

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS
(TRES HERMANOS RANCH)**

This Purchase and Sale Agreement and Joint Escrow Instructions (Tres Hermanos Ranch) (this "**Agreement**"), dated as of February 7, 2019 (the "**Effective Date**"), is entered into by and between the **CITY OF INDUSTRY**, a municipal corporation ("**Seller**" or "**Industry**"), and the **TRES HERMANOS CONSERVATION AUTHORITY**, a joint exercise of powers authority established pursuant to Section 6500 *et seq.* of the California Government Code ("**Buyer**"), which authority is comprised of the City of Chino Hills ("**Chino Hills**"), the City of Diamond Bar ("**Diamond Bar**") and Industry (Seller and Buyer are hereinafter sometimes individually referred to as a "**Party**" and collectively referred to as the "**Parties**"), with reference to the following facts:

RECITALS

A. Seller is in escrow (the "**First Escrow**") with First American Title Insurance Company (Escrow No. NCS-885653) to purchase that certain real property commonly known as Tres Hermanos Ranch, which consists of the following APNs: 8701-021-271, 8701-022-270 and 8701-022-273 (Los Angeles County) and 1000-011-19, 1000-011-20, 1000-011-21 and 1000-011-22, 1000-021-13 and 1000-021-14, 1000-031-14 and 1000-031-15 (San Bernardino County), as more particularly described on **Exhibit A** attached hereto, together with all of Seller's right, title and interest in and to any and all hereditaments, appurtenances, rights, permits, licenses, privileges, development rights and easements relating to such land, including without limitation Seller's right, title and interest in and to all streets, alleys and rights-of-way in, on, across, in front of, abutting or adjoining such real property and all water rights and mineral rights (collectively, the "**Land**").

B. On or about August 24, 2017, the Oversight Board (the "**Oversight Board**") of the Successor Agency approved Seller's purchase of the Property via adoption of Resolution No. OB 2017-05, for the total purchase price of \$41,650,000.

C. Seller, the City Council of the City of Industry (the "**Industry City Council**"), the Successor Agency, the Board of Directors of the Successor Agency to the Industry-Urban Development Agency, Chino Hills and Diamond Bar have entered into that certain Settlement Agreement and Mutual Releases (the "**Settlement Agreement**") dated as of February 5, 2019, a copy of which (without exhibits) is attached hereto as **Exhibit D**, pursuant to which Chino Hills and Diamond Bar have agreed to dismiss certain lawsuits filed by Chino Hills and Diamond Bar against Seller, the Successor Agency and other parties relating to the Land upon the satisfaction of specified conditions precedent, including without limitation the execution of this Agreement and the transfer of the Property (as defined in Section 1, below) to Buyer pursuant to the terms and conditions hereof.

D. Therefore, 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, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby agree as follows:

1. PURCHASE AND SALE. Pursuant to the terms and conditions contained in this Agreement, Seller hereby agrees to sell and convey to Buyer, and Buyer hereby agrees to purchase and accept from Seller, the following property (collectively, the "**Property**"): (a) the Land ; and (b) all buildings, fixtures, structures, parking areas, landscaping and other improvements located on the Land (the "**Improvements**").

2. PURCHASE PRICE AND INDEPENDENT CONSIDERATION.

A. Purchase Price. The purchase price for the Property shall be Forty-One Million Six Hundred Fifty Thousand Dollars (\$41,650,000.00) (the "**Purchase Price**"), of which (a) Industry shall be credited with a payment of \$37,485,000.00, (b) Diamond Bar shall pay \$1,205,033.00 and (c) the Chino Hills shall pay \$2,959,967.00 (each, a "**Payment**" and, collectively, the "**Payments**"). With the exception of Industry's credit, the Payments shall be deposited into the Escrow (as defined in Section 3.A, below) at least one (1) business day prior to the Close of Escrow (as defined in Section 3.C, below) and the Purchase Price shall be paid to Seller in cash at the Close of Escrow. Notwithstanding the above, if any of the conditions precedent to closing set forth in Section 5, below, are not satisfied or waived, by the applicable Party and the Close of Escrow fails to occur as a result thereof, the Payments shall be fully refundable, and shall be refunded, to Chino Hills and Diamond Bar.

B. Independent Consideration. Upon the execution of this Agreement, Buyer shall pay the sum of One Hundred Dollars (\$100.00) (the "**Independent Consideration**") to Seller, which shall be completely nonrefundable to Buyer in all events, it being the intent of the Parties to recognize that such amount has been bargained for and agreed to as independent consideration for Buyer's exclusive right to purchase the Property and for Seller's execution and delivery of this Agreement.

3. ESCROW.

A. Opening of Escrow. Buyer has opened an escrow (the "**Escrow**") at the offices of First American Title Insurance Company ("**Escrow Holder**"). The principal office of 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, Email: pbeverly@firstam.com. Upon mutual execution of this Agreement, Buyer and Seller shall deliver three fully executed originals of this Agreement to Escrow Holder and Escrow Holder shall promptly execute the attached Acceptance of Joint Escrow Instructions and shall thereupon be empowered to act under this Agreement and shall thereafter carry out its duties as Escrow Holder hereunder. The purchase and sale of the Property shall be completed through the Escrow. This Agreement, together with the provisions of Exhibit B attached hereto, shall constitute joint escrow instructions to Escrow Holder in connection with the Escrow. In the event of any inconsistency between the provisions in the main body of this Agreement and the provisions of Exhibit B, the provisions in the main body of this Agreement shall prevail.

B. Additional Instructions. Buyer and Seller hereby agree to execute such additional instructions not inconsistent with this Agreement as may be reasonably required by Escrow Holder in order to perform its obligations as Escrow Holder hereunder.

C. Closing of Escrow. The Escrow shall close (the "**Close of Escrow**") on or before February 13, 2019, after satisfaction of the conditions precedent to closing set forth in Sections 4, below, unless otherwise extended in writing by the Parties (the "**Closing Deadline**"). For purposes of this Agreement, the Close of Escrow shall mean the date on which the Grant Deeds (as defined in Section 5.A(iii), below) are recorded in the Los Angeles County Recorder's Office and the San Bernardino County Recorder's Office (the "**Official Records**").

4. TITLE INSURANCE.

A. Title Pro Forma. Buyer acknowledges receipt on February 5, 2019 of pro forma policy No. 885653 for the Property (the "**Title Pro Forma**") prepared by First American Title Insurance Company (the "**Title Company**"). In the event that the Title Company delivers any supplement to the Title Pro Forma to Buyer after the date of this Agreement that includes any new title matter affecting the Property ("**New Title Matter**") that is not set forth in the original Title Pro Forma and would (i) have a material adverse effect on the value or contemplated use of the Property, then Buyer shall have the right to object to any such New Title Matter(s) within five business (5) days following Buyer's receipt of such supplemental title report by written notice to Seller and Escrow Holder, provided that (A) any New Title Matter that is a monetary lien encumbering all or a portion of the Property is deemed disapproved and (B) the Closing Deadline shall be extended as necessary to accommodate such five (5) business-day objection period and a period of five (5) business days thereafter for Seller to respond to any objection by Buyer. In the event that such New Title Matter(s) are not removed, or modified or endorsed in a manner reasonably acceptable to Buyer, prior to the Close of Escrow, Buyer shall have the right either to (A) waive its objection to such New Title Matter(s), in which case such New Title Matter(s) shall be conclusively deemed approved, or (B) cancel the Escrow by written notice to Seller and Escrow Holder, in which case the provisions in the final sentence of Section 2.A, above, and the final paragraph of Section 5.B, above, shall apply.

B. Title Insurance. Prior to the Close of Escrow, Buyer shall obtain from the Title Company an irrevocable and unqualified commitment to deliver to Buyer at the Close of Escrow an ALTA owner's extended coverage policy of title insurance, including the endorsements in the Title Pro Forma (the "**Title Policy**"), naming Buyer as insured, with a liability amount equal to the Purchase Price, showing title to the Property to be vested in Buyer, subject only to (a) the exceptions shown on the Title Pro Forma, (b) any New Title Matter(s) approved by Buyer pursuant to Section 4.A, above, (c) matters of title suffered or created by or with the written consent of Buyer and (d) the standard printed exceptions to coverage contained in the Title Policy (collectively, the "**Approved Exceptions**"). The Title Policy shall be conclusive evidence of good and indefeasible title as to all matters insured thereby. Escrow Holder shall provide the original Title Policy to Seller. Seller agrees to execute the Title Company's standard owner's affidavit if and to the extent required by the Title Company with respect to the issuance of the Title Policy.

5. CONDITIONS TO CLOSING.

A. Buyer's Conditions to Closing. The 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 the Close of Escrow:

(i) Seller's Acquisition of the Property. Seller shall have acquired fee title to the Property prior to the Close of Escrow.

(ii) Title Insurance. The Title Company shall have satisfied the condition relating to the Title Policy set forth in Section 4.B, above.

(iii) Delivery of Grant Deeds. Not less than one (1) business day prior to the Close of Escrow, Seller shall have deposited into the Escrow, two (2) originals of the Grant Deed in the form attached hereto as Exhibit C, each duly executed and acknowledged by Seller and in recordable form (collectively the "**Grant Deeds**" and each individually, a "**Grant Deed**").

(iv) Delivery of Additional Documents. Buyer shall have timely delivered to Escrow Holder such other instruments and documents that may be reasonably required by Escrow Holder to transfer the Property to Buyer.

(v) No Default. Seller shall not be in material default of Seller's obligations under this Agreement.

(vi) Representations and Warranties. All of the representations and warranties made by Seller in this Agreement or in any document, instrument or certificate that shall be delivered by Seller to Buyer under this Agreement shall be true and correct in all material respects as of the Close of Escrow.

(vii) No Material Adverse Change. Following the execution of this Agreement, and until the Close of Escrow, no change shall have occurred with respect to the physical condition of the Property that (a) could have a material adverse effect on the value of the Property or its contemplated use or (b) renders untrue any representation or warranty of Seller under this Agreement in a material respect.

If any of the conditions precedent to Buyer's obligations set forth above fail to occur at or before the Close of Escrow through no fault of Buyer, then Buyer may either (A) waive such condition and proceed to close the Escrow or (B) cancel the Escrow and terminate this Agreement by written notice to Seller and Escrow Holder, in which case Escrow Holder shall return all of the Payments it has received, together with all interest earned thereon, to the parties who deposited the Payments into the Escrow.

B. Seller's Conditions to Closing. The 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 precedent at or prior to the Close of Escrow:

(i) 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 the Escrow on or before the Closing Deadline.

(ii) Delivery of Certificate of Acceptance. Not less than one (1) business day prior to the Close of Escrow, Buyer shall have deposited into Escrow two originals of a certificate of acceptance in the form included in Exhibit C attached hereto, duly executed by Buyer.

