



**AGENDA/NOTICE OF THE SPECIAL MEETING
SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS
CAPITAL PROJECTS AND CONSTRUCTION COMMITTEE**



Thursday, June 25, 2026 – 3:00 PM

SGVCOG Office

1333 S. Mayflower Avenue, Suite 360, Monrovia, CA 91016

Zoom Link: <https://us06web.zoom.us/j/84178485471>

CHAIR

Tim Hepburn
City of La Verne

VICE CHAIR

Ed Reece
City of Claremont
SGVCOG President

MEMBERS

Becky Shevlin
City of Monrovia

Hon. Hilda Solis
LA County Supervisor
District 1

Cory Moss
City of Industry
ACE City
SGVCOG 1st Vice
President

Ruth Low
City of Diamond Bar
ACE City

Danielle Romero
City of Montebello
ACE City

Tim Sandoval
City of Pomona
ACE City

Margaret Clark
City of Rosemead

Vinh Truong
City of Duarte

The San Gabriel Valley Council of Governments (SGVCOG)'s Capital Project and Construction Committee (Committee) consists of up to 13 Committee members appointed by the SGVCOG's Governing Board. To be appointed a Committee member must be a member of a legislative body of a public agency which is a member of the SGVCOG. A quorum is 50% of the Committee's then current membership. Action taken by the Committee shall be by simple majority of the members present.

MEETINGS: Regular Meetings of the Committee are held on the first Monday of each month at 11:00 AM at the SGVCOG board room, 1333 S. Mayflower Ave., Suite 360, Monrovia, CA 91016.

The agenda packet is available at the SGVCOG's Office, 1333 S. Mayflower Ave., Suite 360, Monrovia CA, and on the website, www.sgvkog.org. Copies of the agenda are available via email upon request (sgv@sgvkog.org). A copy of the agenda is also posted for public viewing at the entrance of the SGVCOG office. Any additional agenda documents that are distributed to a majority of the Committee after the posting of the agenda will be available for review in the SGVCOG office during normal business hours and on the SGVCOG website noted above.

PUBLIC PARTICIPATION: Your participation is welcomed and invited at all Committee meetings. Time is reserved at each regular meeting for those who wish to address the Committee. SGVCOG requests that persons addressing the meeting refrain from making personal, slanderous, profane or disruptive remarks. A person who continues to disrupt the orderly conduct of the meeting, after being warned by the Board President or designee to cease the disruption, may be precluded from further participation in the meeting.

TO ADDRESS THE GOVERNING BOARD: All public comments will be taken during the public comment portion of the agenda. At a regular meeting, the public may comment on any agenda item as well as on any matter within the subject matter jurisdiction of the SGVCOG that is not listed on the agenda during the public comment period at the beginning of the agenda. At a special meeting, the public may only comment on items that are on the agenda. Members of the public are requested, but not required, to state their name prior to speaking. Comments are limited to a maximum of three minutes per person. The Chair may impose additional time limits if a large number of members of the public seek to provide public comment. Except in limited situations, the Committee may not take action on items not appearing on the agenda and/or discuss them at length.

If you would like to provide a public comment during a Committee meeting, please see "Instructions for Public Comments" below.

AGENDA ITEMS: The Agenda contains the regular order of business of the Committee. Items on the Agenda have generally been reviewed and investigated by the staff in advance of the meeting so that the Committee can be fully informed about a matter before making its decision.

CONSENT CALENDAR: Items listed on the Consent Calendar are considered to be routine and will be acted upon by one motion. There will be no separate discussion on these items unless a



In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SGVCOG office at (626) 962-9292. Notification 48 hours prior to the meeting will enable the SGVCOG to make reasonable arrangement to ensure accessibility to this meeting.



Special Meeting of the Capital Projects and Construction Committee
 Thursday, June 25, 2026 – 3:00 PM Pacific Time

Committee member so requests. In this event, the item will be removed from the Consent Calendar and considered after the Consent Calendar.

TELECONFERENCE LOCATIONS: State law allows Committee Representatives to teleconference from remote locations as long as certain conditions are met, including listing the teleconference location in the agenda. The following location is hereby noticed as teleconference location, which are accessible to the public for the purposes of observing this meeting and/or addressing the Committee.

297 Lincoln Ave. Pomona, CA 91767	3109 Prospect Ave. Rosemead, CA 91770	Council Chambers 15651 Mayor Dave Way City of Industry, CA 91744	LA County SD1 501 W. Temple St. Rm 856 / 8 th Fl Los Angeles, CA 90012
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Instructions for Public Comments: For those wishing to make public comments on agenda and non-agenda items, but within the Committee’s subject matter jurisdiction, you may submit written comments via email or provide a verbal comment.

- Written Comments (Email): If you wish to submit written public comments to be distributed to the Committee members prior to or during the meeting, please submit these materials via email to Yanin Rivera at yrivera@sgvcog.org at least 1 hour prior to the scheduled meeting time. Please indicate in the Subject Line of the email “FOR PUBLIC COMMENT” and the agenda item number to which the public comment is addressed. Written public comments may include, but are not limited to letters, reports, and presentations.
- Verbal Comments (In Person): If you would like to make a public comment at the Capital Projects and Construction Committee meeting location, please fill out a public comment card. Comment cards will be made available to you by staff at the entrance to the meeting room. If you are attending the meeting at a noticed teleconference location and would like to make a public comment, please raise your hand at the beginning of the Public Comment portion of the meeting.
- Verbal Comments (Zoom): If you would like to participate by teleconference from a private location, please email Yanin Rivera (yrivera@sgvcog.org) to request an attendee Zoom link at least 24 hours before the meeting. Through Zoom, you may provide a verbal comment by using the web interface “Raise Hand” feature. Please raise your hand at the beginning of the Public Comment portion of the meeting. You will then be called upon to provide your verbal comments.

For questions related to accessing the available teleconference locations, please contact Yanin Rivera at yrivera@sgvcog.org or (626) 214-1308.

Special Meeting of the Capital Projects and Construction Committee
Thursday, June 25, 2026 – 3:00 PM Pacific Time

PRELIMINARY BUSINESS

1. Pledge of Allegiance
2. Roll Call
3. Public Comment

CONSENT CALENDAR

4. Capital Projects and Construction Committee Meeting Minutes of April 6, 2026 ([Pages 4-7](#))
Recommended Action: Approve Capital Projects and Construction Committee meeting minutes from April 6, 2026.
5. Approval of Sale of Nogales Surplus Property Located at 904 Nogales Street in the City of Industry, CA ([Pages 8-33](#))
Recommended Action: Authorize the Executive Director to negotiate and execute a purchase and sale agreement for the sale of surplus property located at 904 Nogales Street in the City of Industry in the amount of \$2,600,000.

CLOSED SESSION

6. Conference with Legal Counsel – Anticipated Litigation ([Pages 34-59](#))
Significant exposure to litigation pursuant to Government Code section 54956.9(d)(2)
One potential case – Government Claim from Industry Realty Holdings, Inc.

UPDATE ITEMS

7. Announcements/ Member Comments

ADJOURNMENT



Capital Projects & Construction Committee Unapproved Meeting Minutes

Date: April 6, 2026

Time: 11:00 am

Location: 1333 S. Mayflower Avenue, Suite 360, Monrovia, CA 91016

PRELIMINARY BUSINESS

1. Pledge of Allegiance
V. Truong led the pledge of allegiance.

2. Roll Call

Members Present:

Tim Hepburn, Chair, La Verne

Ed Reece, Vice Chair, Claremont

Becky Shevlin, Monrovia

Ruth Low, Diamond Bar

Cory Moss, Industry

Danielle Romero, Montebello

Tim Sandoval, Pomona

Margaret Clark, Rosemead

Vinh Truong, Duarte

Hilda Solis, LA County Dist. #1

Staff:

Marisa Creter, Executive Director

Cassie Trapesonian, General Counsel

Kevin Lai, Director of Capital Projects

John Beshay, Assistant Director

Ricky Choi, Community & Outreach Director

Melissa Romero, Management Analyst

Vanessa Guerra, Management Analyst

Kayla Cohrs, Management Analyst

Yovanni Viramontes, Project Manager

Trenton Sotelo, Assistant Project Manager

Maria Cano, Community Outreach

Yanin Rivera, Management Analyst

Trenton Sotelo, Project Manager

Jois Talla, Management Aide

Guests:

