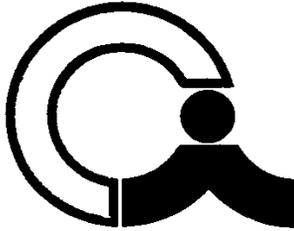


CITY OF INDUSTRY

CITY COUNCIL
REGULAR MEETING AGENDA

APRIL 28, 2016
9:00 AM



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

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

Addressing the City Council:

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

Americans with Disabilities Act:

- ▶ In compliance with the ADA, if you need special assistance to participate in any City meeting (including assisted listening devices), please contact the City Clerk's Office (626) 333-2211. Notification of at least 48 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting.

Agendas and other writings:

- ▶ In compliance with SB 343, staff reports and other public records permissible for disclosure related to open session agenda items are available at City Hall, 15625 East Stafford Street, Suite 100, City of Industry, California, at the office of the City Clerk during regular business hours, Monday through Friday 9:00 a.m. to 5:00 p.m. Any person with a question concerning any agenda item may call the City Clerk's Office at (626) 333-2211.

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

- 4.1 Presentation from Jose Diaz, Project Manager, Brownfields and Environmental Restoration Program, California State Department of Toxic Substances Control, on soil testing surrounding the Quemetco plant located at 720 South Seventh Avenue in the City of Industry.

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 the minutes of the November 12, 2015 regular meeting

RECOMMENDED ACTION: Approve as submitted.

5.3 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.

5.4 Consideration of Resolution No. CC 2016-25 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, TERMINATING THE CONTINUED EXISTENCE OF AN EMERGENCY CONDITION AT THE FOLLOWS CAMP PROPERTY PURSUANT TO CALIFORNIA PUBLIC CONTRACT CODE SECTION 22050 AND SECTION 3.52.110 OF THE CITY'S MUNICIPAL CODE

RECOMMENDED ACTION: Adopt Resolution No. CC 2016-25.

5.5 Consideration of Resolution No. CC 2016-26 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY APPROVING THE PURCHASE AND SALE AGREEMENT BETWEEN THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY AND THE CITY FOR 1123 – 1135 HATCHER AVENUE, CITY OF INDUSTRY AND MAKING THE REQUISITE CEQA FINDINGS

RECOMMENDED ACTION: Adopt Resolution No. CC 2016-26.

- 5.6 Consideration of a Professional Services Agreement between the City of Industry and CASC Engineering & Consulting, Inc., for National Pollutant Discharge Elimination System Consulting Services in the amount not to exceed \$100,000.00

RECOMMENDED ACTION: Approve the Agreement.

- 5.7 Consideration of Letter of Authorizations to the County of Los Angeles, Department of Agricultural Commissioner/Weights and Measures Weed Hazard and Pest Management Bureau, to clear grass, weeds, and/or brush in compliance with the Los Angeles County Fire Code in the total amount of \$53,788.00

RECOMMENDED ACTION: Approve the Letter of Authorizations, and authorize the City Manager to execute all future Letter of Authorizations with the County of Los Angeles.

- 5.8 Consideration of a Right of Entry Agreement between the City of Industry and the City of La Puente, for the repainting of the Azusa Avenue Bridge over Valley Boulevard

RECOMMENDED ACTION: Approve the Right of Entry Agreement.

- 5.9 Consideration of the rescheduling of the regular meeting of Thursday, May 12, 2016, to Tuesday, May 10, 2016 at 9:00 a.m.

RECOMMENDED ACTION: Reschedule the City Council Meeting to Tuesday, May 10, 2016 at 9:00 a.m.

6. **CITY COUNCIL COMMITTEE REPORTS**

7. **AB 1234 REPORTS**

8. **CITY COUNCIL COMMUNICATIONS**

9. **CLOSED SESSION**

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

10. Adjournment. If item 5.8 is approved, the next City Council Meeting will be Tuesday, May 10, 2016 at 9:00 a.m.

CITY COUNCIL

ITEM NO. 5.1

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

FUND RECAP:

<u>FUND</u>	<u>DESCRIPTION</u>	<u>DISBURSEMENTS</u>
100	GENERAL FUND	1,311,293.06
120	CAPITAL IMPROVEMENT FUND	304,043.94
161	IPUC - ELECTRIC	233,950.64
TOTAL ALL FUNDS		1,849,287.64

BANK RECAP:

<u>BANK</u>	<u>NAME</u>	<u>DISBURSEMENTS</u>
BOFA	BANK OF AMERICA - CKING ACCOUNTS	214,159.74
WFBK	WELLS FARGO - CKING ACCOUNT	1,635,127.90
TOTAL ALL BANKS		1,849,287.64

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

Check	Date			Payee Name	Check Amount
CITYELEC.CHK - City Electric					
1378	04/13/2016			CITY OF INDUSTRY	\$139,159.74
	Invoice	Date	Description		Amount
	04/13/16	04/13/2016	TRANSFER FUNDS-ELECTRIC		\$139,159.74

CITYGEN.CHK - City General

24305	04/13/2016			CIVIC RECREATIONAL INDUSTRIAL	\$75,000.00
	Invoice	Date	Description		Amount
	04/13/16	04/13/2016	TRANSFER FUNS-CRIA A/P		\$75,000.00

Checks	Status	Count	Transaction Amount
	Total	2	\$214,159.74

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

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
63838	04/08/2016		RICOH USA, INC.	\$268.96
	Invoice	Date	Description	Amount
	49536015	03/20/2016	NEW COPIER LEASE FOR CODE ENFORCEMENT	\$268.96
63839	04/14/2016		HOME DEPOT CREDIT SERVICE	\$43.53
	Invoice	Date	Description	Amount
	6560150	03/03/2016	MISC SUPPLIES-STOCK	\$43.53
63840	04/14/2016		MOVIUS, KATE	\$2,100.00
	Invoice	Date	Description	Amount
	02/23/16	02/23/2016	AUTISM RECOGNITION TRAINING-SHERIFF DEPT	\$2,100.00
63841	04/12/2016		L A COUNTY REGISTRAR-	\$2,210.25
	Invoice	Date	Description	Amount
	DP 15-15	04/07/2016	FEE-NOTICE OF DETERMINATION FOR DP15-15	\$2,210.25
63842	04/12/2016		L A COUNTY REGISTRAR-	\$75.00
	Invoice	Date	Description	Amount
	DP 15-15A	04/07/2016	FEE-NOTICE OF DETERMINATION FOR DP15-15	\$75.00
63843	04/12/2016		L A COUNTY REGISTRAR-	\$75.00
	Invoice	Date	Description	Amount
	DP15-20	04/07/2016	FEE-NOTICE OF DETERMINATION FOR DP15-20	\$75.00
63844	04/12/2016		L A COUNTY REGISTRAR-	\$2,210.25
	Invoice	Date	Description	Amount
	DP15-20A	04/07/2016	FEE-NOTICE OF DETERMINATION FOR DP15-20	\$2,210.25
63845	04/13/2016		GAS COMPANY, THE	\$123.79
	Invoice	Date	Description	Amount
	1135HATCHR-APR16	04/05/2016	03/03-04/01/16 SVC - 1135 HATCHER AVE	\$24.29

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

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	2016-00001220	04/05/2016	03/03-04/01/16 SVC - 710 NOGALES ST	\$14.30
	2016-00001221	04/07/2016	03/07-04/05/16 SVC - 2700 CHINO HILLS PKWY	\$69.09
	2016-00001222	04/07/2016	03/07-04/05/16 SVC - 1 INDUSTRY HILLS PKWY	\$16.11
63846	04/13/2016		SO CALIFORNIA EDISON COMPANY	\$2,461.74
	Invoice	Date	Description	Amount
	2016-00001223	04/06/2016	03/01-04/01/16 SVC - VARIOUS SITES-	\$1,855.44
	2016-00001224	04/06/2016	03/01-04/01/16 SVC - 600 BREA CYN RD	\$475.78
	2016-00001225	04/06/2016	03/04-04/05/16 SVC - 208 S WADDINGHAM WAY CP	\$130.52
63847	04/13/2016		SO CALIFORNIA EDISON COMPANY	\$631.26
	Invoice	Date	Description	Amount
	7500649702	03/31/2016	12/01-12/31/15 SVC - RELIABILITY SVC	\$631.26
63848	04/13/2016		SUBURBAN WATER SYSTEMS	\$172.50
	Invoice	Date	Description	Amount
	180050751923	04/04/2016	03/03-04/04/16 SVC - NE CNR VALLEY/STIMS	\$172.50
63849	04/19/2016		AT & T	\$9.07
	Invoice	Date	Description	Amount
	2016-00001235	04/01/2016	04/01-04/30/16 SVC - CITY WHITE PAGES	\$9.07
63850	04/19/2016		GAS COMPANY, THE	\$233.65
	Invoice	Date	Description	Amount
	2016-00001236	04/07/2016	03/01-04/01/16 SVC - 1 INDUSTRY HILLS PKWY UNIT	\$59.78
	2016-00001248	04/11/2016	03/09-04/07/16 SVC - 15625 STAFFORD ST APT A	\$150.49
	2016-00001249	04/11/2016	03/09-04/07/16 SVC - 15625 STAFFORD ST APT B	\$23.38
63851	04/19/2016		NOBLE AMERICAS ENERGY	\$63,689.24
	Invoice	Date	Description	Amount
	161040005533876	04/13/2016	WHOLESALE USE-MAR 2016	\$63,689.24

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

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
63852	04/19/2016		ROWLAND WATER DISTRICT	\$782.73
	Invoice	Date	Description	Amount
	2016-00001237	03/31/2016	02/12-03/16/16 SVC - AZUSA AVE - CENTER	\$62.52
	2016-00001238	03/31/2016	02/16-03/16/16 SVC - AZUSA AVE 205597	\$95.19
	2016-00001239	03/31/2016	02/16-03/17/16 SVC - 17401 VALLEY BLVD	\$136.02
	2016-00001240	03/31/2016	02/16-03/17/16 SVC - 930 AZUSA AVE	\$201.36
	2016-00001241	03/31/2016	02/16-03/17/16 SVC - 18044 ROWLAND-LAWSON	\$86.28
	2016-00001242	03/31/2016	02/16-03/17/16 SVC - HURLEY ST & VALLEY	\$201.36
63853	04/19/2016		SO CALIFORNIA EDISON COMPANY	\$23,242.65
	Invoice	Date	Description	Amount
	2016-00001243	04/07/2016	03/04-04/05/16 SVC - 15625 STAFFORD ST	\$3,678.05
	15660STAFF-APR16	04/07/2016	02/29-03/30/16 SVC - 15660 STAFFORD ST	\$1,632.65
	1135HATCH-APR16	04/08/2016	03/08-04/07/16 SVC - 1135 HATCHER AVE	\$326.10
	1123AHATCH-APR16	04/08/2016	03/08-04/07/16 SVC - 1123 HATCHER AVE STE A	\$174.79
	2016-00001244	04/08/2016	03/01-04/01/16 SVC - NOGALES ST/SAN JOSE AVE	\$503.34
	2016-00001245	04/09/2016	03/08-04/07/16 SVC - VARIOUS SITES	\$101.32
	2016-00001246	04/09/2016	03/01-04/01/16 SVC - 208 S WADDINGHAM WAY	\$16,826.40
63854	04/19/2016		VERIZON WIRELESS - LA	\$794.47
	Invoice	Date	Description	Amount
	9762825547	03/26/2016	02/27-03/26/16 SVC - VARIOUS WIRELESS	\$794.47
63855	04/28/2016		ALVAKA NETWORKS	\$220.00
	Invoice	Date	Description	Amount
	156571NP	03/31/2016	TRIP CHARGE	\$220.00
63856	04/28/2016		ARAMARK REFRESHMENT SERVICE,	\$158.88
	Invoice	Date	Description	Amount
	9041119	04/12/2016	COFFEE/OFFICE SUPPLIES	\$158.88

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

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
63857	04/28/2016		AT & T	\$225.00
	Invoice	Date	Description	Amount
	8960698217	04/01/2016	04/01-04/30/16 SVC - METROLINK-600 BREA CYN-	\$225.00
63858	04/28/2016		B AND T CATTLE	\$14,580.00
	Invoice	Date	Description	Amount
	50	04/08/2016	MAINT SVC-APR 2016	\$14,580.00
63859	04/28/2016		BANK OF AMERICA - VISA	\$867.23
	Invoice	Date	Description	Amount
	2016-00001250	04/06/2016	03/07-04/06/16 AUTHORIZED REP	\$867.23
63860	04/28/2016		BLAKE AIR CONDITIONING	\$1,019.00
	Invoice	Date	Description	Amount
	M34760	04/07/2016	QTRLY A/C MAINT SVC-CITY HALL	\$1,019.00
63861	04/28/2016		BRYAN PRESS	\$487.23
	Invoice	Date	Description	Amount
	0074659	03/22/2016	BUSINESS CARDS MASTERS	\$487.23
63862	04/28/2016		CASC ENGINEERING AND	\$8,037.00
	Invoice	Date	Description	Amount
	35300	02/29/2016	NPDES ENGINEERING SVC-FOLLOW'S CAMP	\$564.00
	35301	02/29/2016	NPDES ENGINEERING SVC-COI	\$7,473.00
63863	04/28/2016		CASSO & SPARKS, LLP	\$69,246.45
	Invoice	Date	Description	Amount
	20147	04/17/2016	COI-LEGAL SVC FOR NOV 2015	\$69,246.45
63864	04/28/2016		CITY OF INDUSTRY	\$1,257.15