(iii) Representations and Warranties. All of the representations and warranties made by Buyer in this Agreement or in any document, instrument or certificate that shall be delivered by Buyer to Seller under this Agreement shall be true and correct in all material respects as of the Close of Escrow.

(iv) Delivery of Additional Documents. Buyer shall have timely delivered to Escrow Holder such other instruments and documents that may be reasonably required by Escrow Holder to transfer the Property to Buyer.

If any of the conditions precedent to Seller's obligations set forth above fail to occur at or before the Close of Escrow through no fault of Seller, then Seller may either (A) waive such condition and proceed to close the Escrow or (B) cancel the Escrow and terminate this Agreement by written notice to Buyer and Escrow Holder, in which case Escrow Holder shall return all of the Payments it has received, together with all interest earned thereon, to the parties who deposited the Payments into the Escrow.

6. REPRESENTATIONS AND WARRANTIES.

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

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

C. Buyer hereby represents and warrants to Seller that the execution, delivery and performance of this Agreement by Buyer does not and will not materially conflict with, or constitute a material violation or material breach of, or constitute a default under (i) the joint powers agreement of Buyer, (ii) any applicable Law (as defined in Section 6.E, below) binding upon or applicable to Buyer or (iii) any material agreement to which Buyer is a party.

D. Seller hereby represents and warrants to Buyer that the execution, delivery and performance of this Agreement by Seller does not and will not materially conflict with, or constitute a material violation or material breach of, or constitute a default under (i) the charter or incorporation documents of Seller, (ii) any applicable law binding upon or applicable to Seller or (iii) any material agreement to which Seller is a party.

E. Seller hereby represents and warrants to Buyer that (i) Seller has not released any Hazardous Materials (as defined below) on the Property, (ii) Seller has no actual knowledge of any release of Hazardous Materials on the Property, (iii) Seller has not received any notice of any actual or alleged violation of any federal, State or local law, ordinance, rule, regulation or order ("**Law**") from any governmental authority pertaining to the Property, or any investigation relating thereto, and (iv) Seller does not have in its possession or control any report or study with respect to the environmental condition of 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.

F. Seller hereby represents and warrants to Buyer that, other than the Approved Exceptions, (i) the only current occupants of the Property are Sherry Woods and Honorio Estrada Macias and his family (the "**Current Occupants**"), who occupy the Property based on non-written arrangements with the Successor Agency, (ii) the Property is not encumbered by any options to purchase, rights of first refusal or contracts for lease or sale of the Property, (iii) there are no liens or claims against the Property, (iv) there are no agreements that will affect the Property or bind Buyer following the Close of Escrow, and (v) there is no actual or threatened (in writing) litigation, proceeding, claim, appeal or arbitration against the Successor Agency or Seller that would, if adversely determined, materially and adversely affect Seller's ability to perform its obligations under this Agreement or consummate the transactions contemplated hereby.

G. Seller hereby represents and warrants to Buyer that Seller has not entered into any contract or other agreement with San Gabriel Valley Water and Power, LLC or any affiliate or member thereof relating to the Property, other than that certain Master Ground Lease dated as of May 17, 2016 and four (4) amendments thereto dated as of November 15, 2016, April 13, 2017, May 23, 2017 and June 30, 2017 (as amended, the "**Master Lease**"). It is acknowledged that, as required by the Master Lease, the Property was not acquired by Seller on or before December 31, 2018, and the Parties therefore believe that the Property cannot be added to the real property subject to the Master Lease.

H. The respective representations and warranties made by Seller and Buyer in this Section 6 shall survive the Close of Escrow for a period of two (2) years and shall not merge into the Grant Deeds. Each of the representations and warranties of Seller and Buyer that is to survive the Close of Escrow shall be deemed remade as of the Close of Escrow.

I. Subject to the two-year limitation on the survival of the representations and warranties specified in Section 6.G, above, Seller shall indemnify, defend, reimburse and hold harmless Buyer from and against any and all claims, demands, losses, obligations, costs and expenses (including, without limitation, reasonable attorneys' fees and costs, whether or not any action is filed or prosecuted) arising from or relating to any untruth of any of the representations and warranties made by Seller pursuant to Section 6.G, above.

J. Subject to the two-year limitation on the survival of the representations and warranties specified in Section 6.G, above, Buyer shall indemnify, defend, reimburse and hold harmless Seller from and against any and all claims, demands, losses, obligations, costs and expenses (including, without limitation, reasonable attorneys' fees and costs, whether or not any action is filed or prosecuted) arising from or relating to any untruth of any of the representations and warranties made by Buyer pursuant to Section 6.G, above.

7. CONDITION OF PROPERTY. Except as otherwise expressly and specifically provided in this Agreement, the Property shall be conveyed from Seller to Buyer on an "AS IS" condition and basis with all faults and Buyer agrees that Seller has no obligation to make modifications, replacements or improvements thereto. Except as expressly and specifically provided in this Agreement, Buyer and anyone claiming by, through or under Buyer hereby waives its right to recover from and fully and irrevocably releases Seller, its respective 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 Buyer may now have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to the matters pertaining to the Property described in this Section 7, excepting in all cases those costs, losses, liabilities, damages, expenses, actions and causes of action arising from or related to (a) a material matter known to Seller and not disclosed to Buyer, (b) a default by Seller under this Agreement, (c) the untruth of any representation and warranty by Seller to Buyer in Section 6, above, in any material respect or (d) the gross negligence or willful misconduct of Seller. This release includes claims of which Buyer is presently unaware or which Buyer does not presently suspect to exist which, if known by Buyer, would materially affect Buyer's release of the Released Parties. Subject to the limitations with respect to the release at the end of the first sentence of this Section, if the Property is not in a condition suitable for the intended use or uses, then it is the sole responsibility and obligation of Buyer to take such action as may be necessary to place the Property in a condition suitable for the intended use. Except as otherwise expressly and specifically provided in this Agreement (which exception includes the representations and warranties of Seller in Section 6, above) and without limiting the generality of the foregoing, THE CITY MAKES NO REPRESENTATION OR WARRANTY AS TO THE FOLLOWING: (i) THE VALUE OF THE PROPERTY; (ii) THE INCOME TO BE DERIVED FROM THE PROPERTY; (iii) THE HABITABILITY, MARKETABILITY, PROFITABILITY, MERCHANTABILITY OR FITNESS FOR PARTICULAR USE OF THE PROPERTY;

(iv) THE MANNER, QUALITY, STATE OF REPAIR OR CONDITION OF THE PROPERTY;
(v) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (vi) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION OR POLLUTION LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS; (vii) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS AT, ON, UNDER OR ADJACENT TO THE PROPERTY; AND (viii) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE.

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

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

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

Buyer's Initials _____

The waivers and releases by Seller herein contained shall survive the Close of Escrow and the recordation of the Grant Deeds and shall not be deemed merged into the Grant Deeds upon their recordation.

8. CLOSE OF ESCROW.

A. Delivery of Documents and Payment. Not less than one (1) business day prior to the Close of Escrow, Seller and Buyer shall deposit into Escrow the documents described in Section 5, above. Escrow Holder shall deliver to Seller the Purchase Price when (i) Escrow Holder has recorded the Grant Deeds in the Official Records, (ii) the Title Company is prepared to issue to Buyer the Title Policy as provided in Section 4.B, above, and (3) all of the conditions precedent specified in Section 5, above, have been satisfied or waived.

B. Recordation and Delivery. At the Close of Escrow, Escrow Holder shall (i) record or cause to be recorded the Grant Deeds in the Official Records, (ii) deliver the Title Policy as provided in Section 4.B, above, (iii) disburse all Payments deposited with Escrow Holder in payment of the Purchase Price and related closing and other costs associated with the Escrow, (iv) deliver or cause to be delivered to Seller conformed copies of the recorded Grant Deeds, and (v) deliver or cause to be delivered to Buyer conformed copies of the recorded Grant Deeds.

C. Obligation to Refrain from Discrimination. Seller 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 Seller (itself or any person claiming under or through Seller) 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, upon the Close of Escrow, the City shall be relieved of any further responsibility under this Section 8.C as to the Property.

D. Form of Nondiscrimination and Nonsegregation Clauses. All deeds, leases or contracts for sale for all or any portion of the Property shall contain the following nondiscrimination or nonsegregation clauses:

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

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

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

discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the premises herein leased.

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

(iii) In contracts: "The contracting party or parties hereby covenant by and for himself or herself and their respective successors and assigns, that there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the contracting party or parties, any subcontracting party or parties, or their respective assigns or transferees, establish or permit any such practice or practices of discrimination or segregation.

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

9. RESTRICTIVE COVENANTS. Buyer's use of the Property shall be limited to open space, public uses and preservation uses. The foregoing restrictive covenant shall (i) remain in effect in perpetuity, (ii) be binding on the Property and Buyer and its successors and assigns and (iii) be set forth with particularity in any document of transfer or conveyance by Buyer.

10. ENVIRONMENTAL INDEMNITIES.

A. Buyer's Indemnity. Buyer shall indemnify, defend, reimburse and hold harmless Seller from and against any and all Environmental Damages (as defined below) arising from or relating to (i) the presence or release of Hazardous Materials in, on or under the Property, but only to the extent that such release occurs after the Close of Escrow, and (ii) any violation by Buyer of any Environmental Requirements (as defined below) pertaining to the Property and the activities thereon.

B. Seller's Indemnity. Seller shall indemnify, defend, reimburse and hold harmless Buyer from and against any and all Environmental Damages arising from or relating to (i) the presence or release of Hazardous Materials in, on or under the Property, but only to the extent

that such release occurred prior to the Close of Escrow, and (ii) any violation by Seller of any Environmental Requirements pertaining to the Property and the activities thereon.

C. Additional Indemnity Provisions.

(i) The indemnification obligations set forth in Sections 10.A and 10.B, above, shall include, but not be limited to, the burden and expense of defending all claims, suits and administrative proceedings (with counsel reasonably approved by the indemnified parties), even if such claims, suits or proceedings are groundless, false or fraudulent, and conducting all negotiations of any description, and paying and discharging, when and as the same become due, any and all judgments, penalties or other sums due against such indemnified persons. The indemnified Party, at its sole expense, may employ additional counsel of its choice to associate with counsel representing the indemnifying Party.

(ii) The indemnification obligations set forth in in Sections 10.A and 10.B, above, shall not apply to (i) any costs or expenses not reasonably incurred by the indemnified Party or (ii) any Environmental Damages resulting from the gross negligence or willful misconduct of the indemnified Party.

(iii) The indemnification obligations under this Section 10 shall survive the Close of Escrow and shall not merge into the Grant Deeds.