Michael Grossman, Public

Natasha DeBenon, DCCM

3. Public Comment
There was no public comment.

CONSENT CALENDAR

4. Capital Projects and Construction Committee Special Meeting Minutes of December 15, 2025.
Action: Adopt Capital Projects and Construction Committee meeting minutes from December 15, 2025.
5. Capital Projects and Construction Committee Special Meeting Minutes of February 11, 2026.
Action: Adopt Capital Projects and Construction Committee special meeting minutes from February 11, 2026.
6. Approval of Sale of East End Reservoir Grade Separation Surplus Property located at 231-233 Reservoir Street, Pomona, CA
Action: Authorize the Executive Director to negotiate and execute a purchase and sale agreement for the sale of surplus property located at 231-233 Reservoir Street in the City of Pomona in the not-to-exceed amount of \$650,000 for the East End Reservoir Grade Separation Project.
7. Approval of Annual Contract Amendments FY26/27
Action: Authorize the Executive Director to approve three 1-year contract amendments and one 2-years contract amendment for the following contracts for continuing support services needed to deliver the remaining ACE construction projects from July 1, 2026 through June 30, 2027 (FY26/27):
 - David Lang & Associates Community Outreach \$37,228
 - Hunt, Ortmann, Nieves, Darling Legal Counsel Services \$83,000
 - Mah, Klein & Lozano, Inc.
 - LSA Associates, Inc. Environmental Svcs. \$137,881
 - Stantec Consulting Services, Inc Environmental Prog. Mngt. \$546,806
8. Approval of Task Order No. 2 Amendment to the Construction Management Services Agreement with WSP USA, Inc. for the State Route 57/60 Confluence Chokepoint Relief Project
Action: Authorize the Executive Director to amend Agreement 21-02 for an increase of \$5,448,710.00 to an amount not to exceed \$25,800,000.00 with WSP USA, Inc. (“WSP”) to provide continued construction management services necessary to complete the State Route 57-60 Confluence Chokepoint Relief project through 2028.
Previous Action: In December 2021, the CPCC authorized the Executive Director to issue Task Order No. 2, in the not to exceed amount of \$20,351,290 to WSP USA for providing Construction Management Services for the Interchange Improvements Project, the second phase of the State Route 57/60 Confluence Chokepoint Relief Program.
9. Approval of Task Order No. 3 with KPFF Consulting Engineers for the Gold Line Transit Oriented Development Pedestrian Bridge Project
Action: 1) Authorize the Executive Director to approve Task Order No. 3 to KPFF Consulting Engineers in a not-to-exceed amount of \$379,041 for the Gold Line Transit Oriented Development Pedestrian Bridge Project in the City of La Verne; and 2) Authorize the Executive Director to negotiate and execute any future amendments related to budget and scope.

There was a motion to approve Consent Calendar Items 4-9.

(M/S: Moss, Shevlin) [Motion Passed]

AYES:	T. Hepburn, E. Reece, B. Shevlin, R. Lowe, C. Moss, D. Romero, T. Sandoval, M. Clark, V. Truong, H. Solis
NOES:	
ABSTAIN:	
ABSENT:	

ACTION ITEMS

10. Approval to Award Construction Contract to Riverside Construction Company, Inc. for the San Antonio Avenue At-Grade Crossing Safety Improvement Project in the City of Pomona **There was a motion to 1) Authorize the Executive Director to approve award of Contract 25-34 to Riverside Construction Company for construction of the San Antonio Avenue At-Grade Crossing Safety Improvements Project in the City of Pomona 2) Authorize the Executive Director to execute Contract 25-34 in the not-to-exceed amount of \$2,465,742; and 3) Authorize the Executive Director to negotiate and execute any future amendments up to 10 percent of the original contract amount related to budget and scope.**

(M/S: Sandoval, Moss) [Motion Passed]

AYES:	T. Hepburn, E. Reece, B. Shevlin, R. Lowe, C. Moss, D. Romero, T. Sandoval, M. Clark, V. Truong, H. Solis
NOES:	
ABSTAIN:	
ABSENT:	

11. Approval of Award Construction Contract to RG General Engineering, Inc. for the ESGV SMIP – San Dimas Wash Project in the City of Glendora **There was a motion to 1) Reject bid protest from Zeco, Inc.; 2) Waive any minor deviations from the bid specifications in RG General Engineering, Inc.’s bid as inconsequential; 3) Approve award of Contract 25-20 to RG General Engineering, Inc. for construction of the ESGV SMIP- San Dimas Wash Project in the City of Glendora; 4) Authorize the Executive Director to execute Contract 25-20 in the amount of \$4,055,699.52; and 5) Authorize the Executive Director to negotiate and execute any future amendments up to 10 percent of the original contract amount related to budget and scope.**

(M/S: Reece, Moss) [Motion Passed]

AYES:	T. Hepburn, C. Moss, E. Reece, B. Shevlin, T. Sandoval, M. Clark, V. Truong, D. Romero, R. Low, H. Solis
NOES:	
ABSTAIN:	
ABSENT:	

UPDATE ITEMS

12. Director of Capital Projects Monthly Report
SGVCOG Director of Capital Projects Kevin Lai and SGVCOG Project Managers Trenton Sotelo, John Beshay, Yovanni Viramontes provided an update on item.
13. Chair’s Report
Chair Tim Hepburn provided an update on this item.

14. General Counsel's Report
Cassie Trapesonian provided an update on this item.
15. Announcements/ Member Comments
The next regular Capital Projects and Construction Committee is scheduled for July 13, 2026.

ADJOURN

The meeting was adjourned at 11:55 am.

REPORT

DATE: June 25, 2026

TO: Capital Projects and Construction Committee

FROM: Marisa Creter, Executive Director

RE: **APPROVAL OF SALE OF NOGALES SURPLUS PROPERTY LOCATED AT 904 NOGALES STREET IN THE CITY OF INDUSTRY, CA**

RECOMMENDED ACTION

Authorize the Executive Director to negotiate and execute a purchase and sale agreement for the sale of surplus property located at 904 Nogales Street in the City of Industry in the amount of \$2,600,000.

BACKGROUND

The Nogales Surplus Property (“Property”) was originally acquired in connection with the Nogales Grade Separation Project. The property is comprised of three (3) parcels totaling approximately 79,279 square feet (1.82 acres) and is positioned at the southeast corner of South Nogales Street and San Jose Avenue within the City of Industry and is zoned for industrial uses which allows for industrial manufacturing and warehousing. The Property was declared surplus by the San Gabriel Valley Council of Governments (SGVCOG) in April 2017. Following the surplus declaration, SGVCOG initiated steps to comply with the requirements of the California Department of Housing and Community Development (HCD), which were completed in March 2023, allowing the Property to be marketed for public sale.

An appraisal conducted in November 2023 resulted in an initial valuation of approximately \$4.5 million. SGVCOG staff listed the property for sale on commercial multiple listing websites in late 2023 for \$5.4 million.

In February 2024, SGVCOG received and accepted an offer in the amount of \$4.5 million; however, the prospective buyer declined to pursue the purchase due to challenges created by more than ten easements encumbering the property, the most impactful of which are as follows: SCE utility easement (which includes a surface pad-mount transformer box), Los Angeles County Flood Control District Storm Drain Easement, and three separate Access Easements (See attached Easement Exhibit). In March 2025, SGVCOG reduced the listing price to \$4.5 million due to limited market interest, and in October 2025, the listing price was further reduced to \$3.5 million. In December 2025, SGVCOG received and countered an offer in the amount of \$3.5 million, but the buyer declined to proceed because it was unable to acquire the adjacent property and because of the challenges presented by the easements encumbering the property.

The Property has experienced extended marketing exposure and multiple unsuccessful transactions as the noted constraints have contributed to challenges in securing a closing despite prior interest. Factors believed to have deterred buyer interest at the current pricing level:

- Recorded Easements: More than 60% of the land area is encumbered, limiting development flexibility.
- Capital Market Conditions: Higher borrowing costs reduce acquisition capacity and target returns for developers.
- Construction Inflation: Escalating labor and material costs further compress feasible land residual values.


