 2016 the City Council adopted Resolution 2016-12 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 February 23, 2016 the City Council adopted Resolution 2016-14 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 March 10, 2016 the City Council adopted Resolution 2016-15 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 meeting held on March 24, 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. 6.1



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 *Paul J. Philips*

Staff: Alex Gonzalez, Director of Development Services and Administration *AG*

Date: March 24, 2016

SUBJECT: Authorize the City Manager to Enter into a Memorandum of Understanding (MOU) with the City of Industry Establishing a Reimbursement Agreement for Consultant Costs Related to the Preparation of Joint FASTLANE and TIGER Transportation Funding Grant Agreements

Staff from the City of Industry and the City of Diamond Bar have agreed to pursue a joint application for Federal funding under the competitive FASTLANE and TIGER grant programs for future phases of the 57/60 Confluence Project. Given the significant technical requirements of each grant and the limited timeline for grant applications, (April 14, 2016 for the FASTLANE grant and April 29, 2016 for the TIGER grant), City staff have agreed to enlist the services of professional transportation engineering firm WKE, Inc. to develop a competitive proposal for each grant opportunity.

The City of Diamond Bar has agreed to procure WKE's services; and staff from the cities of Diamond Bar and Industry have agreed to equally split the costs related to these grant applications, as memorialized in the attached MOU.

It is recommended that the City Council approve the MOU and authorize the City Manager to enter into the agreement on behalf of the City.

AG:mk

EXHIBIT A

MEMORANDUM OF UNDERSTANDING

[Attached]

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING ("Memorandum") is executed as of March 22, 2016 by and between the City of Diamond Bar, California, a municipal corporation ("Diamond Bar") and the City of Industry, a municipal corporation ("Industry"), hereinafter together occasionally referred to as "the parties".

RECITALS

- A. The parties have acknowledged that the reconfiguration and reconstruction of the 57/60 freeway interchange/confluence is a top traffic and transportation priority by adopting a joint resolution (Diamond Bar City Council Resolution 2009-10, Industry City Council Resolution 2266) in support of interchange improvements.
- B. In December 2015, President Obama signed the "Fixing America's Surface Transportation Act (FAST Act)", a five year authorization of highway, transit, safety and rail program funding. The FAST Act includes a grant opportunity known as FASTLANE, which was announced on March 2, 2016. FASTLANE applications are due April 14, 2016.
- C. The 2016 federal TIGER discretionary transportation grants were announced on March 8, 2016, with applications due April 29, 2016.
- D. The 57/60 freeway mainline improvement project, which requires \$205 million in funding, is eligible for funding under the competitive FASTLANE and TIGER grant programs.
- E. The parties have agreed to complete and submit FASTLANE and TIGER grant applications.

NOW THEREFORE, in consideration of the foregoing, the parties hereby agree as follows:

1. Diamond Bar has entered into a professional services agreement with WKE, Inc., a professional engineering consultant, to develop and submit joint 2016 FASTLANE and TIGER federal transportation grant applications (hereinafter referred to as "project") on behalf of the parties.
2. As the party to this agreement, Diamond Bar will process and pay all project-related invoices received from WKE, Inc.
3. The parties agree to split the total cost of WKE, Inc.'s project-related services preparation of, with each paying 50% of the total cost. The total cost shall be defined as the final direct cost of WKE Inc.'s services as estimated in the attached cost proposal (Exhibit A).
4. Industry shall reimburse Diamond Bar within thirty (30) days of request.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Understanding as of the date and year first written above.

Dated: _____, 2016

CITY OF DIAMOND BAR

By: _____
James DeStefano
City Manager

Dated: _____, 2016

CITY OF INDUSTRY

By: _____
Paul Phillips
City Manager

CITY COUNCIL

ITEM NO. 6.2



Alameda Corridor-East Construction Authority

4900 Rivergrade Rd. Ste. A120 Irwindale, CA 91706 (626) 962-9292 fax (626) 962-3552 www.theaceproject.org

Board Members

March 1, 2016

Jack Hadjinian

Chair
City of Montebello

Hon. Mayor Mark Radecki & Councilmembers
City of Industry

Juli Costanzo

Vice Chair
City of San Gabriel

15625 E. Stafford Street #100
Industry, CA 91744

Michael Antonovich

Los Angeles County

RE: Appointment of Member & Alternate to ACE Construction Authority
Board

Don Knabe

Los Angeles County

Dear Honorable Mayor Radecki & Councilmembers:

Hilda Solis

Los Angeles County

On behalf of the ACE Board I respectfully request the City of Industry consider an appointment of a member and alternate to our Board. As you know, Industry has not had representation since June, 2015 and has three active construction projects currently underway at: Nogales Street/Gale Avenue, Fairway Drive and Fullerton Road. These projects have a combined value of over \$400M and will be at various stages of construction through 2021. The City of Industry is an important partner in the ACE program.