D. Definitions.

"Environmental Damages" means all claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability), encumbrances, liens, costs and expenses of investigation and defense of any claim, whether or not such claim is ultimately defeated, and of any good faith settlement of judgment approved by Seller, of whatever kind or nature, including without limitation reasonable attorneys' fees and disbursements and consultants' fees, any of which are incurred at any time as a result of the existence of any Hazardous Materials in, on or under the Property, or the existence of a violation of Environmental Requirements pertaining to the Property, and including:

(i) damages for personal injury, or injury to property or natural resources occurring on the Property or originating on the Property; and

(ii) fees incurred for the services of attorneys, consultants, contractors, experts, laboratories and all other costs incurred in connection with the investigation or remediation of such Hazardous Materials or violation of Environmental Requirements, including the preparation of any feasibility studies or reports or the performance of any remediation work required by any Governmental Authority.

"Environmental Requirements" means all Laws of any and all Governmental Authorities relating to the protection of human health or the environment, including (i) all requirements pertaining to reporting, licensing, permitting, investigation and remediation of emissions, discharges, releases or threatened releases of Hazardous Materials and other chemical substances, pollutants, contaminants or hazardous or toxic substances, materials or wastes, whether solid, liquid or gaseous in nature, into the air, surface water, groundwater or land, or

relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials and other chemical substances, pollutants, contaminants or hazardous or toxic substances, materials, or wastes, whether solid, liquid or gaseous in nature, and (ii) all requirements pertaining to the protection of the health and safety of employees or the public.

"Governmental Authority" means any federal, State, county, municipal or local governmental or quasi-governmental agency, body or authority, or any political subdivision, public corporation, district or other political or public entity or departments thereof, having jurisdiction over the Property or any portion thereof.

11. POSSESSION. Upon the Close of Escrow, (a) Seller shall deliver to Buyer possession of the Property free and clear of any and all current and future rights and interests of any and all persons and entities to occupy, possess or use all or any portion of the Property, other than whatever rights the Current Occupants possess to occupy the Property, and (b) Seller shall deliver to Buyer the keys to the Improvements.

12. 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.

13. GOVERNING LAW/VENUE. This Agreement shall be construed and enforced in accordance with the applicable laws of the State of California and venue shall be Los Angeles County to the extent permitted by law and in San Bernardino County to the extent required by law.

14. PROPERTY TAXES. To the extent required by law, Buyer shall be responsible for any property taxes or other taxes or assessments levied against the Property to the extent attributable to the period after the Close of Escrow, it being understood that Buyer does not believe that Buyer will be responsible for paying any such taxes. Seller shall be responsible for any property taxes or other taxes or assessments levied against the Property to the extent attributable to the period prior to the Close of Escrow.

15. CLOSING COSTS. Buyer and Seller shall split equally customary escrow fees and charges and the cost of the Title Policy. Any endorsements to the Title Policy requested by Buyer shall be paid for by Buyer. Tenant rental payments (if any) and utility and other operating costs of the Property shall be prorated as of the Close of Escrow with expenses prorated on an "accrual" basis and income prorated on a "cash" basis.

16. NOTICES. All notices or other communications required or permitted hereunder (a "Notice") shall be in writing, and shall be (a) personally delivered, sent by national overnight courier service, or sent by registered or certified mail, first class postage prepaid, return receipt requested, or (b) sent by electronic mail, but only if either (i) the recipient of the Notice acknowledges receipt of such transmission by email or (ii) a confirming copy of the Notice is

sent by one of the methods set forth in clause (a), above, not later than the first business day following transmission. Personally and courier delivered notices shall be deemed given upon actual personal delivery to designated address of the intended recipient. Mailed notices shall be deemed given upon the date of actual receipt as evidenced by the return receipt. Electronically mailed notices shall be deemed given upon the date the email is transmitted if transmitted without indication of delivery failure prior to 5:00 p.m. local time for the recipient (and if transmitted without indication of delivery failure after 5:00 p.m. local time for the recipient, then delivery will be deemed duly given at 9:00 a.m. local time for the recipient on the subsequent business day). Any Notice shall be sent, transmitted or delivered, as applicable, to the applicable Party or Parties at the following addresses:

To Buyer: Tres Hermanos Conservation Authority
c/o City of Diamond Bar
21810 Copley Drive
Diamond Bar, CA 91765
Attn: Daniel Fox, Deputy Executive Director

with copies to: City of Chino Hills
14000 City Center Drive
Chino Hills, CA 91709
Attn: Rad Bartlam, City Manager

City of Chino Hills
14000 City Center Drive
Chino Hills, CA 91709
Attn: Mark Hensley, City Attorney

City of Diamond Bar
21810 Copley Drive
Diamond Bar, CA 91765
Attn: David DeBerry, City Attorney

City of Industry
15625 East Stafford Street
City of Industry, CA 91744
Attn: Troy Helling, City Manager

City of Industry
15625 East Stafford Street
City of Industry, CA 91744
Attn: James M. Casso, City Attorney

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

with a copy to: City of Industry
15625 East Stafford Street
City of Industry, CA 91744
Attn: James M. Casso, City Attorney

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.

17. DEFAULT AND REMEDIES.

A. Buyer Default and Seller Exclusive Remedy. Seller hereby acknowledges and agrees that, in the event that the Close of Escrow does not occur at the time and in the manner provided in this Agreement due to the material failure of Buyer to comply with any of its obligations under this Agreement ("**Buyer Default**"), Seller shall be entitled, as its sole and exclusive remedy, to bring an action for specific performance of this Agreement against Buyer. Nothing in this Section 14.A shall limit the right of Seller to seek injunctive relief from a court of competent jurisdiction before, after or during the pendency of any proceeding with respect to its action for specific performance.

B. Seller Default and Buyer Exclusive Remedies. Buyer hereby acknowledges and agrees that, in the event that the Close of Escrow does not occur at the time and in the manner provided in this Agreement due to the material failure of Seller to comply with any of its obligations under this Agreement ("**Seller Default**"), including without limitation its failure to convey fee title to the Property to Buyer, Buyer shall be entitled, as its sole and exclusive remedies, to (i) Escrow Holder's return to Chino Hills and Diamond Bar of the Payments deposited by Chino Hills and Diamond Bar into the Escrow (less the Independent Consideration) and (b) an action for specific performance of this Agreement against Seller. Nothing in this Section 14.B shall limit the right of Buyer to seek injunctive relief from a court of competent jurisdiction before, after or during the pendency of any proceeding with respect to its action for specific performance.

C. No Damages. Neither Party shall be entitled to any damages of any kind or nature whatsoever with respect to a Seller Default or Buyer Default.

18. 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; Modifications. This Agreement, including the Exhibits attached hereto, together with the Settlement Agreement s and the other documents described and referred to herein, contain all of the agreements between the Parties pertaining to the subject matter hereof and fully supersede 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 Close of Escrow, as may be reasonably requested by the other Party to consummate more effectively the purposes or subject matter of this Agreement, including, without limitation, such documents as shall be required to issue the Title Policy.

D. No Assignment. Neither Party shall be permitted to assign this Agreement, in whole or in part, and any purported assignment of this Agreement by either Party in violation of this sentence shall be void.

E. Severability. In the event that all or any portion of any provision in this Agreement is held by a court of competent jurisdiction to be illegal or unenforceable, such illegal or unenforceable provision or portion of a provision shall be severed from the other provisions and/or portions of a provision which shall remain in full force and effect as if the illegal or unenforceable provision or portion of provision was not a part of this Agreement, unless the illegal or unenforceable provision provided a material portion of the consideration to Buyer or Seller.

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 original of this Agreement to physically form one document.

H. Seller's Operation of the Property. From the Effective Date until the Close of Escrow, Seller shall (a) operate the Property in substantially the same manner as it did prior to the Effective Date, (b) perform all Seller's obligations under the Approved Exceptions, (c) maintain the Property in good order, condition and repair, and (d) not execute any new lease, agreement, or any document that would constitute a new encumbrance on title, or modify any such existing agreement.

I. Legal Fees. Subject to the provisions of Section 14, above, if either Party brings any action or suit against the other Party for any matter relating to or arising out of this Agreement, then the prevailing Party in such action or dispute shall be entitled to recover from the other Party its reasonable costs and expenses of suit, including without limitation court costs and attorneys' fees actually and reasonably incurred, as awarded by a court of competent jurisdiction.

J. No Third Party Benefited. This Agreement is not intended nor shall it be construed to create any third-party beneficiary rights in any person, except that Chino Hills and Diamond Bar are third-party beneficiaries of this Agreement.

K. No Waiver. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, the waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver, nor shall a waiver in any instance constitute a waiver

in any subsequent instance. No waiver shall be binding unless executed in writing by the Party making such waiver.

L. Headings. The paragraph headings and captions in this Agreement are for convenience only and shall not limit or define the contents of this Agreement.

M. No Presumption re Drafter. The Parties acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the Parties and their attorneys, and this Agreement reflects their mutual agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any Party to be the drafter of this Agreement, and therefore no presumption for or against validity or as to any interpretation hereof, based upon the identity of the drafter shall be applicable in interpreting or enforcing this Agreement.

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

"SELLER":

CITY OF INDUSTRY, a municipal corporation

By _____
Troy Helling, City Manager

"BUYER":

TRES HERMANOS CONSERVATION AUTHORITY a joint exercise of powers authority established pursuant to Section 6500 et seq. of the California Government Code

By _____
Daniel Fox,
Deputy Executive Director

ATTEST:

Julie Robles-Gutierrez, Deputy City Clerk

ATTEST:

Julie Robles-Gutierrez, Secretary

APPROVED AS TO FORM:

By _____
James M. Casso, City Attorney

APPROVED AS TO FORM:

By _____
David DeBerry, Authority Counsel

ACCEPTANCE OF JOINT ESCROW INSTRUCTIONS

The undersigned, as Escrow Holder in connection with the sale of the Property, hereby acknowledges the terms and conditions of the joint escrow instructions set forth in the Agreement and in Exhibit B attached thereto, and agrees to perform its obligations in connection therewith.

Dated as of February 7, 2019.