To respond to market conditions and buyer feedback, the listing price has been adjusted over time. In May 2026, SGVCOG received and countered an offer in the amount of \$2.6 million, and the prospective buyer accepted the counteroffer. Key terms of the proposed transaction are as follows:

- Purchase Price: \$2,600,000
- Due Diligence Period: Six (6) months
 - Buyer option to extend for an additional three (3) months
- Deposit Structure:
 - Initial deposit of \$30,000
 - Additional \$10,000 deposit
- Escrow Period:
 - Escrow to close thirty (30) days following completion of the due diligence period


The proposed purchase transaction requires the parties to enter into a Purchase and Sale Agreement to memorialize the terms and provide guidance for the Title and Escrow Company to manage close of the purchase transaction. The proposed purchase price is consistent with market feedback, including input from commercial real estate brokers experienced in land sale transactions, industrial real estate developers, and other industrial and commercial real estate operators contacted by SGVCOG staff. SGVCOG staff's research confirms that the price reflects the Surplus Property's encumbrances and development limitations.

FISCAL IMPACT

Proceeds from the sale of the Surplus Property will be used to fund other SGVCOG projects or obligations.

Prepared by: 

Yanin Rivera
Management Analyst

Reviewed by: 

Kevin Lai
Director, Capital Projects

Approved by: 

Marisa Creter
Executive Director

ATTACHMENTS

[Attachment A: Draft Purchase and Sale Agreement](#)

[Attachment B: Easement Exhibit](#)

AGREEMENT OF PURCHASE AND SALE
AND JOINT ESCROW INSTRUCTIONS

Project: Nogales L.A. Subdivision (South)
APN(s): 8760-003-904, 8760-003-905, 8760-003-906
Property Address: 904 Nogales Street, City of Industry, CA 91748

Escrow No. _____

This AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS (the "Agreement") is dated as of _____, 2026, by and between THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS, a California joint powers authority (the "Seller"), and Sage Investco Deux, LLC (the "Buyer").

1. Property. The property which is the subject of purchase and sale under this Agreement (the "Property") consists of approximately 1.82± acres of land area, together with all improvements thereon, situated in the City of Industry, County of Los Angeles, State of California, and is legally described on Exhibit "A" and approximately depicted on the plat map shown on Exhibit "B" attached to this Agreement.

2. Purchase and Sale. For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller agrees to sell the Property to Buyer, and Buyer agrees to purchase the Property from Seller, upon the terms and conditions herein set forth.

3. Purchase Price. The total purchase price ("Purchase Price") for the Property shall be TWO MILLION SIX HUNDRED THOUSAND DOLLARS (\$2,600,000) and shall be payable as follows:

(a) Deposit. Within five (5) Business Days (as defined herein) of the date of opening escrow, Buyer shall deposit with the Escrow Holder in cash or by certified or bank cashier's check made payable to Escrow Holder (as defined below) or a confirmed wire of transfer funds, the sum of Thirty Thousand Dollars (\$30,000) ("Deposit"). The Deposit shall be applicable in full toward the Purchase Price. The Deposit shall be non-refundable to the Buyer after expiration of the Due Diligence Period (as defined below), except as set forth in this Agreement. The Deposit shall be deposited by Escrow Holder in an interest-bearing account reasonably acceptable to Seller and Buyer, and the interest thereon shall accrue to the benefit of the party receiving the Deposit pursuant to the terms of this Agreement. In the event Buyer terminates the Agreement prior to the expiration of the Due Diligence Period, then the Deposit shall be promptly released and returned to Buyer, including any interest earned. References in this Agreement to "Deposit" shall also include the "Additional Deposit," as defined in Section 3(b) below.

(b) Additional Deposit. Within five (5) Business Days after the contingencies are approved or waived, Buyer shall deposit with Escrow Holder, the additional sum of

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Seller's Initials Buyer's Initials

Ten Thousand Dollars (\$10,000) to be applied to the Purchase Price. Upon expiration of the Extended Due Diligence Period, if the Buyer does not cancel escrow, the Additional Deposit shall be deemed non-refundable as liquidated damages but applicable to the Purchase Price.

(c) Cash at Closing. Unless further reduced by the Additional Deposit or any other deposits pursuant to this Agreement, the amount of TWO MILLION SIX HUNDRED THOUSAND DOLLARS (\$2,600,000) shall be payable by Buyer to Seller in cash at the Close of Escrow.

(d) Independent Consideration. Buyer and Seller acknowledge that the mutual promises and covenants contained in this Agreement constitute sufficient and independent consideration for Seller's execution of this Agreement. The parties further acknowledge and agree that One Hundred Dollars (\$100.00) is deemed paid by Buyer to Seller as independent consideration, the receipt and sufficiency of which are hereby acknowledged by Seller. Such independent consideration is fully earned by Seller and is non-refundable to Buyer but shall be credited to the Purchase Price in the event that the purchase of the Property is completed. The parties agree that no separate disbursement or transfer of funds shall be required with respect to such independent consideration. Notwithstanding anything to the contrary in this Agreement, Buyer's obligation with respect to the independent consideration shall survive any termination of this Agreement.

4. Escrow.

(a) Opening of Escrow. Within three (3) days following the date of this Agreement, the parties shall open an escrow (the "Escrow") with Commonwealth Land Title Insurance Company or such other escrow service company as the Buyer and Seller may mutually designate in writing (the "Escrow Holder") for the purpose of completing the transactions contemplated by this Agreement. For purposes of this Agreement, the Escrow shall be deemed opened (the "Opening Date") on the date Escrow Holder shall have received an executed counterpart of this Agreement from both Buyer and Seller and the sum of Thirty Thousand Dollars (\$30,000) from the Buyer (the "Opening Date Deposit"). In addition, Buyer and Seller agree to execute, deliver, and be bound by any reasonable or customary supplemental escrow instructions of Escrow Holder, or other instruments as may reasonably be required by Escrow Holder, in order to consummate the transaction contemplated by this Agreement. Any such supplemental instructions shall not amend, or supersede any portion of this Agreement. If there is any inconsistency between such supplemental instructions and this Agreement, this Agreement shall control.

(b) Title. Seller shall convey to Buyer by grant deed (the "Grant Deed") a fee simple interest in the Property, free and clear of all monetary liens and encumbrances, except for any pre-existing covenants, conditions, restriction, reservations, rights, rights of way, or easements accepted by Buyer prior to the Close of Escrow which have been disclosed in the preliminary title report to be provided pursuant to Section 7(a)(1), and except for the Surplus Land Act Declaration of Restrictions (the form of which is attached

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Seller's Initials Buyer's Initials

hereto as Exhibit "C"). The form of the Grant Deed is attached hereto as Exhibit "D". Except as otherwise allowed by this Agreement, following the date of this Agreement, Seller promises not to make any leases, contracts, encumbrances, options or agreements whatsoever affecting the Property which would in any manner impede Seller's ability to perform hereunder and deliver title as agreed herein.

(c) Close of Escrow. For purposes of this Agreement, "Close of Escrow" shall be defined as when the Grant Deed, conveying the Property to Buyer, is recorded in the Official Records of Los Angeles County, California and the Purchase Price has been paid in full to Seller less any adjustments as provided herein. And the "Closing Date" shall be the date on which escrow closes and the Grant Deed is recorded in the Official Records of Los Angeles County. The Escrow shall close within thirty (30) days following the expiration of the Due Diligence Period or if applicable, the Extended Due Diligence Period or on such other date as the parties may mutually agree upon in writing (the "Outside Closing Date"). If Buyer terminates this Agreement after the Deposit or Additional Deposit has become non-refundable, or if the Close of Escrow does not occur on or before the Outside Closing Date due to Buyer's failure to perform its obligations under this Agreement, Seller may terminate this Agreement by written notice to Buyer and Escrow Holder, whereupon Seller shall be entitled to retain the Deposit and Additional Deposit as liquidated damages and neither party shall have any further rights or obligations under this Agreement except those that expressly survive termination of this Agreement, . If this Agreement is terminated for any reason other than Buyer's default, the Deposit and Additional Deposit, if applicable, shall be returned to Buyer. Upon any such termination, Seller and Buyer will each pay one-half (1/2) of any Escrow cancellation fees.