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

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	Invoice	Date	Description	Amount
	2016-00000069	03/31/2016	IH FUEL PUMP-CITY VEHICLES	\$261.05
	2016-00000067	03/31/2016	IH FUEL PUMP-SECURITY VEHICLES	\$996.10
63865	04/28/2016		CITY OF INDUSTRY DISPOSAL CO.	\$2,362.08
	Invoice	Date	Description	Amount
	2490458	03/31/2016	MO SVC-CITY RESIDENCES	\$2,362.08
63866	04/28/2016		CITY OF INDUSTRY-MEDICAL	\$7,500.00
	Invoice	Date	Description	Amount
	REG 4/28/16	04/20/2016	TRANSFER FUNDS-MEDICAL	\$7,500.00
63867	04/28/2016		CITY OF INDUSTRY-PAYROLL ACCT	\$75,000.00
	Invoice	Date	Description	Amount
	P/R 4/15/16	04/14/2016	PAYROLL REIMBURSEMENT FOR 4/15/16	\$75,000.00
63868	04/28/2016		CITY OF INDUSTRY-REFUSE	\$19,766.01
	Invoice	Date	Description	Amount
	2473798	03/31/2016	DISP SVC-1123 HATCHER	\$2,993.38
	2472738A	04/01/2016	DISP SVC-205 HUDSON	\$184.24
	2472738B	04/01/2016	DISP SVC-841 7TH AVE	\$184.24
	2473838	03/31/2016	DISP SVC-HADDICK'S IMPOUND YARD	\$1,509.92
	2473077	04/01/2016	DISP SVC-CITY BUS STOPS	\$4,376.33
	2472482	04/01/2016	DISP SVC-CITY HALL	\$299.47
	2472485	04/01/2016	DISP SVC-TONNER CYN MAINT YARD	\$1,133.65
	2472484	04/01/2016	DISP SVC-TONNER CYN CAMP COURAGE	\$300.00
	2472483	04/01/2016	DISP SVC-TRES HERMANOS	\$138.38
	2473626	04/01/2016	DISP SVC-9TH & CLARK WIDENING	\$8,646.40
63869	04/28/2016		CITY OF SOUTH EL MONTE	\$2,000.00
	Invoice	Date	Description	Amount

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

Check	Date	Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo			
1076	03/29/2016	COALITION SR60 PORJECT-APR 2016	\$2,000.00
63870	04/28/2016	CNC ENGINEERING	\$193,896.19
Invoice	Date	Description	Amount
052016	04/14/2016	MEALS/WHEELS RENT-MAY 2016	\$5,000.00
44618	04/14/2016	INDUSTRY 66KV ELECTRICAL SUBSTATION FACILITY	\$976.26
44620	04/14/2016	ON-CALL STREET MAINT PROGRAM	\$470.64
44621	04/14/2016	VALLEY BLVD PCC PAVEMENT RECONSTRUCTION	\$2,968.28
44622	04/14/2016	CLARK AVE WIDENING	\$6,568.82
44623	04/14/2016	EMERGENCY CREEK AND ROADWAY REPAIRS	\$5,392.22
44624	04/14/2016	CROSSROADS PKY SOUTH RECONSTRUCTION	\$12,971.23
44625	04/14/2016	GENERAL ENGINEERING-CIP	\$52,114.92
44626	04/14/2016	GENERAL ENGINEERING 3/28-4/10/16	\$56,863.75
44627	04/14/2016	TONNER CYN PROPERTY	\$4,567.02
44628	04/14/2016	PUENTE VALLEY OPERABLE UNIT GROUNDWATER	\$392.20
44629	04/14/2016	CITY ELECTRICAL FACILITIES	\$1,054.71
44630	04/14/2016	EXPANSION OF RECLAIMED WATER SYSTEM	\$1,690.44
44631	04/14/2016	MAINT OF CITY HALL BLDG	\$723.98
44632	04/14/2016	MAINT OF IMC BLDG	\$313.76
44633	04/14/2016	HOMESTEAD MUSEUM MAINT	\$313.76
44634	04/14/2016	VALLEY BLVD RECONSTRUCTION	\$156.88
44635	04/14/2016	CITY AERIALS AND PHOTOMAPPER SYSTEM	\$325.42
44636	04/14/2016	OPERATION AND MAINT OF METRO PARKING SOLAR	\$1,522.69
44637	04/14/2016	TRAFFIC SIGNAL AT DON JULIAN/SIXTH AVE	\$1,592.12
44638	04/14/2016	1135 HATCHER AVE BLDG DEMOLITION	\$380.01
44639	04/14/2016	TRAFFIC SIGNAL-NELSON/SUNSET	\$1,335.07
44640	04/14/2016	PACIFIC PALMS IMPROVEMENTS	\$156.88
44641	04/14/2016	PAINT EVALUATION-FENCE ALONG TEMPLE &	\$1,205.75
44642	04/14/2016	INDUSTRY HILLS FUEL STN MAINT	\$470.64
44643	04/14/2016	PROPERTY MGMT FOR CITY OWNED PROPERTIES	\$2,538.48
44644	04/14/2016	AZUSA AVE BRIDGE REPAINTING	\$3,503.83

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

Check	Date	Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo			
44645	04/14/2016	FISCAL YEAR BUDGET	\$1,775.77
44646	04/14/2016	VARIOUS ASSIGNMENTS - SA TO IUDA	\$1,980.88
44647	04/14/2016	REPAIRS TO CITY OWNED PUMP STATIONS	\$156.88
44648	04/14/2016	GATEWAY CITIES COUNCIL OF GOVERNMENTS	\$650.84
44649	04/14/2016	MAINT OF YARD AT 1123 HATCHER AVE	\$253.34
44650	04/14/2016	ARENTH AVE RECONSTRUCTION	\$995.34
44651	04/14/2016	COI MUNICIPAL CODE COMPLIANCE	\$78.44
44652	04/14/2016	2015-2016 TARGET SPEED SURVEY	\$1,804.12
44654	04/14/2016	SURVEY OF MUNICIPALITIES REGARDING	\$196.10
44655	04/14/2016	FULLERTON RD GRADE SEPARATION	\$3,899.49
44656	04/14/2016	ALAMEDA CORRIDOR EAST RELATED PROJECTS	\$5,109.21
44657	04/14/2016	FAIRWAY DR GRADE SEPARATION	\$8,007.51
44658	04/14/2016	NOGALES GRADE SEPARATION	\$313.76
44595	03/31/2016	SIGNALIZED INTERSECTION ATLAS & RR CROSSING	\$156.88
44575	03/31/2016	PAINT EVALUATION-FENCE ALONG TEMPLE &	\$2,947.87
63871	04/28/2016	CNC ENGINEERING	\$976.26
Invoice	Date	Description	Amount
44619	04/14/2016	ADVANCED TRAFFIC MGMT SYSTEMS	\$976.26
63872	04/28/2016	COMFORT SYSTEMS USA	\$13,550.01
Invoice	Date	Description	Amount
241301	01/19/2016	A/C MAINT-EL ENCANTO	\$1,973.83
243639	03/14/2016	A/C MAINT-EL ENCANTO	\$1,848.00
240880	01/07/2016	A/C MAINT-EL ENCANTO	\$1,973.83
243100	02/29/2016	REPLACED 8 BELMO ACTURATORS-EL ENCANTO	\$3,900.31
241283	01/19/2016	A/C MAINT-EL ENCANTO	\$3,854.04
63873	04/28/2016	CORELOGIC INFORMATION	\$192.50
Invoice	Date	Description	Amount
81678843	03/31/2016	GEOGRAPHIC PKG-MAR 2016	\$192.50

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

Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
63874	04/28/2016		DEPT OF TRANSPORTATION	\$3,231.57
	Invoice	Date	Description	Amount
	SL160782	04/13/2016	MAINT SIGNAL LIGHTS-JAN THRU MAR 2016	\$3,231.57
63875	04/28/2016		EASYLINK SERVICES	\$55.50
	Invoice	Date	Description	Amount
	07634191604	04/04/2016	FAX SVC-MAR 2016	\$55.50
63876	04/28/2016		ENCO UTILITY SERVICES	\$5,109.50
	Invoice	Date	Description	Amount
	0113-0039MR	04/01/2016	METER READING-VARIOUS SITES	\$2,263.50
	0612-000396S	04/01/2016	METER SYSTEM MONITORING-METRO SOLAR	\$2,846.00
63877	04/28/2016		FRAZER, LLP	\$47,705.00
	Invoice	Date	Description	Amount
	142821	04/15/2016	COI-ACCTG SVC 4/1-4/15/16	\$37,945.00
	142389	03/31/2016	COI-PROF SVC FOR MARCH 2016	\$9,760.00
63878	04/28/2016		H & H GENERAL ENGINEERING, INC.	\$52,772.50
	Invoice	Date	Description	Amount
	#2CITY-1426	04/28/2016	EMERGENCY CREEK & ROADWAY REPAIRS-	\$55,550.00
63879	04/28/2016		HADDICK'S AUTO BODY	\$2,279.44
	Invoice	Date	Description	Amount
	047655	04/06/2016	AUTO MAINT-LIC 1210025	\$613.27
	047656	04/06/2016	AUTO MAINT-LIC 1370863	\$110.95
	047658	04/06/2016	MAINT-HOMESTEAD GOLFCART	\$173.50
	047659	04/06/2016	AUTO MAINT-LIC 1347776	\$157.20
	047654	04/06/2016	AUTO MAINT-LIC 1279616	\$118.76
	047653	04/06/2016	AUTO MAINT-LIC 1094930	\$472.18

**CITY OF INDUSTRY
WELLS FARGO BANK
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Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	047652	04/06/2016	AUTO MAINT-LIC 1370863	\$69.33
	047651	04/06/2016	AUTO MAINT-LIC 6PKM569	\$89.25
	H-73903	03/17/2016	TOWING SVC-LIC 6PKM569	\$75.00
	155617	03/17/2016	CONTAINER STORAGE	\$400.00
63880	04/28/2016		INDUSTRY SECURITY SERVICES	\$35,718.86
	Invoice	Date	Description	Amount
	14-17195	04/08/2016	SECURITY SVC 4/1-4/7/16	\$14,737.24
	14-17206	04/08/2016	SECURITY SVC-TRES HERMANOS	\$2,187.12
	14-17260	04/15/2016	SECURITY SVC 4/8-4/14/16	\$16,607.38
	14-17271	04/15/2016	SECURITY SVC-TRES HERMANOS	\$2,187.12
63881	04/28/2016		INTERNATIONAL LINE BUILDERS	\$21,093.62
	Invoice	Date	Description	Amount
	793102	03/14/2016	ELECTRICAL SVC-EAST END DEVELOPMENT	\$1,087.76
	776913	01/27/2016	ELECTRICAL SVC-EAST END DEVELOPMENT	\$20,005.86
63882	04/28/2016		JAMS, INC.	\$4,200.00
	Invoice	Date	Description	Amount
	0003712134-220	04/08/2016	LEGAL SERVICES	\$4,200.00
63883	04/28/2016		JANUS PEST MANAGEMENT	\$725.00
	Invoice	Date	Description	Amount
	176216	04/01/2016	PEST CONTROL SVC-HOMESTEAD	\$580.00
	174434	02/20/2016	PEST CONTROL SVC-IMC	\$145.00
63884	04/28/2016		KIMLEY-HORN & ASSOCIATES, INC.	\$22,493.26
	Invoice	Date	Description	Amount
	7625090	02/29/2016	TRAFFIC ENG-PUENTE AVE GRADE SEPARATION	\$445.45
	7625096	02/29/2016	FAIRWAY DR GRADE SEPARATION	\$4,196.78
	7625098	02/29/2016	TRAFFIC SURVEY-VARIOUS SITES	\$17,851.03

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Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
63885	04/28/2016		KLEINFELDER, INC.	\$1,462.50
	Invoice	Date	Description	Amount
	001097055	02/25/2016	GEO SVC-IBC EAST TANK LOCATION	\$1,462.50
63886	04/28/2016		L A COUNTY DEPT OF PUBLIC	\$372.00
	Invoice	Date	Description	Amount
	AR0243216	03/16/2016	MONITOR B/F DEVICES-EL ENCANTO/CITY HALL	\$372.00
63887	04/28/2016		L A COUNTY DEPT OF PUBLIC	\$30,596.77
	Invoice	Date	Description	Amount
	IN160001014	04/06/2016	PILOT ROUTINE MAINT	\$6,152.74
	IN160001025	04/07/2016	ACCIDENT-AMAR @ VINELAND	\$411.90
	IN160001020	04/07/2016	ACCIDENT-CALIFORNIA @ NELSON AVE	\$2,599.51
	IN160001024	04/07/2016	ACCIDENT-SUNSET AVE @ VALLEY BLVD	\$274.66
	IN160001029	04/07/2016	ACCIDENT-GIANO AVE @ VALLEY BLVD	\$21,157.96
63888	04/28/2016		L A COUNTY SHERIFF'S	\$690,377.95
	Invoice	Date	Description	Amount
	163538NH	04/06/2016	SHERIFF CONTRACT-MAR 2016	\$690,377.95
63889	04/28/2016		LANG, HANSEN, O'MALLEY &	\$25,000.00
	Invoice	Date	Description	Amount
	5369	04/01/2016	LEGISLATIVE SVC-APR 2016	\$25,000.00
63890	04/28/2016		LOCKS PLUS	\$456.71
	Invoice	Date	Description	Amount
	23254	04/05/2016	NEW LOCKS FOR VARIOUS SITES	\$456.71
63891	04/28/2016		MX GRAPHICS, INC.	\$604.08
	Invoice	Date	Description	Amount

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Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	9473	03/07/2016	BLUEPRINT SVC-MP 10 08 6	\$77.39
	9574	03/17/2016	BLUEPRINT SVC-MP 05 26	\$134.51
	9538	03/14/2016	BLUEPRINT SVC-MP 05 26	\$392.18
63892	04/28/2016		NOBLE AMERICAS ENERGY	\$12.69
	Invoice	Date	Description	Amount
	161090005546718	04/18/2016	WHOLESALE GAS-MAR 2016	\$12.69
63893	04/28/2016		PAETEC COMMUNICATIONS	\$757.12
	Invoice	Date	Description	Amount
	59322421	04/10/2016	PHONE SVC-APR 2016	\$757.12
63894	04/28/2016		PHILIPS, PAUL J.	\$533.09
	Invoice	Date	Description	Amount
	04/15/16	04/15/2016	REIMBURSE FOR EXPENSES-LUNCH MEETING	\$533.09
63895	04/28/2016		PLACEWORKS	\$6,786.54
	Invoice	Date	Description	Amount
	58901	03/31/2016	LBA REALTY/GALE AVE BLDG	\$1,868.13
	58900	03/31/2016	S & C PROPERTY DEV/NELSON BUSINESS PARK	\$1,868.13
	58896	03/31/2016	CHALMERS EQUITY GROUP/WAREHOUSE BLDG	\$675.00
	58895	03/31/2016	CKE RESTAURANTHOLDINGS/TOMMY'S	\$150.00
	58902	03/31/2016	STAFF SERVICES	\$2,187.50
	58897	03/31/2016	DONLON/ECHELON AVE DEVELOPMENT	\$37.78
63896	04/28/2016		POST ALARM SYSTEMS	\$273.25
	Invoice	Date	Description	Amount
	865549	04/05/2016	MONITORING SVC-HOMESTEAD MAY 2016	\$273.25
63897	04/28/2016		R.F. DICKSON CO., INC.	\$16,795.60
	Invoice	Date	Description	Amount