FIRST AMERICAN TITLE INSURANCE
COMPANY

By _____

(Print Name and Title)

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

PARCEL 1: (Los Angeles County)

A PORTION OF SECTION 1 AND ALL OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SECTION 12; THENCE EAST 80 CHAINS TO THE SOUTHEAST CORNER OF SECTION 12; THENCE NORTH 80 CHAINS TO THE NORTHEAST CORNER OF SAID SECTION 12; THENCE ON A COURSE OF ABOVE NORTH 61° 28' WEST 90.83 CHAINS MORE OR LESS, TO A POINT IN THE WEST LINE OF SAID SECTION 1, DISTANT 43.02 CHAINS NORTH OF THE SOUTHWEST CORNER THEREOF; THENCE SOUTH ALONG THE WEST LINES OF SAID SECTION 1 AND 12 TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION THEREOF INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED ON JULY 05, 1968 AS INSTRUMENT NO. 399 IN BOOK D-4405 PAGE 993 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEEDS TO THE STATE OF CALIFORNIA, RECORDED ON NOVEMBER 17, 1971 AS INSTRUMENTS NO. 253 AND 254 IN BOOK D-5259 PAGES 626 AND 630 OF OFFICIAL RECORDS IN SAID COUNTY RECORDER.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEEDS TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA RECORDED ON MARCH 07, 1975 AS INSTRUMENTS NO. 281 AND 282 IN BOOK D-6579 PAGES 1 AND 11 OF OFFICIAL RECORDS IN SAID COUNTY RECORDER.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND DESCRIBED AS PARCEL A, IN THE GRANT DEED TO POMONA UNIFIED SCHOOL DISTRICT, RECORDED APRIL 07, 1993 AS DOCUMENT NO. 93-653577, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL A:

THAT PORTION OF THE SOUTH HALF OF SECTION 1 AND THE NORTH HALF OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF DIAMOND BAR, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA,

ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF PARCEL 3 OF PARCEL MAP NO. 13350 AS PER MAP FILED IN BOOK 144 AT PAGES 12 AND 13 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 65° 33' 44" WEST; THENCE ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL 3 NORTH 61° 55' 24" WEST 242.81 FEET TO THE MOST EASTERLY CORNER OF SAID LAND AS DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED ON NOVEMBER 17, 1971, AS INSTRUMENT NO. 254 IN BOOK D-5259 PAGE 630 OF OFFICIAL RECORDS; THENCE ALONG THE SOUTHWESTERLY BOUNDARIES OF SAID DEED TO THE STATE OF CALIFORNIA, AS FOLLOWS:

SOUTH 80° 26' 22" WEST 357.29 FEET, NORTH 39° 50' 49" WEST 184.88 FEET; NORTH 08° 58' 26" WEST, 186.31 FEET TO THE SOUTHWESTERLY LINE OF PARCEL 1 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 83 PAGES 62 AND 63 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID LAST MENTIONED SOUTHWESTERLY LINE NORTH 61° 55' 24" WEST 2446.02 FEET; THENCE SOUTH 26° 04' 36" WEST 915.27 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 1500.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15° 00' 00", AN ARC DISTANCE OF 392.70 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 120.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 78° 55' 24" WEST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 60°00'00", AN ARC DISTANCE OF 125.66 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, SOUTH 48° 55' 24" EAST 170.71 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 2500.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE 16° 02' 34", AN ARC DISTANCE OF 700.00 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 1125.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 25° 02' 02" WEST; THENCE EASTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 73° 27' 26", AN ARC DISTANCE OF 1442.33 FEET; THENCE TANGENT TO SAID COMPOUND CURVE NORTH 41° 34' 36" EAST 225.00 FEET; THENCE SOUTH 61° 55' 24" EAST 70.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 100.00 FEET; THENCE EASTERLY ALONG SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 60° 00' 00", AN ARC DISTANCE OF 104.72 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE SOUTH HAVING A RADIUS OF 75.00 FEET; A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 31° 55' 24" EAST; THENCE EASTERLY ALONG SAID REVERSE CURVE THROUGH A CENTRAL ANGLE OF 78° 30' 00" AN ARC DISTANCE OF 102.76 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 350.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 46° 34' 36" EAST;

THENCE SOUTHEASTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 22° 30' 00", AN ARC DISTANCE OF 137.44 FEET; THENCE TANGENT TO SAID LAST COMPOUND CURVE SOUTH 20° 55' 24" EAST 105.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTH AND HAVING A RADIUS OF 265.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 112° 00' 00", AN ARC DISTANCE OF 518.01 FEET; THENCE TANGENT TO LAST MENTIONED CURVE NORTH 47° 04' 36" EAST 137.02 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 200.00 FEET; THENCE EASTERLY ALONG SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 67° 27' 44", AN ARC DISTANCE OF 235.49 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, SOUTH 65° 27' 40" EAST 38.64 FEET TO THE WESTERLY LINE OF CHINO HILLS PARKWAY (100.00 FEET WIDE) AS EXISTED ON APRIL 5, 1993, AND AS ESTABLISHED BY THE COUNTY ENGINEER OF SAN BERNARDINO; THENCE ALONG SAID CHINO HILLS PARKWAY, AS FOLLOWS:

NORTH 24° 32' 20" EAST 72.06 FEET AND NORTHERLY ALONG A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1750.00 FEET THROUGH A CENTRAL ANGLE OF 00° 06' 04", AN ARC DISTANCE OF 3.09 FEET TO THE POINT OF BEGINNING.

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

PARCEL 2 (San Bernardino County)

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

PARCEL NO. 1:

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

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

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

PARCEL NO. 2:

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

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

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

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

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

APNs: 1000-011-19, 1000-011-20, 1000-011-21, 1000-011-22, 1000-011-13, 1000-011-14, 1000-031-14, 1000-031-15, 8701-022-270, 8701-021-271 and 8701-022-273.

EXHIBIT B

ESCROW HOLDER'S GENERAL PROVISIONS

(See Four (4) Following Pages)

Receipt of these provisions deems acceptance of the terms. Please read for general information about the escrow process.

1. SPECIAL DISCLOSURES:

A. DEPOSIT OF FUNDS & DISBURSEMENTS

Unless directed in writing to establish a separate, interest-bearing account together with all necessary taxpayer reporting information, all funds shall be deposited in general escrow accounts in a federally insured financial institution including those affiliated with Escrow Holder ("depositories"). All disbursements shall be made by Escrow Holder's check or by wire transfer unless otherwise instructed in writing. The Good Funds Law (California Insurance Code 12413.1) mandates that Escrow Holder may not disburse funds until the funds are, in fact, available in Escrow Holder's account. Wire transfers are immediately disburseable upon confirmation of receipt. Funds deposited by a cashier's or certified check are generally available on the next banking day following deposit. Funds deposited by a personal check and other types of instruments may not be available until confirmation from Escrow Holder's bank which can vary from 2 to 10 days.

B. DISCLOSURE OF POSSIBLE BENEFITS TO ESCROW HOLDER

As a result of Escrow Holder maintaining its general escrow accounts with the depositories, Escrow Holder may receive certain financial benefits such as an array of bank services, accommodations, loans or other business transactions from the depositories ("collateral benefits"). All collateral benefits shall accrue to the sole benefit of Escrow Holder and Escrow Holder shall have no obligation to account to the parties to this escrow for the value of any such collateral benefits.

C. MISCELLANEOUS FEES

Escrow Holder may incur certain additional costs on behalf of the parties for services performed, or fees charged, by third parties. The fees charged by Escrow Holder for services including, but not limited to, wire transfers, overnight delivery/courier services, etc. may include a mark up over the direct cost of such services to reflect the averaging of direct, administrative and overhead charges of Escrow Holder for such services which shall, in no event, exceed \$10 for each markup.

D. METHOD TO DELIVER PAYOFF TO LENDERS/LIENHOLDERS

To minimize the amount of interest due on any existing loan or lien, Escrow Holder will deliver the payoff funds to the lender/lienholder as soon as Escrow Holder is able after confirmation of recordation/close of escrow and as demanded by the lender/lienholder using (a) personal delivery, (b) wire transfer, or (c) overnight delivery service, unless otherwise directed in writing by the affected party. Certain payments such as home equity line of credit payoffs ("HELOCS") may require additional time to process.

2. "CLOSE OF ESCROW"/PRORATIONS & ADJUSTMENTS

The term "close of escrow" means the date on which documents are recorded. All prorations and/or adjustments shall be made to the close of escrow based on the number of actual days, unless otherwise instructed in writing.

3. CONTINGENCY PERIODS

Escrow Holder shall not be responsible for monitoring contingency time periods between the parties. The parties shall execute such documents as may be requested by Escrow Holder to confirm the status of any such periods.

4. REPORTS

a. Preliminary Report -Escrow Holder has neither responsibility nor liability for any title search that may be performed in connection with the issuance of a preliminary report.

b. Other Reports-As an accommodation, Escrow Holder may agree to transmit orders for inspection, termite, disclosure and other reports if requested, in writing or orally, by the parties or their agents. Escrow Holder shall deliver copies of any such reports as directed. Escrow Holder is not responsible for reviewing such reports or advising the parties of the content of same.

5. INFORMATION FROM AFFILIATED COMPANIES

Escrow Holder may provide the parties' information to and from its affiliates in connection with the offering of products and services from these affiliates.

THIS COMPANY CONDUCTS ESCROW BUSINESS UNDER CERTIFICATE OF AUTHORITY ISSUED BY THE STATE OF CALIFORNIA DEPARTMENT OF INSURANCE.

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6. RECORDATION OF DOCUMENTS

Escrow Holder is authorized to record documents delivered through escrow which are necessary or proper for the issuance of the requested title insurance policy(ies). Buyer will provide a completed Preliminary Change of Ownership Report form ("PCOR"). If Buyer fails to provide the PCOR, Escrow Holder shall close escrow and charge Buyer any additional fee incurred for recording the documents without the PCOR. Escrow Holder is released from any liability in connection with same.

7. PERSONAL PROPERTY TAXES

No examination, UCC search, insurance as to personal property and/or the payment of personal property taxes is required unless otherwise instructed in writing.

8. REAL PROPERTY TAXES

Real property taxes are prorated based on the most current available tax statement from the tax collector's office. Supplemental taxes may be assessed as a result of a change in ownership or completion of construction. Adjustments due either party based on the actual new tax bill issued after close of escrow or a supplemental tax bill will be made by the parties outside of escrow and Escrow Holder is released of any liability in connection with such adjustments. The first installment of California real property taxes is due November 1st (delinquent December 10th) and the second installment is due February 1st (delinquent April 10th). If a tax bill is not received from the County at least 30 days prior to the due date, buyer should contact the County Tax Collector's office and request one. Escrow Holder is not responsible for same.