5. Hazardous Materials, "AS-IS" Sale; Waivers, Release.

(a) Hazardous Materials. Buyer and Seller acknowledge and agree that: (i) Hazardous Materials (as defined below) may be located in the soil and/or groundwater at the Property; (ii) during the Due Diligence Period, Buyer shall have the right to investigate the possible presence of such Hazardous Materials; and (iii) the Property may be in violation various Environmental Laws (as defined below) and may need to be remediated. As used herein, the term "Hazardous Materials" means any and all substances, chemicals, wastes, sewage, materials or emissions which are now or hereafter regulated, controlled, prohibited or otherwise affected by any local, state or federal statute, ordinance, code, rule, regulation, order, decree, permit or other law now or hereafter in effect including (i) any substance defined as a "hazardous substance", "hazardous material", "hazardous waste", "toxic substance", or "air pollutant" in the Comprehensive Environmental Response, Compensation and Liability Act, as amended ("CERCLA"), 42 U.S.C. § 9601, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq., as amended, the Resource Conservation and Recovery Act, as amended ("RCRA"), 42 U.S.C. § 6901, et seq., the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251, et seq., or the Clean Air Act, as amended, 42 U.S.C. § 7401, et seq.; or any other federal, state or local laws, ordinances, rules, regulations, court orders or common law related in any way to the protection of the environment, health or safety; (ii) any substance the presence of

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Seller's Initials Buyer's Initials

which at the Property causes or threatens to cause a nuisance upon the Property or to adjacent properties or poses or threatens to pose a hazard to the health or safety of human beings; and (iii) any substance the presence of which at the Property or at nearby or adjacent properties could constitute a trespass. In addition to the foregoing, to the extent not already included therein, the term "Hazardous Materials" also means (i) asbestos (including asbestos containing materials); (ii) flammable, explosive, infectious, carcinogenic, mutagenic, or radioactive materials; (iii) petroleum or any substance containing or consisting of petroleum hydrocarbons (including gasoline, diesel fuel, motor oil, waste oil, grease or any other fraction of crude oil); (iv) paints and solvents; (v) lead; (vi) cyanide; (vii) DDT; (viii) printing inks; (ix) acids; (x) pesticides; (xi) ammonium compounds; (xii) polychlorinated biphenyls; (xiii) radon and radon gas; and (xiv) electromagnetic or magnetic materials, substances or emissions. Further, as used herein, the term "Environmental Laws" collectively shall mean and include any present and future local, state, federal or international law or treaty applicable to the Property or to the Buyer and relating to public health, safety or the environment including, without limitation, (i) CERCLA, (ii) the Hazardous Materials Transportation Act, as amended, 49 U.S.C. § 1801, et seq., (iii) RCRA, (iv) the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251, et seq., (v) the Clean Air Act, as amended, 42 U.S.C. § 7401, et seq., (vi) the Toxic Substances Control Act, as amended, 15 U.S.C. § 2601, et seq., (vii) the Clean Water Act, as amended, 33 U.S. Code § 1251, et seq., (viii) the Oil Pollution Act, as amended, 33 U.S.C. § 2701, et seq., (ix) California Health & Safety Code ("H&S Code") § 25100, et seq. (Hazardous Waste Control), (x) the Hazardous Substance Account Act, as amended, H&S Code § 25300, et seq., (xi) the Unified Hazardous Waste and Hazardous Materials Management Regulatory Program, as amended, H&S Code § 25404, et seq., (xii) H&S Code § 25531, et seq. (Hazardous Materials Management), (xiii) the California Safe Drinking Water and Toxic Enforcement Act, as amended, H&S Code § 25249.5, et seq., (xiv) H&S Code § 25280, et seq. (Underground Storage of Hazardous Substances), (xv) the California Hazardous Waste Management Act, as amended, H&S Code § 25170.1, et seq., (xvi) H&S Code § 25501, et seq. (Hazardous Materials Response Plans and Inventory), (xvii) H&S Code § 18901, et seq. (California Building Standards), (xviii) the Porter-Cologne Water Quality Control Act, as amended, California Water Code § 13000, et seq., (xix) California Fish and Game Code § 5650-5656 and (xx) or any other federal, state or local laws, ordinances, rules, regulations, court orders or common law related in any way to the protection of the environment, health or safety.

(b) AS-IS, WITH ALL FAULTS SALE. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN OR IN ANY DOCUMENTS TO BE EXECUTED IN CONNECTION WITH THIS AGREEMENT, IT IS UNDERSTOOD AND AGREED BY BUYER THAT THE PROPERTY IS SOLD TO BUYER IN ITS "AS-IS" CONDITION AND "WITH ALL FAULTS," WITH NO RIGHT OF SET-OFF OR REDUCTION IN THE PURCHASE PRICE, AND EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT OR IN ANY DOCUMENTS TO BE EXECUTED IN CONNECTION WITH THIS AGREEMENT, SELLER MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, REGARDING THE CONDITION OF TITLE OF THE PROPERTY, THE PHYSICAL

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 Seller's Initials Buyer's Initials

OR ENVIRONMENTAL CONDITION OF THE PROPERTY, THE PROPERTY'S COMPLIANCE WITH HAZARDOUS MATERIALS LAWS, THE ZONING OR OTHER LAND USE PROVISIONS OR RESTRICTIONS AFFECTING THE PROPERTY, THE SUITABILITY OF THE PROPERTY FOR USE BY BUYER, ANY MATTERS WHICH WOULD BE DISCLOSED BY AN INSPECTION OF THE PROPERTY, OR ANY OTHER MATTERS CONCERNING THE PROPERTY (WHETHER OR NOT OF PUBLIC RECORD), AND SELLER DISCLAIMS AND RENOUNCES ANY SUCH REPRESENTATION OR WARRANTY EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN OR IN ANY DOCUMENTS TO BE EXECUTED IN CONNECTION WITH THIS AGREEMENT.

(c) Waivers, Disclaimers and Release. As of the Close of Escrow, Buyer hereby fully and forever waives, releases and discharges, and Seller hereby fully and forever disclaims: (i) all warranties of whatever type or kind with respect to the physical or environmental condition of the Property, whether express, implied or otherwise, including those of fitness for a particular purpose, habitability or use; and (ii) all claims, suits, proceedings, orders, demands, obligations, actions, causes of action, proceedings, liens, liabilities, losses, damages, penalties, remedial actions, removal and disposal costs, investigation, monitoring and remediation costs and expenses, and other costs and expenses, including, without limitation, attorneys' and other consultants' fees and laboratory costs, whether known or unknown, foreseeable or unforeseeable, of any nature whatsoever, which arise from, on account of or in connection with (aa) the use, management, ownership or operation of the Property, whether before or after Close of Escrow, (bb) the physical, environmental or other condition of the Property, including any claims related to the presence of any Hazardous Materials located on or beneath the Property, or (cc) the application of, compliance with or failure to comply with any laws, including Environmental Laws in connection with the Property. In releasing and forever discharging the Claims against the Seller both known and unknown, Buyer also expressly acknowledges that its release as of the Close of Escrow includes any rights under California Civil Code section 1542, which provides:

"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."

Notwithstanding anything in this Section 5 to the contrary, no disclaimer, discharge, waiver or release by Buyer set forth in this Agreement shall apply to: (a) Seller's default or breach of any obligation or representation or warranty under this Agreement or any documents to be executed in connection with this Agreement, (b) any claims for personal injury, death, or damage to personal property based on events occurring prior to the Close of Escrow, or (c) any claims arising from the fraud or misrepresentation of any of Seller.

_____/_____
Seller's Initials Buyer's Initials

Seller and Buyer have each initialed this Section 5 to further indicate their awareness and acceptance of each and every provision of this Agreement. The provisions of this Section 5 will survive the Closing Date.

Seller's Initials _____

Buyer's Initials _____

6. SLA Acknowledgment. The parties acknowledge that the Property is not being acquired by Buyer for the development of affordable housing. Notwithstanding the foregoing, Seller is a local agency subject to the California Surplus Land Act (Government Code section 54220 et seq.) ("SLA"), and the disposition of the Property must comply with the requirements of the SLA. Accordingly, as a condition of Closing, a Surplus Land Act Declaration of Restrictions in substantially the form attached hereto as Exhibit "C" (the "SLA Declaration") shall be recorded against the Property in the Official Records of Los Angeles County immediately following the recordation of the Grant Deed. Buyer acknowledges and agrees that the SLA Declaration shall constitute a covenant running with the land and shall bind Buyer and Buyer's successors, assigns, and all future owners of the Property. Buyer further acknowledges that Seller and any other governmental entity authorized by law may enforce the restrictions contained in the SLA Declaration.