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Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
	2507890	03/31/2016	STREET AND PARKING LOT SWEEPING	\$16,795.60
63898	04/28/2016		RICHARDS, WATSON & GERSHON	\$14.49
	Invoice	Date	Description	Amount
	204125	10/30/2015	SPECIAL COUNSEL LEGAL ASSIGNMENTS	\$14.49
63899	04/28/2016		RICOH USA, INC.	\$20.50
	Invoice	Date	Description	Amount
	5041436722	04/03/2016	METER READING FOR COPIER	\$20.50
63900	04/28/2016		SO CAL INDUSTRIES	\$178.77
	Invoice	Date	Description	Amount
	220406	03/30/2016	RR RENTAL-TONNER CYN/GRAND AVE	\$93.87
	221361	04/07/2016	RR RENTAL-TONNER CYN/57 FWY	\$84.90
63901	04/28/2016		STAPLES BUSINESS ADVANTAGE	\$1,151.94
	Invoice	Date	Description	Amount
	8038729256	04/02/2016	OFFICE SUPPLIES	\$490.58
	8038822511	04/09/2016	OFFICE SUPPLIES	\$661.36
63902	04/28/2016		SULLY MILLER CONTRACTING	\$128,149.81
	Invoice	Date	Description	Amount
	#1CITY-1422	04/28/2016	CLARK AVE WIDENING	\$134,894.55
63903	04/28/2016		TELEPACIFIC COMMUNICATIONS	\$4,961.85
	Invoice	Date	Description	Amount
	76933570-0	03/31/2016	INTERNET SVC FOR APR 2016-CITY HALL/METRO	\$4,961.85
63904	04/28/2016		THE DOLPHIN GROUP, INC.	\$15,000.00
	Invoice	Date	Description	Amount
	30323	03/31/2016	MEDIA CONSULTING-MAR 2016	\$15,000.00

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Check	Date		Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo				
63905	04/28/2016		TRIMARK ASSOCIATES, INC.	\$1,726.67
	Invoice	Date	Description	Amount
	EB1100F	04/01/2016	MAINT SVC-METRO SOLAR	\$1,726.67
63906	04/28/2016		UNDERGROUND SERVICE ALERT OF	\$45.00
	Invoice	Date	Description	Amount
	320160161	04/01/2016	DIG ALERTS	\$45.00
63907	04/28/2016		UNITED SITE SERVICES OF	\$3,813.57
	Invoice	Date	Description	Amount
	04/06/16	04/06/2016	RR RENTAL-SPECIAL EVENT AT HOMESTEAD	\$3,813.57
63908	04/28/2016		VERIZON BUSINESS	\$160.69
	Invoice	Date	Description	Amount
	00065202	04/10/2016	03/01-03/31/16 SVC - VARIOUS SITES	\$31.45
	HATCHER-00065202	04/10/2016	03/01-03/31/16 SVC - HATCHER	\$5.18
	00065203	04/10/2016	03/01-03/31/16 SVC - VARIOUS SITES	\$124.06
63909	04/28/2016		WALNUT VALLEY WATER DISTRICT	\$26.98
	Invoice	Date	Description	Amount
	2241115	03/09/2016	02/01-03/02/16 SVC - PUMP STN N/W CHERYL	\$26.98

Checks	Status	Count	Transaction Amount
	Total	72	\$1,635,127.90

CITY COUNCIL

ITEM NO. 5.2

CITY COUNCIL REGULAR MEETING MINUTES
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CALL TO ORDER

The Regular Meeting of the City Council of the City of Industry, California, was called to order by Mayor Mark D. Radecki at 9:00 a.m. in the City of Industry Council Chamber, 15651 East Stafford Street, California.

FLAG SALUTE

The flag salute was led by Mayor Mark D. Radecki.

ROLL CALL

PRESENT: Mark D. Radecki, Mayor
Cory C. Moss, Mayor Pro Tem
Abraham N. Cruz, Council Member
Roy Haber, Council Member
Newell W. Ruggles, Council Member

STAFF PRESENT: Paul J. Philips, City Manager; James M. Casso, City Attorney; Cecelia Dunlap, Deputy City Clerk; John Ballas, City Engineer; and Brian James, Planning Director.

PUBLIC COMMENTS

State Assembly Member Ian Calderon presented an Annual Legislative Update that included updates on the budget, education, the drought, and arts funding.

Mayor Radecki paused the meeting so that the City Council could take pictures with Assembly Member Calderon.

Mayor Radecki presented a plaque to staff member Phyllis Tucker for her 50 years of service to the City of Industry.

Mayor Radecki paused the meeting so that the City Council and family members could take pictures with Ms. Tucker.

CONSENT CALENDAR

Mayor Radecki recused himself from check number 62989 for item 1 (Register of Demands) because he had a potential or actual financial conflict of interest in that he is

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CITY OF INDUSTRY, CALIFORNIA
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employed by Square Root Golf and Landscape.

Mayor Pro Tem Moss recused herself from check number 62928 for item 1 (Register of Demands) because she had a potential or actual financial conflict of interest in that she is employed by CNC Engineering.

Council Member Cruz recused himself from check number 62989 for item 1 (Register of Demands) because he had a potential or actual financial conflict of interest in that he is employed by Square Root Golf & Landscape.

MOTION BY MAYOR PRO TEM MOSS, AND SECOND BY COUNCIL MEMBER HABER THAT THE RECOMMENDATIONS BE ACCEPTED FOR THE REMAINING ITEMS LISTED ON THE CONSENT CALENDAR, WITH MAYOR PRO TEM MOSS RECUSING FROM CHECK NUMBER 62928 ON ITEM 1 (REGISTER OF DEMANDS), AND WITH MAYOR RADECKI AND COUNCIL MEMBER CRUZ RECUSING FROM CHECK NUMBER 62989 ON ITEM 1 (REGISTER OF DEMANDS). MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, HABER, RUGGLES, MOSS, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	NONE
ABSTAIN:	COUNCIL MEMBERS:	NONE

1. CONSIDERATION OF REGISTER OF DEMANDS

APPROVED THE REGISTER OF DEMANDS AND AUTHORIZED THE APPROPRIATE CITY OFFICIALS TO PAY THE BILLS.

2. CONSIDERATION OF THE MINUTES OF THE SEPTEMBER 3, 2015 SPECIAL MEETING

APPROVED AS SUBMITTED.

3. CONSIDERATION OF A PURCHASE OF PUBLIC SAFETY EQUIPMENT REQUESTED BY THE LOS ANGELES COUNTY SHERIFF'S DEPARTMENT

APPROVED THE PURCHASE OF PUBLIC SAFETY EQUIPMENT.

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CITY OF INDUSTRY, CALIFORNIA
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4. CONSIDERATION OF A DONATION IN THE AMOUNT OF \$27,500.00 TO THE VETERANS OF FOREIGN WARS POST 1944, PUENTE POST LOCATED AT 16157 E. GALE AVENUE IN THE CITY OF INDUSTRY FOR ROOF AND PARKING LOT REPAIRS

APPROVED THE DONATION OF \$27,500.00 TO THE VETERANS OF FOREIGN WARS POST 1944.

5. CONSIDERATION OF RESOLUTION NO. CC 2015-39 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, APPROVING ADOPTING A SALARY RANGE SCHEDULE FOR CITY EMPLOYEES AND OFFICERS

ADOPTED RESOLUTION NO. CC 2015-39.

CONSIDERATION OF A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF INDUSTRY AND BIGGS CARDOSA ASSOCIATES, INC., TO PROVIDE A PROJECT REPORT FOR THE NELSON AVENUE BRIDGE PROJECT, AND A FEASIBILITY ANALYSIS ON 10 CITY-OWNED BRIDGES FOR POTENTIAL FUNDING OPPORTUNITIES IN THE AMOUNT NOT TO EXCEED \$40,000.00

MOTION BY MAYOR PRO TEM MOSS, AND SECOND BY COUNCIL MEMBER HABER TO APPROVE THE AGREEMENT. MOTION 5-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, HABER, RUGGLES, MOSS, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	NONE
ABSTAIN:	COUNCIL MEMBERS:	NONE

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

MOTION BY MAYOR RADECKI, AND SECOND BY COUNCIL MEMBER CRUZ TO EXTEND THE CONSIDERATION OF RESOLUTION NO. CC 2015-38 TO THE NEXT REGULAR SCHEDULED MEETING. MOTION 5-0, BY THE FOLLOWING VOTE:

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AYES: COUNCIL MEMBERS: CRUZ, HABER, RUGGLES, MOSS, RADECKI
NOES: COUNCIL MEMBERS: NONE
ABSENT: COUNCIL MEMBERS: NONE
ABSTAIN: COUNCIL MEMBERS: NONE

CONSIDERATION OF DEVELOPMENT PLAN APPLICATION 15-18 SUBMITTED BY SEARS, ROEBUCK AND COMPANY TO CHANGE THE EXISTING SEARS AUTO CENTER INTO AN IN-LINE RETAIL CENTER WITH DRIVE-THRU LOCATED AT 1552 AZUSA AVENUE

Planning Director James provided a staff report to the City Council.

CONSIDERATION OF RESOLUTION NO. CC 2015-40 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA APPROVING DEVELOPMENT PLAN NO. 15-18 FOR THE REMODEL OF A RETAIL BUILDING LOCATED AT 1552 AZUSA AVENUE IN THE CITY OF INDUSTRY, CALIFORNIA, AND THE NOTICE OF EXEMPTION REGARDING SAME

MOTION BY COUNCIL MEMBER RUGGLES, AND SECOND BY COUNCIL MEMBER HABER TO ADOPT RESOLUTION NO. CC 2015-40. MOTION 5-0, BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: CRUZ, HABER, RUGGLES, MOSS, RADECKI
NOES: COUNCIL MEMBERS: NONE
ABSENT: COUNCIL MEMBERS: NONE
ABSTAIN: COUNCIL MEMBERS: NONE

CONSIDERATION OF RESOLUTION NO. CC 2015-41 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA AUTHORIZING AND DIRECTING THE SALE OF NOT TO EXCEED \$380,000,000 AGGERGATE PRINCIPAL AMOUNT OF CITY OF INDUSTRY SENIOR SALES TAX REVENUE REFUNDING BONDS, SERIES 2015A AND \$90,000,000 AGGREGATE PRINCIPAL AMOUNT OF CITY OF INDUSTRY SUBORDINATE SALES TAX REVENUE BONDS SERIES 2015B, APPROVING FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF BOND PURCHASE AGREEMENTS, INDENTURES, CONTINUING DISCLOSURE AGREEMENTS, A PRELIMINARY OFFICIAL STATEMENT, OFFICIAL STATEMENTS AND A LOAN AGREEMENT; AND AUTHORIZING NECESSARY ACTIONS IN CONNECTION THEREWITH

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MOTION BY MAYOR PRO TEM MOSS, AND SECOND BY COUNCIL MEMBER CRUZ TO ADOPT RESOLUTION NO. CC 2015-41. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: CRUZ, HABER, RUGGLES, MOSS, RADECKI
NOES: COUNCIL MEMBERS: NONE
ABSENT: COUNCIL MEMBERS: NONE
ABSTAIN: COUNCIL MEMBERS: NONE

CONSIDERATION OF A QUITCLAIM DEED FOR VARIOUS STORM DRAIN AND SEWER EASEMENTS GRANTED TO THE CITY WITHIN AND ACROSSASSESSOR PARCEL NUMBERS 8264-020-050, 8264-020-051, AND 8264-020-052 LOCATED AT 18639 RAILROAD STREET

Mayor Radecki announced that staff requested the item be removed from the agenda.

CONSIDERATION OF MINOR LOT LINE ADJUSTMENT APPLICATION NO. 77 SUBMITTED BY NELSON AVENUE INVESTMENT GROUP TO RECONFIGURE THE EXISTING PROPERTY LINES TO FORM TWO DEVELOPABLE PARCELS LOCATED AT 15334-15336 NELSON AVENUE

City Engineer Ballas provided a staff report to the City Council.

MOTION BY COUNCIL MEMBER RUGGLES, AND SECOND BY COUNCIL MEMBER HABER TO APPROVE MINOR LOT LINE ADJUSTMENT NO. 77. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: CRUZ, HABER, RUGGLES, MOSS, RADECKI
NOES: COUNCIL MEMBERS: NONE
ABSENT: COUNCIL MEMBERS: NONE
ABSTAIN: COUNCIL MEMBERS: NONE

CONSIDERATION OF A WORK AUTHORIZATION UNDER CONSULTANT CONTRACT NO 1-KINLEY 13-01, IN THE BUDGET AMOUNT \$46,500.00 FOR KIMLEY-HORN, INC. TO PROVIDE AN ENGINEERING AND TRAFFIC SURVEY, INCLUDING A RADR SPEED SURVEY FOR NINTY-THREE ROADWAY SEGMENTS ON THIRTY-NINE ARTERIAL CORRIDORS WITHIN THE CITY OF INDUSTRY

City Engineer Ballas provided a staff report to the City Council.