9. CANCELLATION OF ESCROW

a. Any party desiring to cancel this escrow shall deliver written notice of cancellation to Escrow Holder. Within a reasonable time after receipt of such notice, Escrow Holder shall send by regular mail to the address on the escrow instructions, one copy of said notice to the other party(ies). Unless written objection to cancellation is delivered to Escrow Holder by a party within 10 days after date of mailing, Escrow Holder is authorized, at its option, to comply with the notice and terminate the escrow. If a written objection is received by Escrow Holder, Escrow Holder is authorized, at its option, to hold all funds and documents in escrow (subject to the Funds Held in Escrow fee) and to take no other action until otherwise directed by either the parties' mutual written instructions or a final order of a court of competent jurisdiction. If no action is taken on this escrow within 6 months after the closing date specified in the escrow instructions, Escrow Holder's obligations shall, at its option, terminate. Upon termination of this escrow, the parties shall pay all fees, charges and reimbursements due to Escrow Holder and all documents and remaining funds held in escrow shall be returned to the parties depositing same.

b. Notwithstanding the foregoing, upon receipt of notice of cancellation by a seller in a transaction subject to the Home Equity Sales Contract law (CC §1695 et seq.), Escrow Holder shall have the right to unilaterally cancel the escrow and may return all documents and funds without consent by or notice to the buyer.

10. CONFLICTING INSTRUCTIONS & DISPUTES

If Escrow Holder becomes aware of any conflicting demands or claims concerning this escrow, Escrow Holder shall have the right to discontinue all further acts on Escrow Holder's part until the conflict is resolved to Escrow Holder's satisfaction. Escrow Holder has the right at its option to file an action in interpleader requiring the parties to litigate their claims/rights. If such an action is filed, the parties jointly and severally agree (a) to pay Escrow Holder's cancellation charges, costs (including the Funds Held in Escrow fee) and reasonable attorneys' fees, and (b) that Escrow Holder is fully released and discharged from all further obligations under the escrow. If an action is brought involving this escrow and/or Escrow Holder, the party(ies) involved in the action agree to indemnify and hold the Escrow Holder harmless against liabilities, damages and costs incurred by Escrow Holder (including reasonable attorneys' fees and costs) except to the extent that such liabilities, damages and costs were caused by the negligence or willful misconduct of Escrow Holder.

11. FUNDS HELD IN ESCROW

When funds remain in escrow over 90 days after either close of escrow or estimated close of escrow, a monthly holding fee of \$25 shall be imposed by Escrow Holder that is to be charged against the funds held.

12. USURY

Escrow Holder is not to be concerned with usury as to any loans or encumbrances in this escrow and is hereby released of any responsibility and/or liability therefore.

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13. AMENDMENTS TO ESCROW INSTRUCTIONS

Any amendment to the escrow instructions must be in writing, executed by all parties and accepted by Escrow Holder. Escrow Holder may, at its sole option, elect to accept and act upon oral instructions from the parties. If requested by Escrow Holder the parties agree to confirm said instructions in writing as soon as practicable. The escrow instructions as amended shall constitute the entire escrow agreement between the Escrow Holder and the parties hereto with respect to the subject matter of the escrow.

14. FIRE, HAZARD OR LIABILITY INSURANCE POLICIES

In all matters relating to fire, hazard or liability insurance, Escrow Holder may assume that each policy is in force and that the necessary premium has been paid. Escrow Holder is not responsible for obtaining fire, hazard or liability insurance, unless Escrow Holder has received specific written instructions to obtain such insurance prior to close of escrow from the parties or their respective lenders.

15. COPIES OF DOCUMENTS; ELECTRONIC SIGNATURES; AUTHORIZATION TO RELEASE

Escrow Holder is authorized to rely upon copies of documents, which include facsimile, electronic, NCR, or photocopies as if they were an originally executed document. Escrow Holder may agree to accept electronically signed documents from a platform or program approved by Escrow Holder. If requested by Escrow Holder, the originals of such documents and/or original signatures shall be delivered to Escrow Holder. Escrow Holder may withhold documents and/or funds due to the party until such originals are delivered. Documents to be recorded MUST contain original signatures. Escrow Holder may furnish copies of any and all documents to the lender(s), real estate broker(s), attorney(s) and/or accountant(s) involved in this transaction upon their request. Delivery of documents by escrow to a real estate broker or agent who is so designated in the purchase agreement shall be deemed delivery to the principal.

16. EXECUTION IN COUNTERPART

The escrow instructions and any amendments may be executed in one or more counterparts, each of which shall be deemed an original, and all of which taken together shall constitute the same instruction.

17. TAX REPORTING, WITHHOLDING & DISCLOSURE

The parties are advised to seek independent advice concerning the tax consequences of this transaction, including but not limited to, their withholding, reporting and disclosure obligations. Escrow Holder does not provide tax or legal advice and the parties agree to hold Escrow Holder harmless from any loss or damage that the parties may incur as a result of their failure to comply with federal and/or state tax laws. *WITHHOLDING OBLIGATIONS ARE THE EXCLUSIVE OBLIGATIONS OF THE PARTIES. ESCROW HOLDER IS NOT RESPONSIBLE TO PERFORM THESE OBLIGATIONS UNLESS ESCROW HOLDER AGREES IN WRITING.*

A. TAXPAYER IDENTIFICATION NUMBER REPORTING

Federal law requires Escrow Holder to report seller's social security number or tax identification number (both numbers are hereafter referred to as the "TIN"), forwarding address, and the gross sales price to the Internal Revenue Service ("IRS"). To comply with the USA PATRIOT Act, certain taxpayer identification information (including, but not limited to, the TIN) may be required by Escrow Holder from certain persons or entities involved (directly or indirectly) in the transaction prior to closing.

Escrow cannot be closed nor any documents recorded until the information is provided and certified as to its accuracy to Escrow Holder. The parties agree to promptly obtain and provide such information as requested by Escrow Holder.

B. STATE WITHHOLDING & REPORTING

In accordance with Section 18662 of the Revenue and Taxation Code (R&TC), a buyer may be required to withhold an amount equal to 3 1/3% (.0333) of the sale price, or an optional gain on sale withholding amount certified by the seller in the case of a disposition of California real property interest by either:

1. A seller who is an individual, trust, estate, or when the disbursement instructions authorize the proceeds to be sent to a financial intermediary of the sellers.
2. A corporate seller that has no permanent place of business in California immediately after the transfer of title to the California property.

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The buyer may become subject to penalty for failure to withhold an amount equal to the greater of 10 percent of the amount required to be withheld or five hundred dollars (\$500).

However, notwithstanding any other provision included in the California statutes referenced above, no buyer will be required to withhold any amount or be subject to penalty for failure to withhold if any of the following applies:

1. The sale price of the California real property conveyed does not exceed one hundred thousand dollars (\$100,000).
2. The seller executes a written certificate under the penalty of perjury certifying that the seller is a corporation with a permanent place of business in California.
3. The seller, who is an individual, trust, estate, or a corporation without a permanent place of business in California, executes a written certificate under the penalty of perjury of any of the following:
 - a. The California real property being conveyed is the seller's or decedent's principal residence (within the meaning of Section 121 of the Internal Revenue Code (IRC)).
 - b. The last use of the property being conveyed was by the transferor as the transferor's principal residence (within the meaning of IRC Section 121).
 - c. The California real property being conveyed is, or will be, exchanged for property of like kind (within the meaning of IRC Section 1031), but only to the extent of the amount of gain not required to be recognized for California income tax purposes under IRC Section 1031.
 - d. The California real property has been compulsorily or involuntarily converted (within the meaning of IRC Section 1033) and the seller intends to acquire property similar or related in service or use so as to be eligible for nonrecognition of gain for California income tax purposes under IRC Section 1033.
 - e. The California real property transaction will result in a loss or net gain not required to be recognized for California income tax purposes.

The seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.

Contact FTB: For additional information regarding California withholding or for the Alternative Withholding, contact the Franchise Tax Board at (toll free) 888-792-4900, by e-mail WSCS.GEN@ftb.ca.gov; or visit their website at www.ftb.ca.gov.

C. FEDERAL WITHHOLDING & REPORTING

Certain federal reporting and withholding requirements exist for real estate transactions where the seller (transferor) is a non-resident alien, a non-domestic corporation, partnership, or limited liability company; or a domestic corporation, partnership or limited liability company controlled by non-residents; or non-resident corporations, partnerships or limited liability companies.

D. TAXPAYER IDENTIFICATION DISCLOSURE

Federal and state laws require that certain forms include a party's TIN and that such forms or copies of the forms be provided to the other party and to the applicable governmental authorities. Parties to a real estate transaction involving seller-provided financing are required to furnish, disclose, and include the other party's TIN in their tax returns. Escrow Holder is authorized to release a party's TINs and copies of statutory forms to the other party and to the applicable governmental authorities in the foregoing circumstances. The parties agree to hold Escrow Holder harmless against any fees, costs, or judgments incurred and/or awarded because of the release of their TIN as authorized herein.

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EXHIBIT C

FORM OF GRANT DEED

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Tres Hermanos Conservation Authority
c/o City of Diamond Bar
21810 Copley Drive
Diamond Bar, CA 91765
Attn: Daniel Fox,
Deputy Executive Director

APNs: 1000-011-19
1000-011-20
1000-011-21
1000-011-22
1000-011-13
1000-011-14
1000-031-14
1000-031-15
8701-022-270
8701-021-271
8701-022-273

The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383. The undersigned declares that this Grant Deed is exempt from Documentary Transfer Tax pursuant to Revenue and Taxation Code Section 11922.

GRANT DEED

Documentary Transfer Tax: \$0.00

THE UNDERSIGNED GRANTOR DECLARES:

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the CITY OF INDUSTRY, a municipal corporation ("Grantor"), hereby grants to the TRES HERMANOS CONSERVATION AUTHORITY ("Grantee"), a joint exercise of powers authority established pursuant to Section 6500 et seq. of the California Government Code, that certain real property described in Exhibit A attached hereto and incorporated herein by this reference (the "Land"), together with (1) all of Grantor's right, title and interest in and to any and all hereditaments, appurtenances, rights, permits, licenses, privileges, development rights and easements relating to the Land, including without limitation Grantor 's right, title and interest in and to all streets, alleys and rights-of-way in, on, across, in front of, abutting or adjoining such real property and all water rights and mineral rights and (2) all buildings, fixtures, structures,

parking areas, landscaping and other improvements located on the Land (collectively, the "Property").

The Property is conveyed subject to all easements, rights of way, covenants, conditions, restrictions, reservations and all other matters of record affecting title to the Property, and the following conditions subsequent:

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

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

2. Grantee's use of the Property shall be limited to open space, public uses and preservation uses.

3. All covenants and agreements contained in this Grant Deed shall run with the land and shall be binding for the benefit of Grantor and its successors and assigns and such covenants shall run in favor of 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 Grantor is or remains an owner of any land or interest therein to which such covenants relate; provided, however, that Grantor shall have no power of termination pursuant to Section 885.010 of the California Civil Code or any successor statute or any similar or other right or remedy pursuant to which Grantor can seek to reacquire title to the Property in the event of any breach or default with respect to the conditions subsequent set forth in numbered Paragraphs 1 and 2, above, of this Grant Deed, and Grantor's sole remedy with respect to any such breach or default shall be injunctive relief to enforce such covenant. Without limiting the generality of the foregoing, Grantor shall not, and shall have no right to, record a notice of intent to preserve the power of termination pursuant to Section 885.010 of the California Civil Code or any successor or other statute.