7. Due Diligence Period.

(a) Title and Inspections. Within ten (10) days following the Opening Date, Escrow Holder shall cause Commonwealth Land Title Insurance Company (the "Title Company"), or other title company mutually agreeable to Buyer and Seller, to issue to Buyer (with a copy to Seller) a preliminary report (the "Preliminary Report") for a CLTA Owner's Policy of Title Insurance (the "Title Policy") for the Property, together with copies of all documents relating to title exceptions referred to in the Preliminary Report, and Seller shall also provide Buyer with complete copies of any and all environmental inspection reports concerning the Property which Seller has in its possession. Buyer shall investigate and review the Preliminary Report, and the physical condition of the Property, which investigation and review must be completed within one hundred eighty (180) days from the date that is the later of (1) the time the Preliminary Report is provided to Buyer or (2) the Opening Date (hereinafter, the "Due Diligence Period"). Before the the Due Diligence Period expires, Buyer shall have the option to Extend the Due Diligence Period for an additional ninety (90) days ("Extended Due Diligence Period") by depositing with Escrow Holder the Additional Deposit and following the notice procedures set forth in pursuant to Section 3(b) of this Agreement. Prior to expiration of the Due Diligence Period or Extended Due Diligence Period, Buyer shall have the right to terminate this Agreement for any reason or no reason at all. If Buyer elects to terminate prior to expiration of the Due Diligence Period or Extended Due Diligence Period, funds deposited into Escrow by Buyer shall be returned to Buyer less any costs and expenses owed, and neither party shall have any further rights or obligations hereunder, except those rights that survive termination of this Agreement.

Seller's Initials Buyer's Initials

If Buyer objects to any matter disclosed in the Preliminary Report, to the condition of the Property, Buyer shall give Seller written notice of such objections prior to or on the expiration date of the Due Diligence Period, as the same may be extended. Buyer shall accept title subject to: (i) non-delinquent real property taxes and assessments; (ii) utility easements and other matters of record that do not materially interfere with Buyer’s intended use of the Property; and (iii) matters approved or deemed approved by Buyer pursuant to this Agreement. Buyer's failure to give written notice of objection prior to the expiration of the Due Diligence Period, as the same may be extended, shall be deemed to be an approval of the Preliminary Report and the condition of the Property. Seller has no obligation to cure or correct any matter objected to by Buyer. However, no later than ten (10) days after receipt of Buyer's objections, if any, Seller may elect by giving written notice to Buyer (the "Cure Notice") to remove or cure some or all of such objectionable matters, at Seller's cost and expense, on or prior to the Close of Escrow. If Seller fails to timely give a Cure Notice, or if Seller gives a Cure Notice stating that it will remove or cure less than all of such objectionable matters, then on or prior to ten (10) days following Buyer's receipt of the Cure Notice, or if Seller fails to timely give a Cure Notice, then on or prior to ten (10) days following the last date on which Seller could timely have given a Cure Notice, Buyer may elect to terminate this Agreement or waive its objections by giving written notice to Seller. Buyer's failure to give such notice on or prior to the expiration of the foregoing time periods will be deemed to constitute Buyer's election to waive its objections. If this Agreement is terminated pursuant to this Section, neither party shall have any further rights or obligations hereunder except those that expressly survive termination, Buyer shall be entitle to the Deposit and Additional Deposit, if applicable, and Buyer and Seller shall each pay one-half (1/2) of any escrow cancellation fee.

(b) Access. Access to the Property during the Due Diligence Period and Extended Due Diligence Period (if exercised) shall be given to Buyer and its authorized representatives at all reasonable times. Buyer agrees to indemnify and defend Seller against and hold Seller harmless from all liabilities, suits, claims, losses, damages, judgments, costs and expenses (including, without limitation, court costs and reasonably attorneys' fees and costs) (collectively, “Claims”) sustained by or asserted against Seller or the Property, including, without limitation, Claims of a dangerous condition of the Property, physical damage to the Property or chattel, physical injury, death, or mechanics liens or stop notices caused as a result of or in connection with access to the Property by Buyer, and their respective officers, agents, employees.

8. Conditions to Close of Escrow.

(a) Buyer's Conditions Precedent to Closing. If Buyer does not terminate this Agreement on or before the expiration of the Due Diligence Period or Extended Due Diligence Period, as applicable, Buyer shall be deemed to have approved the Property and Buyer shall thereafter be obligated to proceed to Closing and the Close of Escrow and Buyer's obligation to consummate the transactions contemplated by this Agreement are subject to the timely satisfaction, or written waiver by Buyer, of the following conditions precedent (collectively, "Buyer's Contingencies"), which are for Buyer's benefit only:

_____/_____
Seller’s Initials Buyer’s Initials

(i) Delivery of Documents. Seller's delivery into escrow of all documents required in Section 9.

(ii) Representations and Warranties. All representations and warranties of Seller contained in this Agreement shall be materially true and correct as of the date made and as of the Closing.

(iii) Title Company Confirmation. The Title Company shall have confirmed that it is prepared to issue the Buyer's Title Policy consistent with the provisions of this Agreement, including Section 7(a).

(iv) No Default. All representations and warranties of Seller contained in this Agreement shall be materially true and correct as of the date made and as of the Closing.

(v) No Material Changes. At the Closing Date, there shall have been no material adverse changes in the physical condition of the Property through no fault of Buyer..

(vi) Performance of Obligations. Seller's due and complete performance of all obligations to be performed by Seller under this Agreement.

(vii) Seller shall have executed and delivered all escrow instructions, certificates, and other documents reasonably required by Escrow Holder to consummate the transaction contemplated by this Agreement.

Notwithstanding anything to the contrary in this Agreement or any escrow instructions, Escrow Holder shall not record the Grant Deed or any other documents, or disburse any funds from escrow, unless and until Escrow Holder has received written authorization to Close Escrow from Seller or its legal counsel, Woodruff & Smart.

Upon any such termination hereunder, and subject to Section 7(a), Seller and Buyer will each pay one-half the amount of any Escrow cancellation fee.

(b) Seller's Conditions Precedent to Closing. The Close of Escrow and Seller's obligation to consummate the transactions contemplated by this Agreement are subject to the timely satisfaction, or written waiver by Seller, of the following conditions precedent (collectively, "Seller's Contingencies"), which are for Seller's benefit only:

(i) Representations and Warranties. Buyer's representations and warranties in this Agreement being correct as of the date of this Agreement and as of the Close of Escrow.

_____/_____
Seller's Initials Buyer's Initials

(ii) Performance of Obligations. Buyer's due and complete performance of all obligations to be performed by Buyer under this Agreement and as of the Closing, Buyer shall not be in default in the performance of any material covenant or agreement to be performed by Buyer under this Agreement.

(iii) Deposit of Funds. Buyer shall have deposited into escrow all deposits and funds required under this Agreement, including the balance of the Purchase Price required to close escrow.

(iv) Delivery of Documents. Buyer shall have executed and delivered all escrow instructions, certificates, and other documents reasonably required by Escrow Holder to consummate the transaction contemplated by this Agreement.

(v) SLA Declaration. Buyer shall have executed and delivered into escrow the Surplus Land Act Declaration of Restrictions (Exhibit C referenced in this Agreement) and Escrow Holder shall have been instructed to record the SLA Declaration in the Official Records of Los Angeles County immediately following the recordation of the Grant Deed.

9. Deposits by Seller. At least one (1) business day prior to the Close of Escrow, Seller shall deposit or cause to be deposited with Escrow Holder the following:

(a) Seller's Certificate (Federal). Seller's affidavit of nonforeign status as contemplated by Section 1445 of the Internal Revenue Code of 1986, as amended ("FIRPTA Affidavit").

(b) Seller's Certificate (State). Seller's affidavit as contemplated by California Revenue and Taxation Code §§ 18805 and 26131 ("Withholding Affidavit").

(c) Grant Deed. The Grant Deed conveying the Property to Buyer duly executed and acknowledged by Seller.

10. Deposits by Buyer. At least one (1) business day prior to the Close of Escrow, Buyer shall deposit or cause to be deposited with Escrow Holder the following:

(a) In immediately available funds, the remaining amount of the Purchase Price as required under Section 3 of this Agreement.

(b) The Surplus Land Act Declaration of Restrictions (Exhibit C referenced in this Agreement) in recordable form and Escrow Holder shall have been instructed to record the SLA Declaration in the Official Records of Los Angeles County immediately following the recordation of the Grant Deed.

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Seller's Initials Buyer's Initials

(c) Closing Statement. The written approval by Buyer of a final closing statement prepared by Escrow Holder, which approval shall not be unreasonably withheld.