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MOTION BY COUNCIL MEMBER HABER, AND SECOND BY COUNCIL MEMBER CRUZ TO APPROVE THE WORK AUTHORIZATION. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: CRUZ, HABER, RUGGLES, MOSS, RADECKI
NOES: COUNCIL MEMBERS: NONE
ABSENT: COUNCIL MEMBERS: NONE
ABSTAIN: COUNCIL MEMBERS: NONE

CONSIDERATION OF MAYOR'S APPOINTMENT TO THE CITY OF INDUSTRY PLANNING COMMISSION

MOTION BY MAYOR RADECKI, AND SECOND BY COUNCIL MEMBER CRUZ TO APPOINT MICHAEL GREUBEL TO THE CITY OF INDUSTRY PLANNING COMMISSION. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: CRUZ, HABER, RUGGLES, MOSS, RADECKI
NOES: COUNCIL MEMBERS: NONE
ABSENT: COUNCIL MEMBERS: NONE
ABSTAIN: COUNCIL MEMBERS: NONE

DISCUSSION AND DIRECTION REGARDING THE INDUSTRY PROPERTY AND HOUSING MANAGEMENT AUTHORITY'S BOARD COMPOSITION

City Manager Philips presented a staff report to the City Council, and indicated a Board Member had resigned. Mr. Philips indicated there is an opportunity to appoint a Board Member, or direct staff to solicit applications for the open position.

Mayor Radecki directed staff to proceed with the solicitation of applications for the open position of a Board Member.

Council Member Ruggles requested staff to explore the possibility of adding additional Board Members to the three-member Board, and revising the Industry Property and Housing Management Authority Bylaws.

DISCUSSION AND DIRECTION REGARDING THE RESCHEDULING AND/OR CANCELLATION OF THE REGULAR MEETINGS SCHEDULED FOR THURSDAY, NOVEMBER 26, 2015, AND THURSDAY, DECEMBER 24, 2015

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Discussion ensued between the City Council and staff, and determined that if there is a need for a second meeting for the months of November and December that dates will be provided to the City Council for their availability.

CITY COUNCIL COMMITTEE REPORTS

There were none.

AB1234 REPORTS

There were none.

CITY COUNCIL COMMUNICATIONS

Council Member Ruggles reported that he attended the Majestic Realty Land of the Free Golf Tournament on Veterans Day in honor of all veterans. Council Member Ruggles commented on the success of the event, and indicated that all proceeds raised from the golf tournament will go directly to the veterans.

Mayor Radecki introduced Mr. Henry Roman of the Veterans of Foreign Wars Post 1944, and paused the meeting so that the City Council could take pictures with the Mr. Roman.

Mr. Roman thanked the City Council for approving the VFW's request for financial assistance. Mr. Roman stated that with the financial assistance from the City and the Los Angeles County Board of Supervisors Hilda Solis and Don Knabe will help continue to serve the veterans of the community.

Mayor Radecki and Members of the City Council thanked Mr. Roman.

Mayor Radecki recessed the meeting into the Industry Public Facilities Authority at 9:35 a.m.

RECONVENE CITY COUNCIL MEETING

Mayor Radecki reconvened the meeting at 9:38 a.m. All members of the City Council were present.

CLOSED SESSION

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CITY OF INDUSTRY, CALIFORNIA
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Deputy City Clerk Dunlap announced there was a need for Closed Session as follows:

- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2): Two Potential Cases.
- B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Initiation of litigation pursuant to Government Code Section 54956.9(d)(4):
Two Cases.
- C. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
Case: 20/20 Network LLC v. City of Industry
Los Angeles Superior Court Alhambra Courthouse
Case No. 15G07576

There were no public comments on the Closed Session items.

Mayor Radecki recessed the meeting into Closed Session at 9:39 a.m.

RECONVENE CITY COUNCIL MEETING

Mayor Radecki reconvened the meeting at 10:42 a.m. All members of the City Council were present. City Attorney Casso reported out of Closed Session.

With regard to items A, B, and C, the City Council took no reportable action.

ADJOURNMENT

There being no further business, the City Council adjourned at 10:43 a.m.

MARK D. RADECKI
MAYOR

CITY COUNCIL REGULAR MEETING MINUTES
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CECELIA DUNLAP
DEPUTY CITY CLERK

CITY COUNCIL

ITEM NO. 5.3

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:

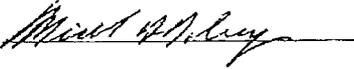
APN: 8264-025-002
LOCATION: Azusa Blvd & Railroad Street N.E.

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.

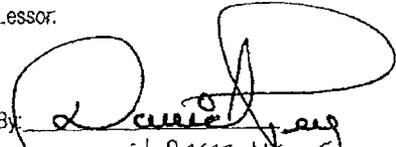
M&P OUTDOOR ADVERTISING, LLC

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

Addendum to Lease Agreement

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

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

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

Paragraph 5 line 3 of the following wording is deleted:

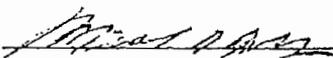
at its option either reduce rental in direct proportion to the diminution in value.

The following three paragraphs are added to the Lease Agreement:

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

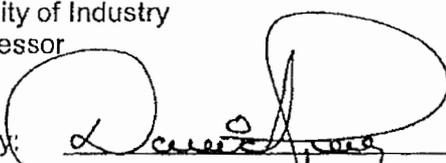
Accepted:

M & P Outdoor Advertising, LLC
Lessee

By: 

Date: 2/2/07

City of Industry
Lessor

By: 

Date: JAN 25 2007

CITY COUNCIL

ITEM NO. 5.4



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: April 28, 2016

SUBJECT: Consideration of Resolution No. CC 2016-25 Terminating 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.

City staff is recommending the termination of this emergency declaration as the City has responded in a timely fashion to the threat of any damage that may have occurred due to El Niño rain events. The contractor has demobilized at Follows Camp, and all activities at Follows Camp have ceased with the ending of seasonal rains. The City has applied for a five year maintenance permit from regulating authorities, to ensure that future maintenance activities at Follows Camp fall within all applicable laws and regulations.

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, upon a four-fifths vote by the City Council, the City may terminate the emergency declaration at the property once the emergency condition has passed. 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 condition has terminated and work at the location is no longer necessary.

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. The City Council's adoption of

Resolution No. CC 2016-25 would make the findings needed pursuant to the California Public Contract Code Section 22050 to terminate the declared emergency action and return to the City Council at its next regularly scheduled meeting for approval of project closeout documentation and a final change order.

Exhibit

A: Resolution No. CC 2016-25

PJP:AG:mk

EXHIBIT A

Resolution No. CC 2016-25

[Attached]

RESOLUTION NO. CC 2016-25

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, TERMINATING THE CONTINUED EXISTENCE OF AN EMERGENCY CONDITION AT THE FOLLOWS CAMP PROPERTY 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, the City has responded in a timely fashion to the conditions at the Follows Camp property given the predicted severity of winter El Niño driven storm events, and it has been determined that emergency repair activities are completed that have ensured 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, the City Council has adopted Resolutions by a four-fifths vote at every regularly scheduled meeting since November 25, 2015, to continue the emergency declaration; and

WHEREAS, the City applied for, received, and completed the conditions of a permit issued by 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 no longer 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 the conclusion of winter storm activity as a result of El Niño conditions, immediate attention is no longer necessary 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 is no longer necessary 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.

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 has ceased to exist and declares that the public interest and necessity demand the immediate termination of the emergency declaration.

SECTION 4: The City Council shall review the project close out documentation and final change order at its next scheduled meeting.

SECTION 5: 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 6: 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 April 28, 2016 by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

Mark D. Radecki, Mayor

ATTEST:

Cecelia Dunlap, Deputy City Clerk

CITY COUNCIL

ITEM NO. 5.5



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 Council Members

FROM: James M. Casso, City Attorney

DATE: April 28, 2016

SUBJECT: Consideration of Resolution Approving the Purchase & Sale Agreement for 1123-1135 Hatcher Avenue, City of Industry and making CEQA Findings

BACKGROUND: Earlier this year, the Council directed staff to purchase Successor Agency owned property that could be used by the City for various governmental purposes. The Hatcher Avenue property has been slated for purchase by the City since the inception of the Successor Agency. For the Hatcher property, the City will pay to the Agency the appraised value of \$6,100,000.00.

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

DISCUSSION: The Agency began acquiring 1123-1135 Hatcher Avenue in September 2002. The City intends to use the property for governmental purposes.

RECOMMENDATION: Staff recommends that the Council approve the Resolution.

Attachment

RESOLUTION NO. CC 2016-26

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY APPROVING THE PURCHASE AND SALE AGREEMENT BETWEEN THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY AND THE CITY FOR 1123 – 1135 HATCHER AVENUE, CITY OF INDUSTRY AND MAKING THE REQUISITE CEQA FINDINGS

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

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

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

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

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

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

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

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

WHEREAS, the Agency owns certain property located at 1123 – 1135 Hatcher Avenue, City of Industry, California (Property #59/60); and

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

WHEREAS, the Agency desires to sell the Property to the City, pursuant to a Purchase and Sale Agreement (the “Agreement”). The purchase price is \$6,100,000.00, which represents an amount equal to or greater than the current fair market value of the Property, as determined by an appraisal performed by Stephen G. White, MAI; and

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

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

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

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

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

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

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

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

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

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

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

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

PASSED, APPROVED AND ADOPTED this 28th day of April 2016, by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

Mark D. Radecki, Mayor

ATTEST:

Cecelia Dunlap, Deputy City Clerk

**PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS
1123 – 1135 Hatcher Avenue, City of Industry**

THIS PURCHASE AGREEMENT for the property located at 1123 – 1135 HATCHER AVENUE, CITY OF INDUSTRY, CA (this “Agreement”), dated as of April 28, 2016 (the “Effective Date”) is entered into by and between the SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, a public body corporate and politic, (the “Agency” or “Seller”) and the CITY OF INDUSTRY, a municipal corporation (the “City” or “Buyer”). The City and the City are hereinafter sometimes individually referred to as a “party” and collectively referred to as the “parties.”

RECITALS

A. Agency is the owner of that certain real property located at 1123 – 1135 Hatcher Avenue, City of Industry, California, and the reciprocal easement area, as more particularly described on Exhibit A attached hereto together with all right, title and interest in and to all appurtenances and improvements (collectively, the “Property”).

B. The Property was previously owned by the Industry Urban-Development Agency (“IUDA”). On June 28, 2011, the Governor signed into law ABX1 26, which provided for the dissolution and winding down of redevelopment agencies throughout the State of California. AB X1 26 was subsequently amended by Assembly Bill 1484 (collectively, as amended, “Dissolution Act”).

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

D. Currently the Property is improved with a 27-year old industrial building approximately 30,000 square feet in size.

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

NOW, THEREFORE, for valuable consideration, and subject to all terms and conditions hereof, Buyer and Seller agree as follows:

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

2. PURCHASE PRICE. The purchase price (“Purchase Price”) for the Property shall be Six Million One Hundred Thousand Dollars (\$6,100,000.00) (the “Purchase Price”), payable by Buyer to Seller in cash at the Closing (as defined in Section 7A below). A non-refundable deposit equal to ten percent (10%) of the Purchase Price shall be deposited into escrow by Buyer within

five (5) days after execution of this Agreement by Seller and delivery to Buyer (“Deposit”). At the close of escrow, the Deposit shall be applied to the Purchase Price. Notwithstanding the above, if any of the conditions to closing set forth in Section 4 are not satisfied and escrow fails to close as a result thereof, the Deposit shall be fully refundable to Buyer.

3. ESCROW.

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

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

4. CONDITIONS TO CLOSING.

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

(i) Title. Buyer acknowledges receipt of a preliminary title report prepared by Escrow Holder for the Property (“Title Report”). Buyer shall acquire the Property subject to all exceptions described in the Title Report, together with all non-delinquent real property taxes and assessments to be assessed against the Property, and the One West Bank Lease (“Approved Exceptions”). At the Closing, Seller shall deliver title to the Property to Buyer subject only to the Approved Exceptions.

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

(iii) Delivery of Assignment. Seller shall have executed and deposited into Escrow, for delivery to Buyer, an Assignment in the form attached hereto as Exhibit C, assigning the One West Bank Lease to Buyer (“Assignment”). If any of the conditions to Buyer’s obligations set forth above fail to occur at or before the Closing Date through no fault of Buyer, then Buyer may cancel the Escrow, terminate this Agreement, and recover any amounts paid by Buyer to the Escrow Holder toward the Purchase Price.

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

(i) Authorization to Sell. Prior to the Closing, Seller shall have obtained any and all authorizations and approvals necessary to sell the Property pursuant to the Dissolution

Legislation, including California Department of Finance approval of the Oversight Board resolution approving the sale of the Property to Buyer on the terms and conditions set forth herein.

(ii) No Default. Buyer shall not be in material default of Buyer's obligations under this Agreement, including, but not limited to, Buyer's obligation to deliver the Purchase Price into escrow on or before the Closing Date. If the conditions above have not been satisfied or waived by Seller at or before the Closing Date through no fault of Seller, then Seller may, upon written notice to Buyer, cancel the Escrow, terminate this Agreement, and recover any documents delivered to the Escrow Holder pursuant to this Agreement.

5. REPRESENTATIONS AND WARRANTIES.

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

B. Except as provided in Section 4 B (i) above, Seller hereby represents and warrants to Buyer that (i) it has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby; (ii) all requisite action (corporate, trust, partnership or otherwise) has been taken by Seller in connection with entering into this Agreement and the instruments referenced herein, and the consummation of the transactions contemplated hereby; and (iii) no consent of any other party is required.

C. Except as disclosed on those reports set forth on Exhibit D attached hereto (collectively, "Environmental Reports"), Seller hereby represents and warrants that (i) Seller has not released any Hazardous Materials on the Property, (ii) Seller has no actual knowledge of any release of Hazardous Materials (as defined below) on the Property, and (iii) Seller has not received any notice of any violation of any law, ordinance, rule, regulation or order of any governmental authority pertaining to the Property. For purposes of this Agreement, the term "Hazardous Materials" shall mean any and all of those materials, substances, wastes, pollutants, contaminants, byproducts, or constituents which have been determined to be injurious to health or the environment, including without limitation those designated as hazardous or toxic by any federal, state or local law, ordinance, rule, regulation or policy, and any other materials, substances, wastes, pollutants, contaminants, by-products or constituents requiring remediation under federal, state or local laws, ordinances, rules, regulations or policies.