4. The conditions subsequent contained in numbered Paragraphs 2 and 3, above, of this Grant Deed shall remain in effect in perpetuity except as otherwise expressly set forth therein.

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

IN WITNESS WHEREOF, Grantor has duly executed this Grant Deed on February 7, 2019.

"Grantor":

CITY OF INDUSTRY

By _____
Troy Helling, City Manager

ATTEST:

Julie Gutierrez-Robles,
Deputy City Clerk

APPROVED AS TO FORM:

By _____
James M. Casso,
City Attorney

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the foregoing Grant Deed from the City of Industry, a municipal corporation, as grantor, to the Tres Hermanos Conservation Authority ("THCA"), a joint exercise of powers authority established pursuant to Section 6500 et seq. of the California Government Code, as grantee, is hereby accepted by the undersigned officer of THCA, pursuant to authority conferred by Resolution No. 2019-01 of the Board of Directors of THCA adopted on February 7, 2019, and grantee THCA hereby consents to recordation of the foregoing described Grant Deed.

Dated: February 7, 2019

**TRES HERMANOS CONSERVATION
AUTHORITY**

By _____
Daniel Fox,
Deputy Executive Director

EXHIBIT A to GRANT DEED

LEGAL DESCRIPTION

PARCEL 1: (Los Angeles County)

A PORTION OF SECTION 1 AND ALL OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SECTION 12; THENCE EAST 80 CHAINS TO THE SOUTHEAST CORNER OF SECTION 12; THENCE NORTH 80 CHAINS TO THE NORTHEAST CORNER OF SAID SECTION 12; THENCE ON A COURSE OF ABOVE NORTH 61° 28' WEST 90.83 CHAINS MORE OR LESS, TO A POINT IN THE WEST LINE OF SAID SECTION 1, DISTANT 43.02 CHAINS NORTH OF THE SOUTHWEST CORNER THEREOF; THENCE SOUTH ALONG THE WEST LINES OF SAID SECTION 1 AND 12 TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION THEREOF INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED ON JULY 05, 1968 AS INSTRUMENT NO. 399 IN BOOK D-4405 PAGE 993 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEEDS TO THE STATE OF CALIFORNIA, RECORDED ON NOVEMBER 17, 1971 AS INSTRUMENTS NO. 253 AND 254 IN BOOK D-5259 PAGES 626 AND 630 OF OFFICIAL RECORDS IN SAID COUNTY RECORDER.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND, DESCRIBED IN THE DEEDS TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA RECORDED ON MARCH 07, 1975 AS INSTRUMENTS NO. 281 AND 282 IN BOOK D-6579 PAGES 1 AND 11 OF OFFICIAL RECORDS IN SAID COUNTY RECORDER.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF, INCLUDED WITHIN THE LAND DESCRIBED AS PARCEL A, IN THE GRANT DEED TO POMONA UNIFIED SCHOOL DISTRICT, RECORDED APRIL 07, 1993 AS DOCUMENT NO. 93-653577, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL A:

THAT PORTION OF THE SOUTH HALF OF SECTION 1 AND THE NORTH HALF OF SECTION 12, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO MERIDIAN, IN

THE CITY OF DIAMOND BAR, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF PARCEL 3 OF PARCEL MAP NO. 13350 AS PER MAP FILED IN BOOK 144 AT PAGES 12 AND 13 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 65° 33' 44" WEST; THENCE ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL 3 NORTH 61° 55' 24" WEST 242.81 FEET TO THE MOST EASTERLY CORNER OF SAID LAND AS DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA RECORDED ON NOVEMBER 17, 1971, AS INSTRUMENT NO. 254 IN BOOK D-5259 PAGE 630 OF OFFICIAL RECORDS; THENCE ALONG THE SOUTHWESTERLY BOUNDARIES OF SAID DEED TO THE STATE OF CALIFORNIA, AS FOLLOWS:

SOUTH 80° 26' 22" WEST 357.29 FEET, NORTH 39° 50' 49" WEST 184.88 FEET; NORTH 08° 58' 26" WEST, 186.31 FEET TO THE SOUTHWESTERLY LINE OF PARCEL 1 AS SHOWN ON RECORD OF SURVEY FILED IN BOOK 83 PAGES 62 AND 63 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG SAID LAST MENTIONED SOUTHWESTERLY LINE NORTH 61° 55' 24" WEST 2446.02 FEET; THENCE SOUTH 26° 04' 36" WEST 915.27 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 1500.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15° 00' 00", AN ARC DISTANCE OF 392.70 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 120.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 78° 55' 24" WEST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 60°00'00", AN ARC DISTANCE OF 125.66 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, SOUTH 48° 55' 24" EAST 170.71 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 2500.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE 16° 02' 34", AN ARC DISTANCE OF 700.00 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 1125.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 25° 02' 02" WEST; THENCE EASTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 73° 27' 26", AN ARC DISTANCE OF 1442.33 FEET; THENCE TANGENT TO SAID COMPOUND CURVE NORTH 41° 34' 36" EAST 225.00 FEET; THENCE SOUTH 61° 55' 24" EAST 70.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 100.00 FEET; THENCE EASTERLY ALONG SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 60° 00' 00", AN ARC DISTANCE OF 104.72 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE SOUTH HAVING A RADIUS OF 75.00 FEET; A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 31° 55' 24" EAST; THENCE EASTERLY ALONG SAID REVERSE CURVE THROUGH A CENTRAL ANGLE OF 78° 30' 00" AN ARC DISTANCE OF 102.76 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 350.00

FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 46° 34' 36" EAST; THENCE SOUTHEASTERLY ALONG SAID COMPOUND CURVE THROUGH A CENTRAL ANGLE OF 22° 30' 00", AN ARC DISTANCE OF 137.44 FEET; THENCE TANGENT TO SAID LAST COMPOUND CURVE SOUTH 20° 55' 24" EAST 105.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTH AND HAVING A RADIUS OF 265.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 112° 00' 00", AN ARC DISTANCE OF 518.01 FEET; THENCE TANGENT TO LAST MENTIONED CURVE NORTH 47° 04' 36" EAST 137.02 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 200.00 FEET; THENCE EASTERLY ALONG SAID LAST MENTIONED CURVE THROUGH A CENTRAL ANGLE OF 67° 27' 44", AN ARC DISTANCE OF 235.49 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, SOUTH 65° 27' 40" EAST 38.64 FEET TO THE WESTERLY LINE OF CHINO HILLS PARKWAY (100.00 FEET WIDE) AS EXISTED ON APRIL 5, 1993, AND AS ESTABLISHED BY THE COUNTY ENGINEER OF SAN BERNARDINO; THENCE ALONG SAID CHINO HILLS PARKWAY, AS FOLLOWS:

NORTH 24° 32' 20" EAST 72.06 FEET AND NORTHERLY ALONG A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1750.00 FEET THROUGH A CENTRAL ANGLE OF 00° 06' 04", AN ARC DISTANCE OF 3.09 FEET TO THE POINT OF BEGINNING.

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

PARCEL 2 (San Bernardino County)

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

PARCEL NO. 1:

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

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

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

PARCEL NO. 2:

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

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

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

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

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

APNs: 1000-011-19, 1000-011-20, 1000-011-21, 1000-011-22, 1000-011-13, 1000-011-14, 1000-031-14, 1000-031-15, 8701-022-270, 8701-021-271 and 8701-022-273.

EXHIBIT D

SETTLEMENT AGREEMENT AND MUTUAL RELEASES

THIS SETTLEMENT AGREEMENT ("Agreement") is made and entered into as of February 5, 2019, by and among the CITY OF CHINO HILLS ("Chino Hills"), the CITY OF DIAMOND BAR ("Diamond Bar"), the CITY OF INDUSTRY ("Industry") and the CITY OF INDUSTRY CITY COUNCIL (the "Industry City Council" and, collectively with Industry, the "Industry Parties"), and the SUCCESSOR AGENCY TO THE INDUSTRY-URBAN DEVELOPMENT AGENCY (the "Successor Agency") and the BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE INDUSTRY-URBAN DEVELOPMENT AGENCY (the "Successor Agency Board" and, collectively with the Successor Agency, the "Successor Agency Parties"). The aforementioned parties are collectively defined herein as the "Parties" and each individually as a "Party." This Agreement is made with reference to the following facts:

RECITALS

A. Certain claims, demands and differences have existed heretofore among the Diamond Bar and Chino Hills, on the one hand, and the Industry Parties and the Successor Agency Parties, on the other hand.

B. The Successor Agency owns approximately 2,445 acres of largely undeveloped land, 695 acres of which is located within the boundaries of Diamond Bar and 1,750 acres of which is located within the boundaries of Chino Hills, which is commonly known as Tres Hermanos Ranch ("Tres Hermanos").

C. Diamond Bar and Chino Hills have filed the following six lawsuits against all or some of the Industry Parties, the Successor Agency Parties, the Oversight Board of the Successor Agency to the Industry Urban-Development Agency (the "Oversight Board"), San Gabriel Valley Water and Power, LLC ("SGVWP") and other parties relating to the approval of the sale of Tres Hermanos by the Successor Agency to Industry (collectively, the "Tres Hermanos Lawsuits"):

1. *City of Diamond Bar v. City of Industry, et al.*, Los Angeles Superior Court Case No. BS171295 (the "Diamond Bar Los Angeles Lawsuit").

2. *City of Chino Hills v. City of Industry, et al.*, Los Angeles Superior Court Case No. BS171398 (the "Chino Hills Los Angeles Lawsuit").

3. *City of Chino Hills v. City of Industry, et al.*, Los Angeles Superior Court Case No. BS172995 (the "Chino Hills PRA Lawsuit").

4. *City of Diamond Bar v. City of Industry, et al.*, Los Angeles Superior Court Case No. BS173224 (the "Diamond Bar PRA Lawsuit").

5. *City of Diamond Bar v. Oversight Board of the Successor Agency to the Industry-Urban Development Agency, et al.*, Sacramento Superior Court Case No. 34-2017-80002718-CU-WM-GDS (the "Diamond Bar Sacramento Lawsuit").

6. *City of Chino Hills v. Oversight Board of the Successor Agency to the Industry-Urban Development Agency, et al.*, Sacramento Superior Court Case No. 34-2017-80002719-CU-WM-GDS (the "Chino Hills Sacramento Lawsuit").