11. Costs and Expenses. The escrow fees of Escrow Holder shall be paid as follows: one-half (1/2) by Buyer and one-half (1/2) Seller. Seller will pay the premium for the Title Policy and the cost of any endorsements obtained in connection with Seller's cure under Section 7 of any objectionable title matters, and Buyer shall pay for the cost of any other endorsements or upgrades requested by Buyer. Seller shall pay all documentary transfer taxes, if any, payable in connection with the recordation of the Grant Deed and SLA Declaration pursuant to California Revenue and Taxation Code section 11911. Buyer shall pay the Escrow Holder's customary charges to Buyer and Seller for document drafting, recording, and miscellaneous charges. If as a result of the default of a party Escrow fails to close, the defaulting party shall pay all of the foregoing fees and charges. If, as a result of no fault of Buyer or Seller, Escrow fails to close, the escrow fee of Escrow Holder shall be paid as follows: one-half by Buyer (1/2) and one-half (1/2) by Seller.

12. Prorations. The following prorations shall be made between Seller and Buyer on the Closing Date, computed as of the Closing Date:

(a) Taxes. Buyer and Seller hereby acknowledge that the Seller is a tax-exempt entity and is therefore not responsible for paying any property taxes. As of the Closing Date, Buyer will be responsible for paying property taxes related to the Property attributable to periods from and after the Closing Date.

(b) Utilities. The Property is currently vacant and there is no structure. To the extent they exist, any gas, water, electricity, heat, fuel, sewer, other utilities and the operating expenses relating to the Property shall be prorated as of the Closing Date. If the parties are unable to obtain final meter readings as of the Closing Date, such expenses shall be estimated as of the Closing Date on the basis of the prior operating history of the Property.

13. Disbursements and Other Actions by Escrow Holder. Upon the Close of Escrow, the Escrow holder shall promptly undertake all of the following in the manner indicated:

(a) Recording. Record the following documents in the Official Records of Los Angeles County, California, in the following order: (i) the Grant Deed; (ii) the Surplus Land Act Declaration of Restrictions; and (iii) any other documents which the parties hereto may mutually direct. Escrow Holder is instructed not to affix the amount of documentary transfer tax on the face of the Grant Deed, but to supply same by separate affidavit.

(b) Prorations. Prorate all matters referenced herein, based upon the Escrow Holder's final closing statement delivered into Escrow signed by the parties.

(c) Purchase Price. Disburse the Purchase Price to Seller after deducting therefrom the amounts payable by Seller on account of fees, charges, prorations and the

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Seller's Initials Buyer's Initials

credit(s) (if applicable) as set forth in the Escrow Holder's final closing statement approved by Seller.

(d) Documents. Deliver a conformed copy of the Grant Deed to Seller and Buyer, and deliver the FIRPTA Affidavit and the Withholding Affidavit, and, if and when issued, the Title Policy, to Buyer.

14. Seller's Representations and Warranties. Seller represents and warrants to Buyer that:

(a) To the best of Seller's Knowledge, this Agreement and all documents executed by Seller under this Agreement which are to be delivered to Buyer are, or at the time of Close of Escrow will be, duly authorized, executed, and delivered by Seller, and are, or at the Close of Escrow will be, legal, valid, and binding obligations of Seller, and do not, and at the Close of Escrow will not, violate any provisions of any agreement or judicial order to which Seller is a party or to which it is subject.

(b) To the best of Seller's Knowledge, Seller has provided Buyer with all relevant information in its possession as to the condition of the Property with respect to any applicable environmental laws relating to the Property or hazardous substances on the Property.

(c) Except to the extent any easements are recorded on the Property, to Seller's knowledge of its Executive Director, Seller has entered into no agreements or encumbrances which grant parties the right to possession of any portion of the Property which will be binding on Buyer after Closing Date hereunder, and to Seller's actual knowledge no other parties are in possession of any portion of the Property except parties claiming under such agreements.

(d) To the best of Seller's Knowledge, there is no action, suit, litigation, hearing or administrative proceeding pending or, , threatened in writing against Seller or with respect to all or any portion of the Property, nor to the best of Seller's Knowledge is there any basis therefor, which, in each case, is not or would not be covered by Seller's insurance or which would have a material adverse effect on the use or operation of Property.

(e) The representations and warranties of Seller set forth in this Agreement shall be true on and as of the Close of Escrow as if those representations and warranties were made on and as of such time.

(f) When used in this Agreement, the term "Seller's Knowledge" shall mean and be limited to the actual (and not imputed, implied or constructive) current knowledge, without duty of inquiry of Seller's Executive Director(the "Knowledge Person"). Notwithstanding anything to the contrary set forth in this Agreement, the Knowledge Person shall have no personal liability whatsoever with respect to any matters set forth in

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Seller's Initials Buyer's Initials

this Agreement or any of a Seller's representations and/or warranties herein being or becoming untrue, inaccurate or incomplete.

15. Buyer's Representations and Warranties. Buyer represents and warrants to Seller that:

(a) To the best of Buyer's knowledge, this Agreement and all documents executed by Buyer under this Agreement which are to be delivered to Seller are, or at the time of Close of Escrow will be, duly authorized, executed, and delivered by Buyer, and are, or at the Close of Escrow will be legal, valid, and binding obligations of Buyer, and do not, and at the Close of Escrow will not violate any provisions of any agreement or judicial order to which Buyer is a party or to which it is subject.

(b) The representations and warranties of Buyer set forth in this Agreement shall be true to the best of Buyer's knowledge on and as of the Close of Escrow as if those representations and warranties were made on and as of such time.

16. Damage or Condemnation Prior to Closing. Seller shall promptly notify Buyer of any knowledge by Seller of casualty to the Property or any condemnation proceeding commenced prior to the Close of Escrow. If any such damage to the Property or condemnation proceeding relates to, or may result in, the loss of any material portion of the Property, Seller or Buyer may, at their option, elect either to:

(a) terminate this Agreement, in which event all funds deposited into Escrow by Buyer shall be returned to Buyer and neither party shall have any further rights or obligations hereunder, or

(b) continue the Agreement in effect without any adjustment in the Purchase Price, in which event upon the Close of Escrow Buyer shall be entitled to any compensation, awards, or other payments or relief resulting from such casualty or condemnation proceeding.

17. Notices. All notices, requests, demands and other communications required or permitted to be given under the terms of this Agreement by one party to the other shall be in writing addressed to the recipient party's Notice Address set forth below and shall be deemed to have been duly given or made (a) if delivered personally (including by commercial courier or delivery service) to the party's Notice Address, then as of the date delivered, on presentation), or (b) if mailed by certified mail to the party's Notice Address, postage prepaid and return receipt requested, then at the time received at the party's Notice Address as evidenced by the return receipt, or (c) if mailed by first class mail to the party's Notice address, postage prepaid, then on the third (3rd) day following deposit in the United States Mail. Any party may change its Notice Address by a notice given in the foregoing form and manner.

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Seller's Initials Buyer's Initials

The Notice Addresses of the parties are:

To Seller: San Gabriel Valley Council of Governments
1333 S. Mayflower Avenue, Suite 360
Monrovia, CA 91016
Attn: Mark T. Mendoza
Email: mmendoza@paragon-partners.com

With a Copy to: Woodruff & Smart
555 Anton Blvd., Suite 1200
Costa Mesa, CA 92626
Attention: Cassie E. Trapesonian, General Counsel
Email: ctrapesonian@woodruff.law

To Buyer: Sage Investco Deux, LLC
4350 Von Karman Avenue #200
Newport Beach, CA 92660

Attention: Patrick Charriou, Manager
Email: patrick@sageinvestco.com

Rejection or other refusal to accept, or the inability to deliver because of changed address of which no notice has been deemed given, shall be deemed to constitute receipt of the notice, demand, request, or communication sent.

19. Legal Fees. In the event of the bringing of any action or suit with respect to this Agreement or its enforcement or interpretation by a party hereto against another party hereto, then in that event, the prevailing party in such action or dispute, whether by final judgment or out of court settlement, shall be entitled to have and recover, of and from the other party, all costs and expenses of suit, including reasonable attorneys' fees.

20. Assignment. Neither party may assign, transfer or convey its rights or obligations under this Agreement without the prior written consent of the other party. Any attempted assignment, transfer, or conveyance in violation of this provision shall be void and of no force or effect.

21. Miscellaneous.

(a) Survival of Covenants. The covenants, representations and warranties of both Buyer and Seller set forth in this Agreement shall survive the recordation of the Grant Deed and the Close of Escrow.