Victoria Martinez

City of El Monte

TBD

City of Industry

Elliott Rothman

City of Pomona

The ACE Board meets the fourth Monday of each month at 1PM at Montebello City Hall and the meetings typically last an hour.

Barbara Messina

SGVCOG

Paul Eaton

Ex-Officio
SANBAG

The member/alternate of the ACE Board will also hold the same designation on the San Gabriel Valley Council of Governments (SGVCOG) Governing Board. The SGVCOG Board meets the third Thursday of the month from 6-8pm at the Upper Municipal Water District office in Monrovia.

Mark Christoffels

Chief Executive Officer

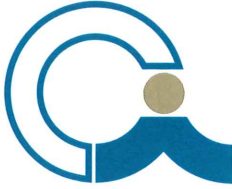
Sincerely,

A handwritten signature in blue ink, appearing to read 'Jack Hadjinian', with a long horizontal flourish extending to the right.

Jack Hadjinian
Chairman

CITY COUNCIL

ITEM NO. 6.3



CITY OF INDUSTRY

Incorporated June 18, 1957

MEMORANDUM

TO: The Honorable Mayor Radecki and Members of the City Council
FROM: Paul J. Philips, City Manager *Paul J. Philips*
DATE: March 24, 2016
SUBJECT: Request (\$50,000) for Sponsorship from The Gabriel Foundation

Please find attached the March 4, 2016 request for funding from Ron McPeak, President of The Gabriel Foundation. In his correspondence, Mr. McPeak indicates that the proposed City contribution will be used to increase prize monies thereby attracting "top rodeo performers."

IT IS RECOMMENDED that the City Council direct staff accordingly.

The Gabriel Foundation
16200 Temple Av
PO Box 7006
City of Industry CA 91744-7006
626.961.6892 F626.961.0691

Paul Phillips, City Manager and City of Industry City Council
15651 Stafford St
City of Industry CA 91744

RE: Sponsorship Request \$50,000

Dear Mr Phillips,

The Gabriel Foundation was founded in 1985 and is a non-profit organization consisting of business, professional, and service people living and working within the San Gabriel Valley. The major purpose of the Foundation is to raise funds for various service organizations dealing directly with disadvantaged children—the mentally challenged, physically handicapped, and abused children located within the East San Gabriel Valley.

Since its inception in 1985, the Gabriel Foundation has contributed over \$2.2 million to various charities helping these “Special Children in Need”, including Delhaven Community Center and Industry Sheriff’s Youth Activities League (YAL). The Industry Hills Charity Pro Rodeo is the Foundation’s annual fundraiser and over \$76,000 was donated last year with proceeds from the Rodeo. Each year the Rodeo helps more than 30,000 young people in our surrounding communities, helping many of them realize their dreams.

Our Community Kids Day each year brings in thousands of local school children and their teachers and administrators for free introducing them to the spirited world of rodeo. Over 35 local public and private schools participated in 2015 plus several special needs facilities and home schoolers totaling well over 5000 attendees.

Top performers of the Professional Rodeo Cowboys Association will compete for \$34,000 in prize money that weekend in bareback riding, steer wrestling, team roping, saddle bronco riding, calf and team roping, barrel racing, bull riding and best all-around. Depending on their placement in each event, their standing may help them qualify for the National Finals Rodeo in Las Vegas in December.

The City of Industry sponsorship of \$50,000 will help to increase the prize money to continue to attract the top rodeo performers. The prize money has not been increased in

the past 30 years. The top rodeo cowboys attract an increased audience which will improve our overall financial results, benefiting our "Special Children in Need".

Attracting visitors to the Expo Center introduces thousands of folks to the City of Industry and promotes the city as a vibrant place to do business. We are a city that has community assets, like the Grand Arena, that we are willing to share with the community residents of the San Gabriel Valley, and are a great civic partner for our business citizens to do great things for the disadvantaged in our community.