D. With respect to the Chino Hills Sacramento Lawsuit, Chino Hills caused the recordation of that certain Notice of Pendency of Action (the "Chino Hills Lis Pendens") (i) on February 26, 2018 as Instrument No. 2018018 in the Official Records of Los Angeles County, California (the "LAC Official Records") and (ii) on January 31, 2018 as Document No. 2018-0035375 in the Official Records of San Bernardino County, California (the "SBC Official Records"). With respect to the Diamond Bar Sacramento Lawsuit, Diamond Bar caused the recordation of that certain Notice of Pendency of Action (the "Diamond Bar Lis Pendens") (i) on January 29, 2018 as Instrument No. 20180092644 in the LAC Official Records and (ii) on January 31, 2018 as Document No. 2018-0035624 in the SBC Official Records.

E. The Parties desire to settle and dispose of, fully and completely, any and all matters between them heretofore arising out of, connected with or relating to the Tres Hermanos Lawsuits, including without limitation any claims that could have been raised in connection with the Tres Hermanos Lawsuits accruing prior to the date of this Agreement, without any further court proceedings, trial, appeal or adjudication of any issue of fact or law, and without any admission with respect to such matters by any Party.

F. This Agreement is not to be construed as a settlement or waiver of any claim or cause of action that the Parties have or may have, or that any individual Party has or may have, as against SGVWP or its affiliates, members, managers or successors or assigns.

NOW, THEREFORE, in consideration of the mutual covenants and agreements described below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. Notice of Conditional Settlement. Within seven (7) business days after the satisfaction of the conditions precedent set forth in Section 2.1, 2.2 and 2.3, below, counsel for Chino Hills and Diamond Bar shall file notices of conditional settlement with respect to the Chino Hills Los Angeles Lawsuit, the Diamond Bar Los Angeles Lawsuit, the Chino Hills Sacramento Lawsuit and the Diamond Bar Sacramento Lawsuit (collectively, the "Los Angeles/Sacramento Lawsuits"), using Judicial Council Form CM-200, indicating that each is a conditional settlement and stating that a request for dismissal will be filed no later than February 29, 2028; provided, however, that following such conditional settlement, the Los Angeles/Sacramento Lawsuits shall be dismissed pursuant to Section 2, below, following the satisfaction of the condition precedent set forth in Section 2.4, below.

2. Dismissal of Lawsuits. Chino Hills and Diamond Bar shall (a) (i) file and serve requests for dismissal with prejudice of the Los Angeles/Sacramento Lawsuits, executed by their respective counsel, and (ii) record expungements of the Chino Hills Lis Pendens and the Diamond Bar Lis Pendens, signed by their respective counsel, in the LAC Official Records and the SBC Official Records, all within seven (7) business days following satisfaction of all of the conditions precedent set forth in Sections 2.1, 2.2, 2.3 and 2.4, below, and (b) Chino Hills and Diamond Bar shall file and serve requests for dismissal without prejudice of the Chino Hills PRA Lawsuit and the Diamond Bar PRA Lawsuit, executed by their respective counsel, within seven (7) business days following satisfaction of the conditions precedent set forth in Sections 2.1, 2.2 and 2.3, below:

2.1 Joint Powers Agreement. On or before February 5, 2019, the governing bodies of Diamond Bar, Chino Hills and Industry (collectively, the "City Parties" and each individually a "City Party") shall have each lawfully approved in accordance with the Joint Exercise of Powers Act (Cal. Gov't Code § 6500 *et seq.*) and other applicable laws, and each City Party shall have executed, that certain Amended and Restated Tres Hermanos Joint Powers Agreement, in the form attached hereto as Exhibit "A" (the "JPA"), which shall reconstitute the Tres Hermanos Conservation Authority (the "Authority").

2.2 Purchase and Sale Agreement. On or before February 8, 2019, the Industry City Council and the governing body of the Authority shall have each lawfully approved, and Industry, as seller, and the Authority, as buyer, shall have entered into that certain Purchase and Sale Agreement and Joint Escrow Instructions, in the form attached hereto as Exhibit "B" (the "Authority Purchase Agreement"), pursuant to which the Authority shall acquire fee title to Tres Hermanos from Industry immediately following Industry's acquisition of fee title to Tres Hermanos from the Successor Agency pursuant to that certain Purchase and Sale Agreement and Joint Escrow Instructions Trusts Hermanos Ranch (the "Industry Purchase Agreement"), which was approved by the Oversight Board on August 24, 2017 and subsequently "ratified" by the Successor Agency Board and the Industry City Council on September 28, 2017. The purchase price for Tres Hermanos in the Authority Purchase Agreement is \$41,650,000. Chino Hills and Diamond Bar will collectively pay a portion of the purchase price in the aggregate amount of \$4,165,000, in proportion to the portions of Tres Hermanos within their respective jurisdictional limits.

2.3 Acquisition of Tres Hermanos. On or before February 13, 2019, Industry shall have acquired fee title to Tres Hermanos pursuant to the Industry Purchase Agreement and the Authority shall have immediately thereafter acquired fee title to Tres Hermanos pursuant to the Authority Purchase Agreement.

2.4 Resolution of All SGVWP Disputes. The Industry Parties and SGVWP and its members, managers, agents, representatives, employees and affiliates (collectively, the "SGVWP Parties") shall have settled and resolved all existing and potential disputes among them concerning that certain Master Ground Lease dated as of May 17, 2016, by and between Industry, as landlord, and SGVWP, as tenant (as amended, the "Master Lease"), as "ratified" by the Industry City Council on October 12, 2017, and the transfer of Tres Hermanos to the Authority (collectively, the "SGVWP/Industry Disputes"), which settlement and resolution shall require, without limitation, that the SGVWP/Industry Disputes, if any, shall have been (a) fully

and finally settled and/or (b) adjudicated and non-appealable, so that (i) neither Industry nor SGVWP can interfere in any manner with or otherwise affect the sale and transfer of Tres Hermanos by Industry to the Authority in accordance with the Authority Purchase Agreement or the Authority's use and administration of Tres Hermanos in accordance with the JPA following such sale and transfer, and (ii) SGVWP has no right or interest whatsoever in or with respect to Tres Hermanos pursuant to the Master Lease or otherwise and that the Master Lease shall have been terminated and have no further force or effect. For purposes of this Section 2.4, the term "settled" means, without limitation on the preceding sentence, that (A) the Industry Parties and the SGVWP Parties shall have dismissed with prejudice all lawsuits and other judicial proceedings by the Industry Parties against SGVWP Parties, or by the SGVWP Parties against the Industry Parties, Diamond Bar, Chino Hills and the Authority, with respect to the SGVWP/Industry Disputes, and (B) in the event litigation has been formally initiated against the Diamond Bar/Chino Hills Parties (as defined in Section 5, below) and/or the Authority, the SGVWP Parties shall have released the Diamond Bar/Chino Hills Parties and/or the Authority, and each of them, as applicable, from any and all Claims (as defined in Section 6.1, below). Notwithstanding anything to the contrary in this Section 2.4, Industry is permitted to maintain any action or initiate any cause(s) of action against SGVWP, so long as Industry does not seek to invalidate the transfer of Tres Hermanos to the Authority and/or validate the Master Lease.

3. Waiver of Attorney' Fees re Los Angeles/Sacramento Lawsuits. In the event that the Los Angeles/Sacramento Lawsuits are not dismissed in accordance with Section 2, above, and (a) any or all of the Los Angeles/Sacramento Lawsuits are thereafter adjudicated or otherwise resolved in favor of Chino Hills and/or Diamond Bar, in whole or in part, Chino Hills and Diamond Bar shall have no right to seek attorneys' fees, interest or costs, or any other monetary damages from the Industry Parties or the Successor Agency Parties in connection therewith, and (b) any or all of the Los Angeles/Sacramento Lawsuits are thereafter adjudicated or otherwise resolved in favor of the Industry Parties and/or the Successor Agency Parties, in whole or in part, neither the Industry Parties nor the Successor Agency Parties shall have any right to seek attorneys' fees, interest or costs, or any other monetary damages from the Chino Hills or Diamond Bar in connection therewith.

4. Industry Resolution of SGVWP Disputes. Industry shall use its reasonable efforts to resolve and settle all of the SGVWP/Industry Disputes prior to the transfer of fee title to Tres Hermanos to the Authority, provided that such resolution is reasonably determined by the Industry City Council to be in Industry's best interest. In the event that such resolution does not occur prior to such transfer, Industry shall continue to use its reasonable efforts to achieve such resolution as soon as possible thereafter. Notwithstanding the foregoing, in the event that Industry pursues any claims, suits and/or administrative proceedings against SGVWP relating to the Master Lease, Industry's pursuit of such claims, suits and/or administrative proceedings shall not constitute a breach under this Agreement, provided that Industry does not seek to invalidate the transfer of Tres Hermanos to the Authority and/or validate the Master Lease.

5. Indemnification. Industry agrees to indemnify, defend and hold harmless Diamond Bar and Chino Hills, and their respective officers, elected and appointed officials, agents, employees, representatives, administrators, attorneys, assigns and successors in interest (collectively, the "Diamond Bar/Chino Hills Parties"), and each of them, with respect to any

Claims that arise out of or relate in any way to the SGVWP/Industry Disputes, including without limitation any dealings between Industry and SGVWP or its affiliates involving Tres Hermanos or any adjacent property owned or controlled, in whole or in part, by Industry. The foregoing indemnification obligation shall include, but not be limited to, the burden and expense of defending all claims, suits and administrative proceedings (with counsel reasonably approved by the indemnified parties), even if such claims, suits or proceedings are groundless, false or fraudulent, and conducting all negotiations of any description, and paying and discharging, when and as the same become due, any and all judgments, penalties or other sums due against such indemnified persons. Chino Hills and Diamond Bar, at their sole expense, may employ additional counsel of its choice to associate with counsel representing Industry, provided that, notwithstanding anything to the contrary in this Section 5, Industry shall have no obligation to indemnify the Diamond Bar/Chino Hills Parties with respect to the attorneys' fees associated with such additional counsel. The obligations of Industry under this Section 5 shall survive the termination of this Agreement.

6. Mutual Releases. The Parties promise, agree and specifically release as follows, which releases shall become effective upon the satisfaction of all of the conditions precedent set forth in Section 2, above:

6.1 Industry Release. Except as to such rights or remedies as may be created by this Agreement, the Authority Purchase Agreement and the JPA (collectively, the "Settlement Documents"), Industry fully, finally and forever irrevocably releases, remises and discharges the Diamond Bar/Chino Hills Parties, and each of them, from any and all past or present suits, actions or causes of action, in law or in equity, debts, liens, contracts, agreements, promises, liabilities, claims, demands, damages, losses, costs or expenses, of any nature whatsoever, whether known or unknown, suspected or unsuspected (collectively, "Claims"), whether known or unknown, disclosed or undisclosed, suspected or unsuspected, as a result of any act, event or omission that occurred prior to the date of this Agreement arising out of, connected with or incidental to Tres Hermanos, the Master Lease or the Tres Hermanos Lawsuits, including any and all Claims for the recovery of any damages, costs, expenses or fees, including attorneys' fees, associated therewith (collectively, the "Released Claims").