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Seller's Initials Buyer's Initials

(b) Required Actions of Buyer and Seller. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be required in order to consummate the purchase and sale herein contemplated and shall use commercially reasonable efforts to accomplish the Close of Escrow in accordance with the provisions hereof.

(c) Time of Essence. Time is of the essence of each and every term, condition, obligation, and provision hereof.

(d) Counterparts. This Agreement shall be executed in three (3) counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument and may be executed via electronic signature such as DocuSign. Any signature page of this Agreement may be detached from any counterpart and re-attached to any other counterpart of this Agreement which is identical in form hereto but having attached to it one or more additional signature pages. Upon the close of escrow, one fully executed counterpart shall be delivered to Seller and two fully executed counterparts shall be delivered to Buyer.

(e) Captions. Any captions to, or headings of, the sections, paragraphs or subparagraphs of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

(f) No Obligations to Third Parties. Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties hereto, to any person or entity other than the parties hereto.

(g) Exhibits and Schedules. Any Exhibits and schedules attached hereto are hereby incorporated herein by this reference.

(h) Amendment to this Agreement. The terms of this Agreement may not be modified or amended either orally or by a course of conduct, but only by an instrument in writing executed by each of the parties hereto.

(i) Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

(j) Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(k) Fees and Other Expenses. Each of the parties shall pay its own fees and expenses in connection with this Agreement, except as otherwise provided herein.

_____/_____
Seller's Initials Buyer's Initials

(l) Entire Agreement. This Agreement supersedes any prior agreements, negotiations, and communications, oral or written, and contains the entire agreement between Buyer and Seller as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of either party shall be of any effect unless it is in writing and executed by the party to be bound thereby.

(m) Successors and Assigns. Subject to the terms and restrictions of Section 20, this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

(n) Joint and Several. If the Buyer consists of more than one person or entity, the covenants, representations, warranties and obligations of the Buyer are joint and several.

(o) Surplus Land Act Restrictions. Notwithstanding any other terms and conditions in this Agreement, upon the Closing Date, the Property is subject to the restrictions of the SLA, which shall run with the land.

(p) Brokers. Buyer has entered into a broker agreement with Rancon Real Estate Corporation, and Seller has entered into a broker agreement with Paragon Partners Consultants, Inc. regarding sale of the Property. Seller shall pay a 2.5% real estate commission to Buyer's broker per a separate agreement to be deducted from the Purchase Price upon close of Escrow. Except for any agreement between Seller and its broker, Seller shall have no further or separate obligation for payment of commissions or fees to any other real estate broker, finder or intermediary. Each party represents that it has not had any dealings with any real estate broker, finder or intermediary with respect to the Property, other than the brokers identified herein. Subject to the foregoing, each party hereto shall indemnify and hold harmless the other party hereto from and against any and all losses, damages, liabilities, losses, costs and expenses (including, but not limited to, reasonable attorneys' fees and related costs) resulting from any claims that may be asserted against such other party by any real estate broker, finder or intermediary arising from any act of the indemnifying party in connection with this Agreement.

(q) Business Days. As used herein, "Business Days" shall mean any day other than a Saturday, Sunday, or other day on which banking institutions in the State of California are authorized by law or executive action to close.

_____/_____
Seller's Initials Buyer's Initials

The parties have executed this Agreement as of the day and year first above written.

“Buyer”

SAGE INVESTCO DEUX, LLC

By _____

Patrick Charriou Manager

Date _____

“Seller”

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

By:

Marisa Creter

Executive Director

Date _____

Approved as to Form:

By:

Cassie E. Trapesonian, General Counsel

Date _____

_____/_____
Seller’s Initials Buyer’s Initials

ACCEPTANCE BY ESCROW HOLDER

Commonwealth Land Title Insurance Company, (the "Escrow Holder") Escrow hereby acknowledges that it has received a fully executed counterpart of the foregoing Agreement of Purchase and Sale and Joint Escrow Instructions and agrees to act as Escrow Holder thereunder and to be bound by and perform the terms thereof as such terms apply to Escrow Holder.

Dated: _____

ESCROW HOLDER

By: _____

Its: _____

_____/_____
Seller's Initials Buyer's Initials

Exhibit A

Legal Description of the ACE Property

Real property in the unincorporated area of the County of Los Angeles, State of California, described as follows:

THE WESTERLY 93.62 FEET OF LOT 142 OF FORSTER AND ROWLAND TRACT, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20, PAGES 14 AND 15 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 8760-003-903

THE WESTERLY 93.62 FEET OF LOT 143 OF FORSTER AND ROWLAND TRACT, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20, PAGES 14 AND 15 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 8760-003-904

LOT 140 OF FORSTER AND ROWLAND TRACT, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20, PAGES 14 AND 15 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 8760-003-905

8760

3 SHEET

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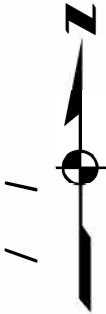
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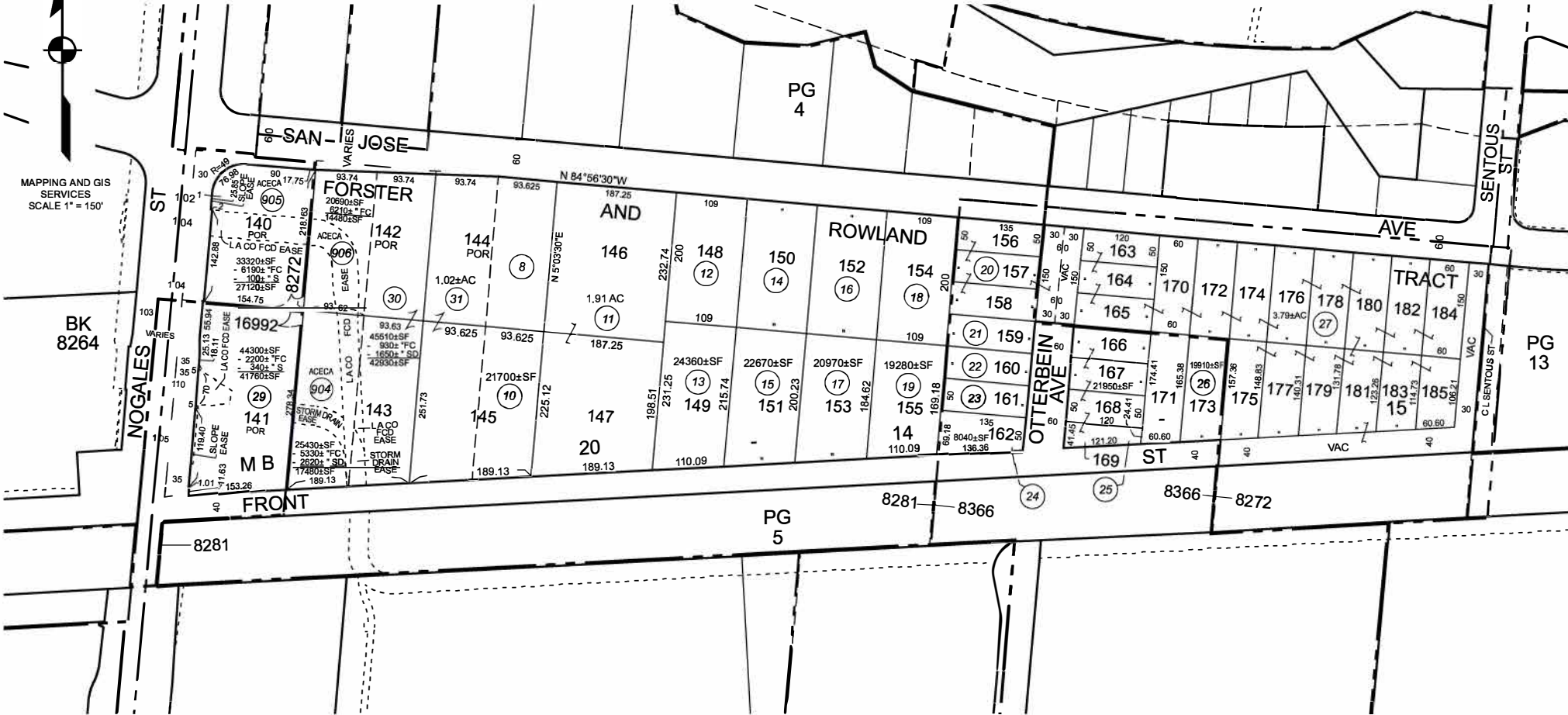
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OFFICE OF THE ASSESSOR
COUNTY OF LOS ANGELES
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2022



MAPPING AND GIS SERVICES
SCALE 1" = 150'





ACE - Nogales Easement Information

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- 8760-003-905
- 8760-003-906
- 8760-003-904

Item No. 3 - Easement for all roads, streets, avenue purposes. Book 6222, Page 111 of Deeds. Book 5329, Page 152 of Deeds. Affects as described therein

Item No. 11 - Easement for to construct, use, maintain, alter purposes. 09/27/2013, Instrument No. 2013-1404775 of Official Records. Affects as described therein.