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

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

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

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

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

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

City's Initials

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

7. CLOSING OF ESCROW.

A. Delivery of Documents and Payment. At or prior to Closing, Seller shall deposit into Escrow the executed Assignment, and a Grant Deed in the form attached hereto as Exhibit B, properly executed and acknowledged by Seller, in favor of Buyer, containing the legal description of the Property and subject only to the Approved Exceptions. At or prior to Closing, Buyer and Seller shall have each deposited into Escrow any supplemental escrow instructions necessary to close this Escrow. Escrow Holder shall deliver to Seller the Purchase Price, when (1) Escrow Holder holds, and is able to record, the Grant Deed, (2) Escrow Holder is prepared to issue to Buyer the Title Policy as provided in Section 7 B below, (3) the conditions specified in Section 4 have been satisfied or waived and (4) Escrow Holder holds, and is able to deliver to Buyer, the executed Assignment.

B. Title Insurance. At the Close of Escrow, Buyer shall obtain from Escrow Holder a standard coverage American Land Title Association ("ALTA") owner's form policy of title insurance in the amount of the Purchase Price insuring title to the Property in the name of Buyer subject only to the Approved Exceptions and the standard printed exclusions from coverage of an ALTA standard title policy ("Title Policy").

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

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

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

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

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

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

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

(iii) In contracts: “The contracting party or parties hereby covenant by and for himself or herself and their respective successors and assigns, that there shall be no

discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the contracting party or parties, any subcontracting party or parties, or their respective assigns or transferees, establish or permit any such practice or practices of discrimination or segregation.

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

F. Restrictive Covenant. In order to insure the City’s compliance with the covenants set forth in Sections 5.1, 5.2, 5.3, and 5.4 hereof, such covenants shall be set forth in the Grant Deed. Such covenants shall run with the Property for the benefit of the Agency and the Agency shall have the right to assign all of its rights and benefits therein to the City.

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

(1) The non-discrimination and non-segregation requirements set forth in Sections 7E (i), (ii) and (iii) shall remain in effect in perpetuity;

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

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

9. FIRPTA. Seller warrants that it is not a foreign person or entity as defined in the Foreign Investors Real Property Tax Act and prior to the close of escrow Seller will deposit an affidavit certifying same. Escrow Holder’s duties pertaining to these provisions are limited to the receipt from Seller of such affidavit prior to the close of escrow and delivery to Buyer of such affidavit at the close of escrow.

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

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

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

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

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

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

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

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

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

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

15. MISCELLANEOUS.

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

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

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

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

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

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

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

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

CITY OF INDUSTRY

By: _____
Mark D. Radecki, Mayor

ATTEST:

Cecelia Dunlap, Deputy City Clerk

APPROVED AS TO FORM:

By: _____
James M. Casso, City Attorney

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

By: _____
Mark D. Radecki, Chairman

ATTEST:

Diane M. Schlichting, Assistant Secretary

APPROVED AS TO FORM:

By: _____
James M. Casso, Agency Counsel

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT B
FORM OF GRANT DEED

EXHIBIT C
FORM OF ASSIGNMENT

EXHIBIT D

LIST OF ENVIRONMENTAL REPORTS

CITY COUNCIL

ITEM NO. 5.6



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: April 28, 2016

SUBJECT: Approve Professional Services Agreement with CASC Engineering & Consulting, Inc., for National Pollutant Discharge Elimination System Consulting Services in an amount not to exceed \$100,000

On June 13, 2013, City Council approved a Professional Services Agreement with CASC Engineering & Consulting, Inc. (CASC) for National Pollutant Discharge Elimination System Consulting Services (NPDES) to ensure compliance with the 2012 Los Angeles County Municipal Separate Storm Sewer System (M24) NPDES Permit, Order No. R4-2012-0175 (MS4 Permit). The MS4 Permit requires Permittees to develop and have in place a Low Impact Development (LID) ordinance that meets the requirements of the MS4 Permit's Planning and Land Development Program.

The consulting services include attending the Upper San Gabriel River Watershed Management Program (EWMP) and Coordinated Integrated Monitoring Program (CIMP) meetings, Los Angeles Permit Group meetings, Los Angeles County MS4 Co-Permittee Public Information meetings, and various meetings and workshops regarding compliance with the Los Angeles County MS4 NPDES Permit. CASC assists the City with the compilation and submission of the Los Angeles County MS4 Permit Co-Permittee Annual Report and provides on-call expert assistance for all NPDES permit issues. CASC also assists with reviews for private development projects when needed for compliance with the City of Industry Low Impact Development (LID) Ordinance and the Green Streets Policy requirements.

Staff recommends approving a Professional Services Agreement with CASC for NPDES Consulting Services, as these are continuing services within five (5) years of the initial award date.

Exhibit

- A. Professional Services Agreement with CASC Engineering & Consulting, Inc., in an amount not to exceed \$100,000
-

PJP:AG:kw

EXHIBIT A

**Professional Services Agreement with CASC Engineering & Consulting, Inc., in
an amount not to exceed \$100,000**

[Attached]

CITY OF INDUSTRY

PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICES AGREEMENT ("Agreement"), is made and effective as of April 28, 2016 ("Effective Date"), between the City of Industry, a municipal corporation ("City") and CASC Engineering and Consulting, Inc., a California S-corporation ("Consultant"). The City and Consultant are hereinafter collectively referred to as the "Parties".

RECITALS

WHEREAS, City desires to engage Consultant to perform the services described herein, and Consultant desires to perform such services in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, City and Consultant agree as follows:

1. TERM

This Agreement shall commence on the Effective Date, and shall remain and continue in effect until tasks described herein are completed, but in no event later than April 28, 2017, unless sooner terminated pursuant to the provisions of this Agreement.

2. SERVICES

(a) Consultant shall perform the tasks ("Services") described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. ("Scope of Services"). Tasks other than those specifically described in the Scope of Services shall not be performed without prior written approval of the City. The Services shall be performed by Consultant, unless prior written approval is first obtained from the City. In the event of conflict or inconsistency between the terms of this Agreement and Exhibit A, the terms of this Agreement shall prevail.

(b) City shall have the right to request, in writing, changes to the Services. Any such changes mutually agreed upon by the Parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement.

(c) Consultant shall perform all Services in a manner reasonably satisfactory to the City and in a first-class manner in conformance with the standards of quality normally observed by an entity providing National Pollutant Discharge Elimination System (NPDES) consulting services, serving a municipal agency.

(d) Consultant shall comply with all applicable federal, state, and local laws, regulations and ordinances in the performance of this Agreement, including but not limited to, the conflict of interest provisions of Government Code Section 1090 and the

Political Reform Act (Government Code Section 81000 *et seq.*). During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working on the Effective Date if both (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict of interest statute or law; and (ii) City has not consented in writing to Consultant's performance of such work. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.* Consultant hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Consultant was an employee, agent, appointee, or official of the City in the previous twelve (12) months, Consultant warrants that it did not participate in any manner in the forming of this Agreement. Consultant understands that, if this Agreement is made in violation of Government Code §1090 *et. seq.*, the entire Agreement is void and Consultant will not be entitled to any compensation for Services performed pursuant to this Agreement, and Consultant will be required to reimburse the City for any sums paid to the Consultant. Consultant understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

(e) Consultant represents that it has, or will secure at its own expense, all licensed personnel required to perform the Services. All Services shall be performed by Consultant or under its supervision, and all personnel engaged in the Services shall be qualified and licensed to perform such services.

3. MANAGEMENT

City's City Manager or his designee shall represent the City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but shall have no authority to modify the Services or the compensation due to Consultant.

4. PAYMENT

(a) The City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B ("Rate Schedule"), attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) for the total Term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City and Consultant at the time City's written authorization is given to Consultant for the performance of said services.

(c) Consultant shall submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of Consultant's fees it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this Agreement shall be made within 45 days of receipt of an invoice therefore.

5. SUSPENSION OR TERMINATION OF AGREEMENT

(a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant shall submit an invoice to the City pursuant to Section 5 of this Agreement.

6. OWNERSHIP OF DOCUMENTS

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to review such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts or copies therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and may be used, reused, or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files, Consultant shall make available to the City, at the Consultant's office, and upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. Consultant hereby grants to City all right, title, and interest,

including any copyright, in and to the documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared by Consultant in the course of providing the services under this Agreement. All reports, documents, or other written material developed by Consultant in the performance of the Services pursuant to this Agreement, shall be and remain the property of the City.

7. INDEMNIFICATION

(a) Indemnity for professional liability

When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless the City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel's fees and costs caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or Subconsultants (or any agency or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement.

(b) Indemnity for other than professional liability

Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or agency for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

(c) DUTY TO DEFEND. In the event the City, its officers, employees, agents and/or volunteers are made a party to any action, claim, lawsuit, or other adversarial proceeding arising from the performance of the services encompassed by this Agreement, and upon demand by City, Consultant shall have an immediate duty to defend the City at Consultant's cost or at City's option, to reimburse the City for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters.

Payment by City is not a condition precedent to enforcement of this indemnity. In the event of any dispute between Consultant and City, as to whether liability arises from the sole negligence of the City or its officers, employees, or agents, Consultant will be obligated to pay for City's defense until such time as a final judgment has been entered adjudicating the City as solely negligent. Consultant will not be entitled in the absence of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

8. INSURANCE

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit C attached hereto and incorporated herein by reference.

9. INDEPENDENT CONSULTANT

(a) Consultant is and shall at all times remain as to the City a wholly independent consultant and/or independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultants exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against the City, or bind the City in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

10. LEGAL RESPONSIBILITIES

The Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

11. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure was used against or in concert with any officer or employee of the City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the City has or will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the City to any and all remedies at law or in equity.

12. NO BENEFIT TO ARISE TO LOCAL OFFICERS AND EMPLOYEES

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during

his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

13. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City, unless otherwise required by law or court order. (b) Consultant shall promptly notify City should Consultant, its officers, employees, agents, or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("Discovery"), court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any project or property located within the City, unless Consultant is prohibited by law from informing the City of such Discovery, court order or subpoena. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless City is a party to the lawsuit, arbitration, or administrative proceeding and is adverse to Consultant in such proceeding, Consultant agrees to cooperate fully with the City and to provide the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

14. NOTICES

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

To City: City of Industry
15625 E. Stafford, Suite 100
City of Industry, CA 91744

Attention: City Manager

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

To Consultant:

Michael Kolbensschlag
Director of Environmental Services
CASC Engineering & Consulting, Inc.
2740 West Magnolia Boulevard, Suite 102
Burbank, CA 91505

15. ASSIGNMENT

The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City.

Before retaining or contracting with any subconsultant for any services under this Agreement, Consultant shall provide City with the identity of the proposed subconsultant, a copy of the proposed written contract between Consultant and such subconsultant which shall include an indemnity provision similar to the one provided herein and identifying City as an indemnified party, or an incorporation of the indemnity provision provided herein, and proof that such proposed subconsultant carries insurance at least equal to that required by this Agreement or obtain a written waiver from the City for such insurance.

Notwithstanding Consultant's use of any subconsultant, Consultant shall be responsible to the City for the performance of its subconsultant as it would be if Consultant had performed the Services itself. Nothing in this Agreement shall be deemed or construed to create a contractual relationship between the City and any subconsultant employed by Consultant. Consultant shall be solely responsible for payments to any subconsultants. Consultant shall indemnify, defend and hold harmless the Indemnified Parties for any claims arising from, or related to, the services performed by a subconsultant under this Agreement.

16. GOVERNING LAW/ATTORNEYS' FEES

The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court in Los Angeles County, California. If any action at law or suit in equity is brought to enforce or interpret the provisions of this Agreement, or arising out of or relating to the Services provided by Consultant under 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.

17. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the Parties relating to the obligations of the Parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written and pertaining to the subject of this Agreement or with respect to the terms and conditions of this

Agreement, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

18. SEVERABILITY

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

19. COUNTERPARTS

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

20. CAPTIONS

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

21. WAIVER

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

22. REMEDIES

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

23. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Consultant represents and warrants that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

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

"CITY"
City of Industry

By: _____
Paul Philips, City Manager

"CONSULTANT"
CASC Engineering & Consulting, Inc.

By:  _____
Michael Kobenschlag, Richard J. Sidor
Director of Environmental Services
President

Attest:

By: _____
Cecelia Dunlap, Deputy City Clerk

Approved as to form:

By: _____
James M. Casso, City Attorney

Attachments:	Exhibit A	Scope of Services
	Exhibit B	Rate Schedule
	Exhibit C	Insurance Requirements

EXHIBIT A

SCOPE OF SERVICES

Consultant shall provide the following services as directed by the City:

- Attend the Upper San Gabriel River Enhanced Watershed Management Program (EWMP) and Coordinated Integrated Monitoring Program (CIMP) meetings, Los Angeles Permit Group meetings, Los Angeles County MS4 Co-Permittee Public Information meetings, various RWQCD meetings and workshops regarding compliance with the Los Angeles County MS4 NPDES Permit and Total Maximum Daily Loads (TMDLs), and inform the city of new regulations and requirements;
- Assist with the compilation and submission of the Los Angeles County MS4 Permit Co-Permittee annual report; and
- Provide on-call assistance for all NPDES permit issues and respond to regulatory inquiries or enforcement actions as requested.

Consultant shall also provide staff guidance and training, as requested, to perform the following tasks:

- Coordinate public outreach or contribute to countywide public outreach programs;
- Inspect and mark all storm drain inlets;
- Inspect restaurants, retail gas outlets (RGOs), commercial and industrial facilities as required by the Permit;
- Investigate complaints transmitted by the Regional Water Quality Control Boards (RWQCB) or County Stormwater Hotline within one business day;
- Review all private development projects for compliance with County Standard Urban Stormwater Mitigation Plan (SUSMP)/City of Industry Low Impact Development (LID) Ordinance and Green Streets Policy requirements;
- Prepare Water Pollution Control drawings and specifications for City construction projects;
- Maintain a list of all construction projects within the City and conduct stormwater compliance inspections as required by the Permit;
- Investigate sanitary sewer overflows, illegal connections and illicit discharges (IC/IDs);
- Present Stormwater Pollution Prevention Plan (SWPPP) requirements at all City project pre-construction meetings;

- Maintain records of catch basin and Continuous Deflection System (CDS) unit cleaning; and
- Other requirements of the new NPDES MS4 as required.