6.2 Chino Hills/Diamond Bar Release. Except as to such rights or remedies as may be created by the Settlement Documents, Chino Hills and Diamond Bar fully, finally and forever irrevocably releases, remises and discharges the Industry Parties and their officers, elected and appointed officials, agents, employees, representatives, administrators, attorneys, assigns and successors in interest, and each of them, from any and all Released Claims.

6.3 Limitations on Releases. The Parties acknowledge and agree that the releases in Sections 6.1 and 6.2, above, are expressly limited to Released Claims and do not include any other Claims of any kind, including without limitation any Claims for breach of any Settlement Document or the failure to satisfy any conditions precedent set forth in the Settlement Documents.

6.4 Waiver of Civil Code Section 1542. With respect to the Released Claims, each Party specifically waives the benefit of the provisions of Section 1542 of the California Civil Code, which provides as follows:

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

Each Party has been advised by its attorneys of the meaning of Section 1542 of the California Civil Code, and of the implications of waiving the benefits thereof. The Parties agree that this waiver is an essential part of this Agreement, which would not have been entered into without such provision.

7. Covenant Not to Sue. Each Party agrees not to sue any other Party, or in any way assist any other person or entity in suing any other Party, with respect to any Released Claim. This Agreement may be pleaded as a full and complete defense to, and may be used as the basis for an injunction against any dispute, suit, or other proceeding that may be instituted, prosecuted, or attempted in breach of any such Released Claim.

8. Representations and Warranties. Each of the Parties represents, warrants and agrees as to itself as follows:

8.1 Such Party has received independent legal advice from its attorneys with respect to the advisability of making the settlement provided for herein, and with respect to the advisability of executing the Settlement Documents, and it is entering into this Agreement of its own informed and free will and based upon its own judgment.

8.2 Neither such Party nor any official, agent, employee, representative or attorney of or for it has made any statement or representation to any other Party regarding any fact relied upon in entering into the Settlement Documents, and it is not relying upon any statement, representation or warranty or promise, written or oral, of any other Party (or of any officer, agent, employee, representative, trustee or attorney for any other Party) in executing the Settlement Documents, or in making the settlement provided for herein, except as expressly stated in the Settlement Documents.

8.3 Such Party has made such investigation of the facts pertaining to this settlement and the Settlement Documents and of all the matters pertaining thereto as it deems necessary and it has executed the Settlement Documents without fraud, duress or undue influence.

8.4 Such Party or its responsible officer has carefully read and considered the Settlement Documents and understands the contents hereof and the significance of its contents.

8.5 This Agreement has been duly approved, executed and delivered by, and constitutes the valid and binding obligation of, such Party, and that the individual executing this Agreement on behalf of such Party has the authority to do so and bind such Party.

8.6 Each as otherwise expressly represented, warranted or provided in the Settlement Documents, such Party assumes the risks (a) that it may hereafter discover facts in addition to or contrary to those it believed to exist or relied upon in entering into the Settlement Documents, (b) that it may have mistakenly understood matters relevant to entering into the Settlement Documents and (c) that another Party may have negligently misrepresented or negligently failed to disclose facts in connection with the entering into of the Settlement Documents. Notwithstanding any such claims of misunderstanding, mistake, negligent misrepresentation or negligent nondisclosure, such Party intends that the Settlement Documents thereafter shall continue in full force and effect and shall not be subject to rejection or rescission for any reason, provided that such Party reserves all rights provided for in the Settlement Documents.

8.7 Such Party has not heretofore assigned, transferred, or granted, or purported to assign, transfer, or grant, any of the Released Claims or any part thereof.

8.8 Each term of this Agreement (other than Recitals A through F, above) is contractual and not merely a recital and each of Recitals A through F, above, is true and correct.

8.9 Such Party is aware that it may hereafter discover claims or facts in addition to or different from those it now knows or believes to be true with respect to the matters related herein. Nevertheless, it is the intention of such Party to fully, finally and forever settle and release all such matters, and all claims relative thereto, which do now exist, may exist, or heretofore have existed between them. In furtherance of such intention, the releases given herein shall be and remain in effect as full and complete mutual releases of all such matters, notwithstanding the discovery or existence of any additional or different claims or facts relative thereto.

8.10 The consideration recited herein is the only consideration for entering into this Agreement and that no promises or representations of other or further consideration have been made by any person or entity.

9. No Admissions. Each Party acknowledges that this Agreement effects the settlement of claims that are denied and contested by one or more other Parties, and that nothing contained herein can be construed as an admission of liability by or on behalf of any Party, all of which liability is expressly denied.

10. Own Counsel. Each of the Parties acknowledges that it has been represented by counsel of its own choice throughout all of the negotiations that preceded the execution of this Agreement and in connection with the preparation and execution of this Agreement.

11. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which taken together shall constitute one and the same instrument.

12. Captions. The captions of paragraphs contained in this Agreement are for reference only and shall not affect the meaning of any provision of this Agreement.

13. Own Costs. As between themselves, each Party shall bear its own costs, expenses and attorneys' fees that it has heretofore incurred in connection with or arising out of the matters set forth in the Recitals hereinabove.

14. Entire Agreement. It is expressly understood and agreed that the Settlement Documents contain and represent the entire agreement between the Parties with respect to the Released Claims, the settlement thereof and subject matter hereof, and merge, supersede and replace all prior and contemporaneous prior discussions, understandings, negotiations, agreements, representations, conditions, warranties, covenants and all other communications between the Parties, whether written or oral, relating to such subject matter.

15. Amendment. This Agreement may be modified or amended only by an agreement in writing that is approved by the governing body of each Party and duly executed by all of the Parties, provided that such approval and execution by the Successor shall not be required following the transfer of fee title to Tres Hermanos from Industry to the Authority.

16. Binding Effect. This Agreement is binding upon and shall inure to the benefit of each of the Parties and their respective officers, elected and appointed officials, agents, employees, representatives, administrators, attorneys, assigns and successors in interest.

17. Severability. In the event any covenant, condition, or other provision herein is held to be invalid, void, or illegal, the same is deemed severed from the remainder of this Agreement and will not affect, impair or invalidate any other covenant, condition, or other provision herein unless a court finds that the stricken provision(s) were integral to this Agreement and that it would be unfair to enforce the balance of the Agreement. If any covenant, condition, or other provision herein is held to be invalid due to its scope or breadth, such covenant, condition, or other provision shall be deemed valid to the extent of the scope or breadth permitted by law.

18. Arm's Length Negotiations. This Agreement has been negotiated at arms' length between persons knowledgeable in the matters dealt with herein. In addition, each of the Parties has been represented by independent legal counsel of its own choice. Accordingly, any rules of law, including, without limitation, Section 1654 of the California Civil Code, or any other statute, legal decision, or common law principle of similar effect, that would require interpretation of any ambiguities in this Agreement against the party that drafted it, is of no application and is hereby expressly waived. The provisions of this Agreement will be interpreted in a reasonable manner to effect the intentions of the Parties and of this Agreement.

19. Governing Law/Venue. This Agreement is made and entered into in the County of Los Angeles, State of California, and the rights and obligations of the parties hereunder shall in all respects be construed and enforced in accordance with, and governed by, the laws of the State of California. The Parties agree that all legal actions (including, without limitation, proceedings at law or in equity) arising out of this Agreement, shall be commenced and maintained only in the Los Angeles County Superior Court, in any other appropriate court in Los

Angeles County, California, or in the United States District Court for the Central District of California. Each Party hereby agrees to submit to the jurisdiction of any and all such courts and further agree that venue shall be proper only in such courts.

20. Mistake. Each Party has investigated the facts pertaining to the Settlement Documents to the extent such Party deems necessary. In entering into the Settlement Documents, each Party assumes the risk of mistake with respect to such facts. The Settlement Documents are intended to be final and binding upon the Parties regardless of any claim of mistake.

21. No Waiver. No provision herein may be waived unless in writing and signed by the Party or Parties whose rights are thereby waived. Waiver of any one provision herein shall not be deemed to be a waiver of any other provision herein.

22. Construction. This Agreement has been reviewed by the Parties, and by their respective attorneys, and the Parties have had a full opportunity to negotiate their contents. The Parties agree that the language in all parts of the Settlement Documents shall in all cases be construed as a whole, according to its fair meaning.

23. No Third Parties Benefited. Nothing in this Agreement or the Covenant Agreement, express or implied, is intended to confer upon any person or entity, other than the Parties or their respective permitted successors and assigns, any rights or benefits under or by reason of this Agreement or the Covenant Agreement.

24. Attorneys' Fees. In the event that any litigation shall be commenced concerning this Agreement or any Party's performance under this Agreement, the court, in its discretion, may award to the prevailing Party in such litigation, in addition to such other relief as may be granted, that Party's reasonable costs and expenses, including without limitation attorneys' fees and court costs, whether or not taxable, in addition to any other relief to which it may be entitled.

25. Exhibits. All Exhibits attached hereto are incorporated herein by this reference and made a part of this Agreement.

26. Business Day. The term "business day" means any day other than Saturday, Sunday or a holiday on which the U.S. Postal Service does not deliver regular mail.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first hereinabove set forth.

CITY OF CHINO HILLS

CITY OF DIAMOND BAR

By: _____
Konradt Bartlam, City Manager

By: _____
Daniel Fox, City Manager

ATTEST:

ATTEST:

By: _____
Cheryl Balz, City Clerk

By: _____
Tommye Cribbins, City Clerk

Approved as to form:

Approved as to form:

By: _____
Mark D. Hensley,
City Attorney

By: _____
David DeBerry,
City Attorney

**CITY OF INDUSTRY & CITY COUNCIL
OF THE CITY OF INDUSTRY**

By: _____
Troy Helling, City Manager

ATTEST:

By: _____
Julie Gutierrez-Robles,
Deputy City Clerk

Approved as to form:

By: _____
James M. Casso,
City Attorney

**SUCCESSOR AGENCY OF THE
INDUSTRY-URBAN DEVELOPMENT
AGENCY AND ITS BOARD OF
DIRECTORS**

By: _____
Troy Helling, Executive Director

ATTEST:

By: _____
Julie Gutierrez-Robles,
Deputy Agency Secretary

Approved as to form:

By: _____
James M. Casso,
Agency General Counsel