The City of Industry will be promoted as a primary rodeo sponsor in all marketing and advertising media which will enhance the city's positive image.

Your consideration of this request is sincerely appreciated.

Ron McPeak, President
The Gabriel Foundation

Diane Schlichting

From: Leona at Industry Hills Charity Pro Rodeo <industryrodeo@aol.com>
Sent: Friday, March 04, 2016 11:47 AM
To: Paul Philips
Cc: Diane Schlichting
Subject: Sponsorship Request Letter
Attachments: CoI Sponsorship Request Ltr.docx

Dear Paul,

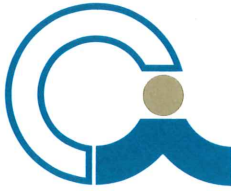
Attached is the City of Industry sponsorship request letter for your consideration.

Thank you!
Leona Harris
Rodeo Administrator
Industry Hills Charity Pro Rodeo
714-308-2455

For more information, please call 626-961-6892.

CITY COUNCIL

ITEM NO. 6.4



MEMORANDUM

TO: The Honorable Mayor Radecki and Members of the City Council
FROM: Paul J. Philips, City Manager *Paul J. Philips*
DATE: March 24, 2016
SUBJECT: Update regarding Steps to Achieve Compliance with the January 2016 State Controller's City of Industry Review Report

At the last City Council Meeting, the Council requested an update on the progress to address the State Controller's concerns outlined in her report of January 2016.

Accordingly, the following is provided:

- Page 5 through 10 of the Review Report describes several concerns about internal controls, budgeting, and administration of funds.

The City has taken action to employ additional City staff (now in place):

1. A new City Controller charged with the overall supervision of all financial activities of the City and related bodies;
 2. Two Administrative Analysts are now working to study, revise, and recommend any needed changes to our overall contracting and contract management processes; and
 3. A Field Operations Superintendent is now working to supervise and ensure that the massive amount of field operations/contracts are performed per industry standards.
- The City entered into a contract with Cartegraph to develop an electronic work order system that tracks labor, equipment, and material costs.
 - The City entered into a contract with PlanetBids to develop an electronic procurement system.
 - The City completed competitive, publicly noticed procurements for: Grant Administration Services, Traffic Engineering Services, Solar System Maintenance, and three public works projects in the last 60 days.

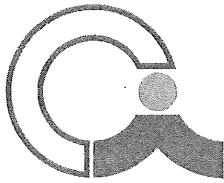
- Concern was raised by the State Controller about the contractual relations with other not-for-profit entities that the City supports by way of funding, support services, and/or contracting for specific services, programs and/or tasks. An example of those entities are:
 1. The Industry Manufacturers' Council (IMC);
 2. El Encanto Healthcare Facility;
 3. The Industry Sheriff's Youth Activity League; and
 4. The Homestead Museum.

Various responses can be summarized as follows:

1. The IMC has taken proactive steps to assess their staffing, Board membership, budgeting, and goals and objectives moving forward. The IMC Board of Directors soon will be working with The Dolphin Group to conduct a much needed "strategic plan" which will include analysis of the ongoing community role of the IMC.
2. Still outstanding is the \$40,000,000 loan to the El Encanto Healthcare Facility. It will be incumbent on the City and the El Encanto Board to work to address this annual auditing concern. It should be noted that the City continues to financially support the El Encanto building and landscaping maintenance, security, air conditioning, and other related expenses.
3. The Industry Sheriff's Youth Activity League continues to work with staff to better understand the City's purchasing and administrative policies; and
4. Staff has received excellent support from the Homestead Museum, as well as Industry Security, with the understanding they need to provide their own support services (e.g., insurance, vehicles, fuel, utility facility maintenance), as they go forward to craft their annual budget.

Our work on various City contracts continues to focus on the need for outside contractors and vendors to provide their own support services including, as an example, vehicles, insurance, fuel, and property maintenance, as well as periodic review, update, and re-bidding, if necessary

I have attached the previous "City of Industry Government Reforms Update", for your context.



CITY OF INDUSTRY

Incorporated June 18, 1957

MEMORANDUM

To: Honorable Mayor Radecki and Members of the City Council
From: Paul Phillips, City Manager *Paul Phillips*
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 though 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.