EXHIBIT B

RATE SCHEDULE

The total compensation shall not exceed one hundred thousand dollars (\$100,000.00) and will be based on the hourly rates set forth below.

CASC Engineering & Consulting, Inc.

Civil Engineering

President/Principal Engineer	\$185
Director	\$175
Senior Program Manager/Technical Specialist	\$165
Program Manager	\$155
Project Manager/Senior Engineer III	\$150
Project Manager/Senior Engineer II	\$145
Project Manager/Senior Engineer I	\$140
Assistant Project Manager	\$135
Project Engineer	\$130
Senior Designer II	\$125
Senior Designer I	\$120
Design Engineer II	\$115
Design Engineer I	\$110
Designer II	\$105
Designer I	\$100
CADD Drafter II	\$90
CADD Drafter I	\$85
Technical Aide	\$75

Environmental/Water Quality Services

Director	\$175
Senior Program Manager/Technical Specialist	\$165
Program Manager	\$155
Project Manager/Technical Specialist	\$150
Senior Environmental Analyst/ Scientist III	\$145
Senior Environmental Analyst/ Scientist II	\$140
Senior Environmental Analyst/ Scientist I	\$135
Environmental Analyst/ Scientist III	\$130
Environmental Analyst/ Scientist II	\$125
Environmental Analyst/ Scientist I	\$115
Staff Analyst/Scientist II	\$105
Staff Analyst/Scientist I	\$95
Staff Assistant II	\$85
Staff Assistant I	\$75

Clerical

Project Coordinator/Clerical III	\$80
Project Coordinator/Clerical II	\$75
Project Coordinator/Clerical I	\$70
Project Assistant	\$65

Planning

Planning Director	\$175
Senior Program Manager/Technical Specialist	\$165
Senior Project Manager - Planning	\$155
Project Manager - Planning	\$135
Senior Planner II	\$125
Senior Planner I	\$115
Planner II	\$105
Planner I	\$95
Graphic Artist	\$85
Associate Planner	\$75
Planning Aide	\$65

Landscape Architectures

Licensed Landscape Architect	\$155
Senior Landscape Designer	\$130
Associate Landscape Designer	\$110
Assistant Landscape Designer	\$95
Landscape CADD Drafter	\$80

Construction Management

Resident Engineer	\$150
Assistant Resident Engineer	\$135
Field Inspector III	\$115
Field Inspector II	\$100
Field Inspector I	\$85

Surveying and Mapping

Licensed Surveyor/ Director	\$175
Senior Survey Project Manager	\$150
Senior Survey Analyst	\$135
Senior Calculator	\$125
Calculator II	\$115
Calculator I	\$105
Survey Analyst II	\$95
Survey Analyst I	\$85
Technical Aide	\$75

Field Survey Crews

Three Person Survey/GPS Crew	\$265
Two Person Survey/GPS Crew	\$240
One Person Survey/GPS Crew	\$210

City shall reimburse Consultant its actual costs for all photocopying and postage, upon submittal of evidence of said costs along with the monthly invoice, as set forth in the Agreement.

EXHIBIT C

INSURANCE REQUIREMENTS

Without limiting Consultant's indemnification of City, and prior to commencement of the Services, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to Agency.

General liability insurance. Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000.00 per occurrence, \$2,000,000.00 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

Automobile liability insurance. Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000.00 combined single limit for each accident.

Professional liability (errors & omissions) insurance. Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.

Workers' compensation insurance. Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000.00).

Consultant shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of Agency, its officers, agents, employees and volunteers.

Proof of insurance. Consultant shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsement must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this contract. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

Duration of coverage. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may

arise from or in connection with the performance of the Services hereunder by Consultant, his agents, representatives, employees or subconsultants.

Primary/noncontributing. Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

City's rights of enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant, or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

Waiver of subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

Enforcement of contract provisions (non estoppel). Consultant acknowledges and agrees that any actual or alleged failure on the part of the City to inform Consultant of non-compliance with any requirement imposes no additional obligations on the Agency nor does it waive any rights hereunder.

Requirements not limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

Additional insured status. General liability policies shall provide or be endorsed to provide that City and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess liability policies.

Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

Separation of Insureds. A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

Pass Through Clause. Consultant agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage and endorsements required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to City for review.

City's right to revise specifications. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City and Consultant may renegotiate Consultant's compensation.

Self-insured retentions. Any self-insured retentions must be declared to and approved by the City. The City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by the City.

Timely notice of claims. Consultant shall give the City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

Additional insurance. Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

CITY COUNCIL

ITEM NO. 5.7



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: April 28, 2016

SUBJECT: Approve Letter of Authorizations for County of Los Angeles, Department of Agricultural Commissioner/Weights and Measures Weed Hazard and Pest Management Bureau to Clear Grass, Weeds, and/or Brush in Compliance with the Los Angeles County Fire Code in the Amount of \$53,788 and Authorize the City Manager as the Designee

On June 1, 2012, the City of Industry (City) entered into a General Services Agreement (Agreement) with the County of Los Angeles (County), which includes weed hazard and pest management services. The County issues Letter of Authorizations (Authorizations) for the City to review regarding properties that require grass, weed, and/or brush clearing to comply with the Los Angeles County Fire Code. The Authorizations include the specific identifying Assessor Parcel Number, location, services to be performed and an estimate for such services. Once the City authorizes the work, the services are performed and the City is invoiced upon completion.

Staff reviewed and found that the Agreement requires that “no function or service shall be performed hereunder by any County officer or department unless such function or service shall have been requested in writing by the City on order of the City Council.” Currently, the City has eight (8) Letter of Authorizations totaling \$53,788.00. Staff respectfully requests that these authorizations be approved so the City can comply with the Los Angeles County Fire Code.

Staff also requests that the City Manager be designated as the designee for future County of Los Angeles Letter of Authorizations for Weed Hazard and Pest Management Services. This will allow for services to be performed in an expeditious manner without further Council approval. All work will be verified by the Field Operations and Asset Superintendent prior to the City Manager’s approval of payment.

PJP:AG:mk

Table 1 – Letter of Authorization Requests for Disc, Cut and Clearing Weeds up to 200 Feet from Structures

Assessor's Parcel No.	Location	City	Estimate
8701-021-271	One lot east of 24499 Eastgate Drive	Diamond Bar	\$4,845.00
8701-022-273	One lot west of 100 Diamond Ranch Road	Diamond Bar	\$7,688.00
8269-036-270	One lot north of 2801 Wentiff Court	Rowland Heights	\$8,896.00
8269-039-270	One lot south of 2558 Cutoff Court	Rowland Heights	\$1,932.00
8714-026-271	Broken Feather Road, Braided Main Drive, Shady Ridge Lane, Indian Creek Road, Woodbridge Court, Windmill Drive, Oak Knoll Drive, Horizon Lane and Canyon View Drive	Diamond Bar	\$4,845.00
8714-026-272	Water Course Drive, Crystal Ridge Road, High Bluff Road and Fairwind Lane	Diamond Bar	\$1,791.00
8714-028-270	Hawkwood Drive, Falcon Ridge Road and Fairwind Drive	Diamond Bar	\$1,791.00
8269-008-270	One lot east of 20343 Rimview Place	Rowland Heights	\$22,000.00
		Total Cost	\$53,788.00

Exhibits

- A. General Services Agreement with County of Los Angeles dated June 1, 2012
- B. County of Los Angeles Letter of Authorizations for Weed Hazard and Pest Management dated March 21, 2016 and April 4, 2016

PJP/AG:kw

EXHIBIT A

General Services Agreement with County of Los Angeles dated June 1, 2012

[Attached]

GENERAL SERVICES AGREEMENT

THIS GENERAL SERVICES AGREEMENT ("Agreement"), dated for purposes of reference only, June 1, 2012, is made by and between the County of Los Angeles, hereinafter referred to as the "County", and the City of Industry, hereinafter referred to as the "City."

RECITALS:

(a) The City is desirous of contracting with the County for the performance by its appropriate officers and employees of City functions.

(b) The County is agreeable to performing such services on the terms and conditions hereinafter set forth.

(c) Such contracts are authorized and provided for by the provisions of Section 56½ of the Charter of the County of Los Angeles and Section 51300, *et seq.*, of the Government Code.

THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. The County agrees, through its officers and employees, to perform those City functions, which are hereinafter provided for.

2. The City shall pay for such services as are provided under this Agreement at rates to be determined by the County Auditor-Controller in accordance with the policies and procedures established by the Board of Supervisors.

These rates shall be readjusted by the County Auditor-Controller annually effective the first day of July of each year to reflect the cost of such service in accordance with the policies and procedures for the determination of such rates as adopted by the Board of Supervisors of County.

3. No County officer or department shall perform for said City any function not coming within the scope of the duties of such officer or department in performing services for the County.

4. No service shall be performed hereunder unless the City shall have available funds previously appropriated to cover the cost thereof.

5. No function or service shall be performed hereunder by any County officer or department unless such function or service shall have been requested in writing by the City on order of the City Council thereof or such officer as it may designate and approved by the Board of Supervisors of the County, or such officer as it may designate, and each such service or function shall be performed at the times and under circumstances which do not interfere with the performance of regular County operations.

6. Whenever the County and City mutually agree as to the necessity for any such County officer or department to maintain administrative headquarters in the City, the City shall furnish at its own cost and expense all necessary office space, furniture, and furnishings, office supplies, janitorial service, telephone, light, water, and other utilities. In all instances where special supplies, stationery, notices, forms and the like must be issued in the name of the City, the same shall be supplied by the City at its expense.

It is expressly understood that in the event a local administrative office is maintained in the City for any such County officer or department, such quarters may be used by the County officer or department in connection with the performance of its duties in territory outside the City and adjacent thereto provided, however, that the performance of such outside duties shall not be at any additional cost to the City.

7. All persons employed in the performance of such services and functions for the City shall be County employees, and no City employee as such shall be taken over by the County, and no person employed hereunder shall have any City pension, civil service, or other status or right.

For the purpose of performing such services and functions, and for the purpose of giving official status to the performance hereof, every County officer and employee engaged in performing any such service or function shall be deemed to be an officer or employee of said City while performing service for the City within the scope of this agreement.

8. The City shall not be called upon to assume any liability for the direct payment of any salary, wages or other compensation to any County personnel performing services hereunder for the City, or any liability other than that provided for in this agreement.

Except as herein otherwise specified, the City shall not be liable for compensation or indemnity to any County employee for injury or sickness arising out of his employment.

9. The parties hereto have executed an Assumption of Liability Agreement approved by the Board of Supervisors on December 27, 1977 and/or a Joint Indemnity Agreement approved by the Board of Supervisors on October 8, 1991. Whichever of these documents the City has signed later in time is currently in effect and hereby made a part of and incorporated into this agreement as set out in full herein. In the event that the Board of Supervisors later approves a revised Joint Indemnity Agreement and the City executes the revised agreement, the subsequent agreement as of its effective date shall supersede the agreement previously in effect between the parties hereto.

10. Each County officer or department performing any service for the City provided for herein shall keep reasonably itemized and in detail work or job records covering the cost of all services performed, including salary, wages and other compensation for labor; supervision and planning, plus overhead, the reasonable rental value of all County-owned machinery and equipment, rental paid for all rented machinery or equipment, together with the cost of an operator thereof when furnished with said machinery or equipment, the cost of all machinery and supplies furnished by the County, reasonable handling charges, and all additional items of expense incidental to the performance of such function or service.

11. All work done hereunder is subject to the limitations of the provisions of Section 23008 of the Government Code, and in accordance therewith, before any work is done or services rendered pursuant hereto, an amount equal to the cost or an amount 10% in excess of the estimated cost must be reserved by the City from its funds to insure payment for work, services or materials provided hereunder.

12. The County shall render to the City at the close of each calendar month an itemized invoice which covers all services performed during said month, and the City shall pay County therefore within thirty (30) days after date of said invoice.

If such payment is not delivered to the County office which is described on said invoice within thirty (30) days after the date of the invoice, the County is entitled to recover interest thereon. Said interest shall be at the rate of seven (7) percent per annum or any portion thereof calculated from the last day of the month in which the services were performed.

13. Notwithstanding the provisions of Government Code Section 907, if such payment is not delivered to the County office which is described on said invoice within

thirty (30) days after the date of the invoice, the County may satisfy such indebtedness, including interest thereon, from any funds of any such City on deposit with the County without giving further notice to said City of County's intention to do so.

14. This Agreement shall become effective on the date herein-above first mentioned and shall run for a period ending June 30, 2017, and at the option of the City Council of the City, with the consent of the Board of Supervisors of County, shall be renewable thereafter for an additional period of not to exceed five (5) years.

15. In the event the City desires to renew this Agreement for said five-year period, the City Council shall not later than the last day of May 2017, notify the Board of Supervisors of County that it wishes to renew the same, whereupon the Board of Supervisors, not later than the last day of June 2017, shall notify the City Council in writing of its willingness to accept such renewal. Otherwise such Agreement shall finally terminate at the end of the aforescribed period.

Notwithstanding the provisions of this paragraph herein-above set forth, the County may terminate this Agreement at any time by giving thirty (30) days' prior written notice to the City. The City may terminate this Agreement as of the first day of July of any year upon thirty (30) days' prior written notice to the County.

16. This Agreement is designed to cover miscellaneous and sundry services which may be supplied by the County of Los Angeles and the various departments thereof. In the event there now exists or there is hereafter adopted a specific contract between the City and the County with respect to specific services, such contract with respect to specific services shall be controlling as to the duties and obligations of the parties anything herein to the contrary notwithstanding, unless such special contract adopts the provisions hereof by reference.

27789

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers.

Executed this 6th day of June 2012.

The City of Industry

By [Signature]
Mayor

ATTEST:

City Clerk

By [Signature]
Deputy

THE COUNTY OF LOS ANGELES

By [Signature]
Chairman, Board of Supervisors

ATTEST:

SACHI A. HAMAI
Executive Officer/Clerk
of the Board of Supervisors



By [Signature]
Deputy

JUN 25 2012

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By [Signature]
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

17

JUN 06 2012

[Signature]
SACHI A. HAMAI
EXECUTIVE OFFICER

EXHIBIT B

**County of Los Angeles Letter of Authorizations for Weed Hazard and Pest
Management dated March 21, 2016 and April 4, 2016**

[Attached]



COUNTY OF LOS ANGELES

Department of
Agricultural Commissioner/
Weights and Measures

Kurt E. Floren
Agricultural Commissioner
Director of Weights and Measures

12300 Lower Azusa Road
Arcadia, California 91006-5872
http://acwm.lacounty.gov



Richard K. Iizuka
Chief Deputy

March 21, 2016

City of Industry - Successor Agency
Attn: Paul Phillips, City Manager
PO Box 3366
City of Industry CA 91744

LETTER OF AUTHORIZATION

Dear Mr. Phillips:

Inspector Masood Azhar would like to obtain an authorization from you for the Weed Hazard and Pest Management Bureau of the Los Angeles County Department of Agricultural Commissioner/Weights and Measures to clear grass, weeds, and/or brush in compliance with the Los Angeles County Fire Code or at your request, on the following parcel(s) during the fiscal year 2015-2016.

Table with 3 columns: MAPBOOK/PAGE/PARCEL, REMARKS, ESTIMATE. Row 1: See Attached List, See Attached List, \$12,533.00

Since the Los Angeles County Auditor-Controller now requires all authorizations to be in writing, we are prohibited from working these parcels until we have this authorization. It would be appreciated if you would sign below and return the original, keeping the second copy for your records. If you have any questions, please call Inspector Masood Azhar at (626) 335-3453 or (626) 575-5484.

Very truly yours,

KURT E. FLOREN
Agricultural Commissioner/
Director of Weights & Measures

Handwritten signature of Raymond B. Smith

RAYMOND B. SMITH
Deputy Director/Bureau Chief
Weed Hazard and Pest Management Bureau

KEF:RBS:ht
Attachment

STATEMENT: I hereby authorize the Los Angeles County Weed Hazard and Pest Management Bureau to clear the listed parcel(s).

SIGNATURE Paul J. Phillips TITLE City Manager
PRINT NAME Paul J. Phillips P.O./DSO#
PHONE NO. (626) 333-2211 DATE 3/28/16

LETTER OF AUTHORIZATION

<u>MAPBOOK/PAGE/PARCEL</u>	<u>LOCATION</u>	<u>ESTIMATE</u>
8701-021-271	One lot east of 24499 Eastgate Drive, Diamond Bar. Remarks: Disc weeds up to 200 feet from structures.	\$4,845.00
8701-022-273	One lot west of 100 Diamond Ranch Road, Diamond Bar Remarks: Disc weeds up to 200 feet from structures.	\$7,688.00
	Total:	<u>\$12,533.00</u>



COUNTY OF LOS ANGELES



Kurt E. Floren
Agricultural Commissioner
Director of Weights and Measures

Department of
Agricultural Commissioner/
Weights and Measures

12300 Lower Azusa Road
Arcadia, California 91006-5872
http://acwm.lacounty.gov

Richard K. Iizuka
Chief Deputy

March 21, 2016

City of Industry - Successor Agency
Attn: Paul Phillips, City Manager
PO Box 3366
City of Industry CA 91744

LETTER OF AUTHORIZATION

Dear Mr. Phillips:

Inspector Masood Azhar would like to obtain an authorization from you for the Weed Hazard and Pest Management Bureau of the Los Angeles County Department of Agricultural Commissioner/Weights and Measures to clear grass, weeds, and/or brush in compliance with the Los Angeles County Fire Code or at your request, on the following parcel(s) during the fiscal year 2015-2016.

Table with 3 columns: MAPBOOK/PAGE/PARCEL, REMARKS, ESTIMATE. Row 1: See Attached List, See Attached List, \$10,828.00

Since the Los Angeles County Auditor-Controller now requires all authorizations to be in writing, we are prohibited from working these parcels until we have this authorization. It would be appreciated if you would sign below and return the original, keeping the second copy for your records. If you have any questions, please call Inspector Masood Azhar at (626) 335-3453 or (626) 575-5484.

Very truly yours,

KURT E. FLOREN
Agricultural Commissioner/
Director of Weights & Measures

Handwritten signature of Raymond B. Smith

RAYMOND B. SMITH
Deputy Director/Bureau Chief
Weed Hazard and Pest Management Bureau

KEF:RBS:ht
Attachment

STATEMENT: I hereby authorize the Los Angeles County Weed Hazard and Pest Management Bureau to clear the listed parcel(s).

SIGNATURE [Handwritten Signature] TITLE City Manager
PRINT NAME Paul J. Phillips P.O./DSO#
PHONE NO. (626) 333-2211 DATE 3/28/16

LETTER OF AUTHORIZATION

<u>MAPBOOK/PAGE/PARCEL</u>	<u>LOCATION</u>	<u>ESTIMATE</u>
8269-036-270	One lot north of 2801 Wentiff Court, Rowland Heights Remarks: Cut and clear weeds 200 feet from structures.	\$8,896.00
8269-039-270	One lot south of 2558 Cutoff Court, Rowland Heights Remarks: Cut and clear weeds 200 feet from structures.	\$1,932.00
	Total:	----- <u>\$10,828.00</u>



COUNTY OF LOS ANGELES

Department of
Agricultural Commissioner/
Weights and Measures

Kurt E. Floren
Agricultural Commissioner
Director of Weights and Measures

12300 Lower Azusa Road
Arcadia, California 91006-5872
http://acwm.lacounty.gov



Richard K. Iizuka
Chief Deputy

March 21, 2016

City of Industry - Successor Agency
Attn: Paul Phillips, City Manager
PO Box 3366
City of Industry CA 91744

LETTER OF AUTHORIZATION

Dear Mr. Phillips:

Inspector Masood Azhar would like to obtain an authorization from you for the Weed Hazard and Pest Management Bureau of the Los Angeles County Department of Agricultural Commissioner/Weights and Measures to clear grass, weeds, and/or brush in compliance with the Los Angeles County Fire Code or at your request, on the following parcel(s) during the fiscal year 2015-2016.

Table with 3 columns: MAPBOOK/PAGE/PARCEL, REMARKS, ESTIMATE. Row 1: See Attached List, See Attached List, \$8,427.00

Since the Los Angeles County Auditor-Controller now requires all authorizations to be in writing, we are prohibited from working these parcels until we have this authorization. It would be appreciated if you would sign below and return the original, keeping the second copy for your records. If you have any questions, please call Inspector Masood Azhar at (626) 335-3453 or (626) 575-5484.

Very truly yours,

KURT E. FLOREN
Agricultural Commissioner/
Director of Weights & Measures

Handwritten signature of Raymond B. Smith

RAYMOND B. SMITH
Deputy Director/Bureau Chief
Weed Hazard and Pest Management Bureau

KEF:RBS:ht
Attachment

STATEMENT: I hereby authorize the Los Angeles County Weed Hazard and Pest Management Bureau to clear the listed parcel(s).

SIGNATURE Paul J. Phillips TITLE City Manager
PRINT NAME Paul J. Phillips P.O./DSO#
PHONE NO. (626) 333-2211 DATE 3/28/16

LETTER OF AUTHORIZATION

<u>MAPBOOK/PAGE/PARCEL</u>	<u>LOCATION</u>	<u>ESTIMATE</u>
8714-026-271	Broken Feather Road, Braided Main Drive, Shady Ridge Lane, Indian Creek Road, Woodbridge Court, Windmill Drive, Oak Knoll Drive, Horizon Lane and Canyon View Drive (Diamond Bar) Remarks: Discing break up to 200 feet from structures.	\$4,845.00
8714-026-272	Water Course Drive, Crystal Ridge Road, High Bluff Road and Fairwind Lane (Diamond Bar) Remarks: Discing break up to 200 feet from structures.	\$1,791.00
8714-028-270	Hawkwood Drive, Falcon Ridge Road and Fairwind Lane (Diamond Bar) Remarks: Discing break up to 200 feet from structures.	\$1,791.00
	Total:	<u>-----</u> <u>\$8,427.00</u>



COUNTY OF LOS ANGELES

Department of
Agricultural Commissioner/
Weights and Measures



Kurt E. Floren
Agricultural Commissioner
Director of Weights and Measures

12300 Lower Azusa Road
Arcadia, California 91006-5872
http://acwm.lacounty.gov

Richard K. Iizuka
Chief Deputy

April 4, 2016

City of Industry - Successor Agency
Atten: Paul Phillips, City Manager
PO Box 3366
City of Industry, CA. 91744

LETTER OF AUTHORIZATION

Dear Sir/Madam:

Inspector Masood Azhar would like to obtain an authorization from you for the Weed Hazard and Pest Management Bureau of the Los Angeles County Department of Agricultural Commissioner/Weights and Measures to clear grass, weeds, and/or brush in compliance with the Los Angeles County Fire Code or at your request, on the following parcel(s) during the fiscal year 2015-2016.

Table with 3 columns: MAPBOOK/PAGE/PARCEL, LOCATION, ESTIMATE. Row 1: 8269-008-270, One lot east of 20343 Rimview Place, Rowland Heights. Remarks: Cut and clear weeds upto 200 feet from structures on Portside Drive, Edgemont Place, Rimview Place, Hillrise Drive, Crestline Drive and Oak Meadow Lane. \$22,000.00

Since the Los Angeles County Auditor-Controller now requires all authorizations to be in writing, we are prohibited from working these parcels until we have this authorization. It would be appreciated if you would sign below and return the original, keeping the second copy for your records. If you have any questions, please call Inspector Masood Azhar at (626) 335-3453 or (626) 575-5484.

Very truly yours,

KURT E. FLOREN
Agricultural Commissioner/
Director of Weights & Measures

Handwritten signature of Raymond B. Smith
RAYMOND B. SMITH
Deputy Director/Bureau Chief
Weed Hazard and Pest Management Bureau

KEF:RBS:es

STATEMENT: I hereby authorize the Los Angeles County Weed Hazard and Pest Management Bureau to clear the listed parcel(s).

SIGNATURE _____ TITLE _____
PRINT NAME _____ P.O./DSO# _____
PHONE NO. _____ DATE _____

CITY COUNCIL

ITEM NO. 5.8



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*
Lissette Calleros, Avant Garde, Grant Funding Consultant

Date: April 28, 2016

SUBJECT: Request to Approve Right of Entry Agreement with City of La Puente for the Repainting of the Azusa Avenue Bridge over Valley Boulevard

In June 2013, the City was awarded a total of \$5,226,422.00 for the repainting of the Azusa Avenue Bridge through the Local Highway Bridge Program, administered by the Local Assistance Division of Caltrans District 7. These federal grant funds will be utilized to pay for Preliminary Engineering and Construction activities.

On April 16, 2015, the Request for Authorization to Proceed with Preliminary Engineering was approved and \$289,493.00 of federal funds were authorized for this phase of the project. Subsequently, on June 24, 2015, a Request for Proposal (RFP) for the Engineering Phase of the project was issued. On August 10, 2015, proposals were received from two (2) firms. A selection panel was formed with members from the City's Engineering Department, Human Resource Department, the City of La Puente's Development Services Department, and the Los Angeles County Department of Public Works, Construction Division. Based upon the evaluation, the selection panel determined that Biggs Cardosa Associates, Inc. was more suited and qualified to provide the required services for this project.

On December 10, 2015, the City entered into a Professional Services Agreement with Biggs Cardosa Associates Inc. to provide professional civil engineering services in the amount of \$310,625.

The City currently controls 88% of State Bridge No. 53C0289 on Azusa Avenue over Valley Boulevard. City of La Puente controls the remaining 12%. City of Industry must obtain permission from the City of La Puente to enter onto the bridge, temporarily, to perform cleaning and repainting of the entire bridge and all structural members. City of Industry will assume the role of lead agency and follow the guidelines and procedures in accordance with the Local Program Procedures Manual as set forth by Caltrans. All

costs associated with the cleaning and repainting of the bridge will be paid solely by City of Industry and with federal grant funds secured through Caltrans, and the City of La Puente will not make any financial contribution. Should structural deficiencies or other necessary repairs be identified in the portion of the bridge owned by the City of La Puente, City of Industry does not assume responsibility to cover the cost of those repairs and shall notify the City of La Puente of such findings. With this Agreement, the City of La Puente will allow City of Industry to enter the bridge, on a temporary basis, for the purpose of performing the cleaning and repainting of the entire bridge during the course of this project.

The Right of Entry for the Azusa Avenue over Valley Boulevard Bridge Painting Project Agreement has been reviewed by staff and legal counsel of all participating agencies and is found to be in order.

It is hereby recommended that the City Council approve the execution of the Right of Entry Agreement. Upon approval by the City Council, the Agreement will be forwarded to the City of La Puente for approval.

Exhibit

License Agreement for the Right of Entry for the Azusa Avenue Over Valley Boulevard Bridge Painting Project

PJP:AG:LC:mk

RIGHT OF ENTRY FOR THE AZUSA AVENUE OVER VALLEY BOULEVARD
BRIDGE PAINTING PROJECT

This Right of Entry Agreement (“Right of Entry”) is made and entered into this _____ day of _____, 2016 (“Effective Date”), by and between the City of Industry (“INDUSTRY”), a municipal corporation, and the City of La Puente (“LA PUENTE”), a municipal corporation. INDUSTRY and LA PUENTE are collectively referred to herein as “Parties” and individually as “Party”.

RECITALS

WHEREAS, INDUSTRY controls 88 percent of State Bridge No. 53C0289 (“Bridge”) on Azusa Avenue over Valley Boulevard, and LA PUNETE controls 12 percent. The Bridge is more particularly described in Exhibit A, which is attached hereto and incorporated herein by reference; and

WHEREAS, INDUSTRY desires to obtain LA PUENTE’S permission to enter onto the Bridge, temporarily, to perform cleaning and re-painting of the entire Bridge and all structural members; and

WHEREAS, INDUSTRY has secured \$5,226,442.00 through the Local Highway Bridge program for the repainting of the Bridge; and

WHEREAS, INDUSTRY will assume the role of the lead agency and follow the guidelines and procedures in accordance with the Local Programs Procedures Manual as set forth by Caltrans; and

WHEREAS, the Parties agree to and understand that all costs associated with the cleaning and re-painting of the Bridge will be paid solely by INDUSTRY and with federal grant funds secured through the Department of Transportation (“CALTRANS”) for the project and that LA PUENTE will not make any financial contributions; and

WHEREAS, INDUSTRY shall only cover the costs associated with the cleaning and re-painting of the entire Bridge and all structural members and should structural deficiencies or other necessary repairs be identified in the portion of the bridge owned by LA PUENTE, INDUSTRY does not assume responsibility to cover the cost of those repairs and shall notify LA PUENTE of such findings and allow LA PUENTE the opportunity to address them at its own discretion and cost; and

WHEREAS, the Parties wish to enter into this Right of Entry whereby LA PUENTE will allow INDUSTRY to enter the Bridge, on a temporary basis, for the purpose of performing the cleaning and re-painting of the entire Bridge.

NOW, THEREFORE, INDUSTRY and LA PUENTE do hereby agree as follows:

AGREEMENT

1. RIGHT OF ENTRY. LA PUENTE hereby grants to INDUSTRY and its agents, employees and contractors the temporary right to enter onto the Bridge for the purpose of performing cleaning and re-painting of the entire Bridge.

2. TERM. The term of this Right of Entry shall automatically terminate five years (5) from the Effective Date. The term may be extended by mutual agreement of the Parties. In the event INDUSTRY is in default of any provision herein, LA PUENTE has the right to terminate this Right of Entry upon five (5) days written notice to INDUSTRY.

3. INDEMNIFICATION. INDUSTRY hereby agrees to indemnify, defend (with counsel approved by LA PUENTE), assume all liability for and hold harmless LA PUENTE and its officers, employees, agents and representatives from all actions, claims, suits, penalties, obligations, liabilities, damages to property, environmental claims or injuries to persons, which may be caused by INDUSRTY's activities pursuant to this Right of Entry or arising out of or in connection with such activities, whether such activities or performance thereof is by INDUSRTY or anyone directly or indirectly employed or under contract or subcontract with INDUSTRY and whether such damage or claim shall accrue or be discovered before or after the termination of this Right of Entry. INDUSTRY'S obligations set forth in this Section shall survive the expiration or earlier termination of this Right of Entry.

4. INSURANCE. Prior to commencing any activities under this Right of Entry, INDUSTRY, and all contractors and subcontractors, shall procure (or cause to be procured), and shall require all contractors and subcontractors to and keep in full force and effect during the life of this Right of Entry, at INDUSTRY's sole cost and expense, all of the following types of insurance, in accordance with the other provisions of this Section:

<u>Type of Insurance Policy</u>	<u>Limits</u>
Personal Adv. Injury	\$1 million each occurrence
Property Damage	\$3,000,000
Products--Comp/Op Agg.	\$1,000,000 each occurrence
General Aggregate	\$4,000,000
Excess Liability--Umbrella	\$1,000,000 each occurrence
Comprehensive General Liability:	\$2,000,000 (see Section 3.G. below)
Workers Compensation:	Statutory (see Section 3.F. below)
Pollution Coverage:	\$5,000,000
Automobile Liability	\$1,000,000 each occurrence

For purposes of this Right of Entry, the foregoing insurance shall be referred to herein as "Required Insurance."

- A. Qualifications of Insurers; Deductibles. All of the Required Insurance shall be issued by an admitted insurer or insurers as defined by the California Insurance Code with a Bests' rating of no less than A:VII. The deductibles under each of the policies issued for the Required Insurance shall be reasonable in amount and in no event shall exceed the sum of Ten Thousand Dollars (\$10,000.00) under each such policy.
- B. Additional Insured; Form of Endorsement. All such Insurance Policies will be required to name LA PUENTE, and its respective directors, officers, employees, agents and representatives as additional insureds by way of an endorsement. Such endorsement shall be a form of endorsement which is at least as broad as Additional Insured-Owners, Lessors, or Contractors Form B (CG20101185) as published by Insurance Services Office, Inc. The Contractor's Pollution Liability Insurance shall name INDUSTRY and LA PUENTE as "Named Insured".
- C. Cancellation Provisions and Other Matters. All of the Required Insurance shall provide (by way of endorsement or otherwise) that no cancellation, expiration, reduction or modification in such Required Insurance can occur or be implemented without first giving LA PUENTE at least thirty (30) days prior written notice of such cancellation, expiration, reduction or modification. LA PUENTE shall not be liable for the payment of any premiums for the Required Insurance.
- D. Primary Insurance Endorsement. All Required Insurance shall contain an endorsement providing that such insurance is primary and that any insurance maintained by LA PUENTE is noncontributory with the Required Insurance. All Required Insurance shall contain language to the effect that any loss shall be payable notwithstanding any act or negligence of LA PUENTE that might otherwise result in the forfeiture of the Required Insurance.
- E. Waiver of Subrogation. All such Required Insurance shall also contain an endorsement providing for a waiver of subrogation against LA PUENTE by INDUSTRY.
- F. Worker's Compensation. This policy or policies shall cover the entire liability of INDUSTRY to employees as determined by California law. The policy shall contain a waiver of subrogation in favor of LA PUENTE.
- G. Comprehensive General Liability. \$2,000,000.00 combined single limit per event and \$4,000,000.00 annual aggregate for bodily injury and property damage liability arising out of the services to be performed under this Right of Entry.
- H. Certificates of Insurance. Prior to the commencement of the services set forth in this Right of Entry, INDUSTRY shall provide to LA PUENTE certificates of insurance evidencing the obtaining of the Required Insurance as provided in this Section.
5. COMPLAINCE WITH LAWS/PERMITS. INDUSTRY shall, in all activities undertaken pursuant to this Right of Entry, comply and cause its contractors, agents and employees

to comply with all federal, state and local laws, statutes, orders, ordinances, rules, regulations, plans, policies and decrees. Without limiting the generality of the foregoing, INDUSTRY, at its sole cost and expense, shall obtain any and all permits which may be required by any law, regulation or ordinance.

6. ENVIRONMENTAL LAW. INDUSTRY shall comply with all federal, state and local environmental law and regulations in its work on the Bridge and shall perform the work in an environmentally protective manner. INDUSTRY shall not cause the release or disposal of any Hazardous Materials at the Bridge, or into the soil, drains, surface or groundwater, or air, nor shall INDUSTRY allow any agent, subcontractor or other person for whom INDUSTRY is responsible to do so. The term "Hazardous Materials" is defined in Exhibit B, attached hereto and incorporated herein by reference. INDUSTRY recognizes that the Bridge contains lead based paint or other lead components and INDUSRTY assumes all risk and liability associated with the presence of such lead based paint or other lead components. INDUSTRY shall ensure that all proper lead containment and disposal measures are taken.

7. COST. INDUSTRY agrees to and understands that all cost associated with the cleaning and re-painting of the entire Bridge and all structural members will be paid solely by INDUSTRY and with federal grant funds secured through CALTRANS and that LA PUENTE will not make any financial contributions towards the cost of the cleaning and re-painting.

8. ADDITIONAL REPAIRS. INDUSTRY shall only cover the costs associated with the cleaning and re-painting of the entire Bridge and all structural members and should structural deficiencies or other necessary repairs be identified in the portion of the Bridge owned by LA PUENTE, INDUSTRY does not assume responsibility to cover the cost of those repairs and shall notify LA PUENTE of such findings, in writing, within ten (10) business days of discovery, and allow LA PUENTE the opportunity to address them at its own discretion and cost;

9. NOT REAL PROPERTY INTEREST. It is expressly understood that this Right of Entry does not in any way whatsoever grant or convey any permanent easement, lease, fee or other interest in LA PUENTE's ownership interest in the Bridge to INDUSTRY.

10. LIENS AND CLAIMS. INDUSTRY shall not permit any mechanic's, materialmen's or other similar liens or claims, including stop notices, to stand against the Bridge for labor or materials furnished in completion of the work set forth in this Right of Entry. Notwithstanding any provisions to the contrary herein, INDUSTRY shall have the lien or claim released at its sole cost and expense within fifteen (15) days of any written request by LA PUENTE.

11. NOTICES. Any notices given or required to be given to INDUSRTY or LA PUENTE pursuant to any provisions of this Right of Entry shall be given in writing and shall personally delivered, transmitted electronically or sent by U.S registered mail, with necessary postage prepaid, and shall be deemed to have been duly given:

- A. When delivered by hand
- B. The day after delivery by receipted overnight delivery
- C. The day after being mailed by certified mail or registered mail with return receipt requested to the following:

INDUSTRY

City of Industry
Attn: Paul Philips
15625 E. Stafford St. #100
City of Industry, CA 91744
Phone: 626-333-2211

LA PUENTE

City of La Puente
Attn: David Carmany
15900 E. Main St.
La Puente, CA 91744
Phone: 626-855-1500

With a copy to:

James M. Casso
Casso & Sparks, LLP
13200 Crossroads Parkway North, Suite 345
City of Industry, CA 91746

12. AGREEMENT. This Right of Entry constitutes the entire agreement between the Parties with respect to the subject matter described herein. No modifications or alterations of the terms hereof shall be binding unless such modification or alternation is in writing and executed by both Parties. If any provision of this Right of Entry is determined to be invalid, illegal or unenforceable, the remaining provisions of this Right of Entry shall remain in full force. This Right of Entry shall be governed by and in accordance with the law of the State of California. Any action to enforce or interpret its provisions must be brought in courts located in Los Angeles County, California.

13. WAIVER. The waiver by INDUSTRY or LA PUENTE of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Right of Entry shall be deemed to have been waived by INDUSTRY or LA PUENTE unless in writing.

14. REMEDIES. Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the

forbearance of the exercise by any Party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such Party of any of all of such other rights, powers or remedies.

15. ATTORNEYS' FEES. If any action at law or suit in equity is brought to enforce or interpret the provisions of this Right of Entry, or arising out of or relating to the services provided by INDUSTRY under this Right of Entry, 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.

16. EXECUTION IN COUNTERPARTS. This Right of Entry may be executed in counterparts, each of which shall be deemed an original for all purposes, and all of such counterparts shall constitute but and the same Right of Entry.

17. AUTHORITY. Each person executing this Right of Entry hereby represents and warrants (i) their authority to do so, and (ii) that such authority has been duly and validly conferred.

CITY OF INDUSTRY

CITY OF LA PUNETE

By: _____
Paul Philips, City Manager

By: _____
David Carmany, City Manager

Attest:

Attest:

By: _____
Cecelia Dunlap, Deputy City Clerk

By: _____
Sheryl Garcia, Chief Deputy City Clerk

Approved as to form:

Approved as to form:

By: _____
James M. Casso, City Attorney

By: _____
James M. Casso, City Attorney

EXHIBIT A

This project includes the repainting of the Azusa Avenue Bridge over Valley Boulevard. The project is located approximately one mile north of State Route 60, and the bridge structure extends into both the City of Industry and the City of La Puente. The bridge is approximately 740 feet in length with 7 spans, and crosses over Valley Boulevard, Arenth Avenue, Union Pacific Railroad (UPRR) tracks, San Jose Creek and Chestnut Street. With a structure width of 98'-4", the bridge carries three lanes of traffic in each direction. There are sidewalks on each side of the bridge with a concrete separation barrier railing and bridge railing, and a raised median between the NB and SB lanes. The superstructure consists of a reinforced concrete slab on twelve built-up steel plate girders approximately 60 inches deep with transverse steel angle cross-bracing diaphragms spaced at approximately 10 feet apart and diagonal steel angle longitudinal bracing.

EXHIBIT B
DEFINITION OF HAZARDOUS MATERIAL, ENVIRONMENTAL LAWS

As used in this Right of Entry, the term "**Hazardous Material**" means any chemical, compound, material, mixture, or substance that is now or may in the future be defined or listed in, or otherwise classified pursuant to any Environmental Laws (defined below) as a "hazardous substance", "hazardous material", "hazardous waste", "extremely hazardous waste", "infectious waste", "toxic substance", "toxic pollutant", or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, or toxicity. The term "hazardous material" shall also include asbestos or asbestos-containing materials, radon, chrome and/or chromium, polychlorinated biphenyls, petroleum, petroleum products or by-products, petroleum components, oil, mineral spirits, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable as fuel, perchlorate, and methy tert butyl ether, whether or not defined as a hazardous waste or hazardous substance in the Environmental Laws.

As used in this Right of Entry, the term "**Environmental Laws**" means any and all federal, state and local statutes, ordinances, orders, rules, regulations, guidance documents, judgments, governmental authorizations or directives, or any other requirements of governmental authorities, as may presently exist, or as may be amended or supplemented, or hereafter enacted, relating to the presence, release, generation, use, handling, treatment, storage, transportation or disposal of Hazardous Materials, or the protection of the environment or human, plant or animal health, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. § 9601), the Hazardous Materials Transportation Act (49 U.S.C. § 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Oil Pollution Act (33 U.S.C. § 2701 et seq.), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 et seq.), the Porter-Cologne Water Quality Control Act (Cal. Water Code § 13000 et seq.), the Toxic Mold Protection Act (Cal. Health & Safety Code § 26100, et seq.), the Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code § 25249.5 et seq.), the Hazardous Waste Control Act (Cal. Health & Safety Code § 25100 et seq.), the Hazardous Materials Release Response Plans & Inventory Act (Cal. Health & Safety Code § 25500 et seq.), and the Carpenter-Presley-Tanner Hazardous Substances Account Act (Cal. Health and Safety Code, Section 25300 et seq.).

CITY COUNCIL

ITEM NO. 5.9



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: April 28, 2016
SUBJECT: Reschedule the May 12, 2016 City Council Meeting to Tuesday, May 10, 2016

As you will recall, the California Contract Cities Association will be holding their Annual Municipal Seminar from May 12-14, 2016. The City is a major sponsor and long term member of this municipal services organization. Our regularly scheduled City Council Meeting of May 12, 2016 conflicts with this seminar.

IT IS RECOMMENDED that the City Council reschedule the May 12, 2016 City Council Meeting to Tuesday, May 10, 2016, at 9:00 a.m. Note: Wednesday, May 11, 2016 is already scheduled for other related Commission meetings.