Item No. 12 - Easement for construct, use, maintain, alter purposes. 09/27/2013, Recording No: 2013-1404776 of Official Records. Affects as described therein.

Item No. 13 - Easement for construction maintenance, repair purposes. 01/31/2018, Instrument No. 2018-103794 of Official Records. Affects as described therein.

Item No. 14 - Easement for construction maintenance, repair purposes. 01/31/2018, Instrument No. 2018-104321 of Official Records. Affects as described therein.



ACE - Nogales Easement Information

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- 8760-003-905
- 8760-003-906
- 8760-003-904
- Item No. 6 - Easement for public utilities and incidental purposes purposes. 07/30/1968, Instrument No. 2910 of Official Records. Affects as described therein.
- Item No. 7 - Easement for public road, highway and incidental purposes. 12/08/1972, Instrument No. 4012 of Official Records. Affects as described therein.
- Item No. 8 - Easement for storm drain. 07/27/1978, Instrument No. 78-821970 of Official Records. Affects as described therein.
- Item No. 8 - Easement for a temporary construction. 07/27/1978, Instrument No. 78-821970 of Official Records. Affects as described therein.
- Item No. 15 - Easement for covered storm drain and appurtenant structures purposes. 09/26/2019, Instrument No. 2019-1010944 of Official Records. Affects as described therein.
- Item No. 17 - Easement for storm drain. 07/27/1978, Instrument No. 78-821970 of Official Records. Affects as described therein.
- Item No. 17 - Easement for a temporary construction. 07/27/1978, Instrument No. 78-821970 of Official Records. Affects as described therein.
- Item No. 25 - Easement for storm drain. 07/27/1978, Instrument No. 78-821970 of Official Records. Affects as described therein.
- Item No. 25 - Easement for a temporary construction. 07/27/1978, Instrument No. 78-821970 of Official Records. Affects as described therein.



ACE - Nogales Easement Information

Page 3 of 4 Legend

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| <ul style="list-style-type: none"> 8760-003-905 8760-003-906 8760-003-904 Item No. 19 - Easement for private street and road purposes. 10/15/2013, Instrument No. 2013-1474390 of Official Records. 04/21/2015, Instrument No. 2015-443104 of Official Records. Affects as described therein. Item No. 20 - Easement for Road purposes. 11/05/2013, Instrument No. 2013-1572436 of Official Records. Affects as described therein. Item No. 21 - Easement for construct, re-construct, maintain, repair purposes. 01/15/2018, Instrument No. 2018-83810 of Official Records. Affects as described therein. | <ul style="list-style-type: none"> Item No. 22 - Easement for covered storm drain and appurtenant purposes. 09/26/2019, Instrument No. 2019-1010945 of Official Records. Affects as described therein. Item No. 23 - Easement for public road and highway purposes. 09/26/2019, Instrument No. 2019-1010946 of Official Records. Affects as described therein. Item No. 30 - Easement for covered storm drain and appurtenant purposes. 09/26/2019, Instrument No. 2019-1010947 of Official Records. Affects as described therein. Item No. 31 - Easement for private street and road purposes. 04/21/2015, Instrument No. 2015-443106 of Official Records. 05/19/2021, Instrument No. 2021-806108 of Official Records. Affects as described therein. |
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ACE - Nogales Easement Information

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- 8760-003-905
- 8760-003-906
- 8760-003-904
- Item No. 26 - Easement for private street and road purposes. 10/15/2013, Instrument No. 2013-1474391 of Official Records. Affects as described therein.
- Item No. 26 - Easement for private street and road purposes. 04/21/2015, Instrument No. 2015-443105 of Official Records. Affects as described therein.
- Item No. 27 - Easement for reconstruct, use, maintain and repair purposes. 11/05/2013, Instrument No. 2013-1572437 of Official Records. Affects as described therein.
- Item No. 28 - Easement for private street and road purposes. 04/21/2015, Instrument No. 2015-443107 of Official Records. Affects as described therein.
- Item No. 29 - Easement for construct, re-construct, maintain, repair purposes. 01/25/2018, Instrument No. 2018-83811 of Official Records. Affects as described therein.
- Item No. 33 - Easement - 07/28/2020, Instrument No. 2020-846727, of Official Records. Affects said land. Said Easement is not specifically delineated and is unlocatable.



CLAIM FOR DAMAGES OR INJURY

Return signed and dated form to:

1333 S. Mayflower Avenue, Suite 360, Monrovia, CA. 91016

NOTE: All claimants may be required to be examined as to their claim under oath. Presentation of a false claim with intent to defraud is a felony (California Penal Code Section 72).

The fact that this statement of the procedure to be followed is asserting a claim against the San Gabriel Valley Council of Governments (SGVCOG) has been furnished to you or that an investigation of any claim is undertaken is not to be taken as an admission of liability in any respect on the part of the SGVCOG or any of its officers, employees, or consultants; nor is the fact that this informational statement has been furnished to you to be construed as a waiver of any requirement imposed by law, or any defense which may be available to the SGVCOG in connection with any claim that might be filed against it.

Full Name	Industry Realty Holdings, Inc.		
Address	18271 Gale Avenue		
	City of Industry, CA 91478 (APN 8264-014-062)		
Daytime Phone	310-508-7904	Other Phone	
Date of incident	See Attached Claims Letter.	Time of incident	See Attached Claims Letter.

State the location of the incident or damage (give lane and direction of travel if applicable)

18271 Gale Avenue, City of Industry, CA 91478 (APN 8264-014-062); See Attached Claims Letter.

Explain how the injury or damage occurred

See Attached Claims Letter.

What act or omission on the part of the SGVCOG or its contractor caused the damage?

See Attached Claims Letter.

What injury or damage do you claim resulted?

See Attached Claims Letter.

What is the dollar amount of your claim for the damages (Submit two estimates or paid receipts)

See Attached Claims Letter.

Insurance Information

Name of Insurance Company: Fortegra Specialty Insurance Company

Are you the registered owner? YES NO

Have you submitted a claim to your insurance carrier? YES NO

If yes, were you paid? YES NO

For what amount? _____

Vehicle Information (if damage to vehicle)

Make of Vehicle: _____

Year of Vehicle: _____ License No.: _____

I hereby certify under penalty of perjury, that the foregoing facts are true and correct to the best of my knowledge and belief.

Signature of claimant  Date May 21, 2026



CLAIM FOR BUSINESS LOSS

Return signed and dated form to:

1333 S. Mayflower Avenue, Suite 360, Monrovia, CA. 91016

NOTE: The fact that this statement of the procedure to be followed is asserting a claim against the San Gabriel Valley Council of Governments (SGVCOG) has been furnished to you or that an investigation of any claim is undertaken is not to be taken as an admission of liability in any respect on the part of the SGVCOG or any of its officers, employees, or consultants; nor is the fact that this informational statement has been furnished to you to be construed as a waiver of any requirement imposed by law, or any defense which may be available to the SGVCOG in connection with any claim that might be filed against it.

Your Name	Industry Realty Holdings, Inc.		
Title	Business/Property Owner		
Business Address	18271 Gale Avenue.		
	City of Industry, CA 91478 (APN 8264-014-062)		
Daytime Phone	310-508-7904	Other Phone	

Specific time and date when the loss incident first occurred and when it ended:

Start Time:	Claims Ltr.	<input type="checkbox"/> A.M.	End Time:		<input type="checkbox"/> A.M.
		<input type="checkbox"/> P.M.			<input type="checkbox"/> P.M.
Date:			Date:		

Nature of your business

See Attached Claims Letter.

Nature of your claim. What specific act or omission of the SGVCOG or its contractor caused the loss (please provide sufficient detail):

See Attached Claims Letter.

Describe the **business loss** you claim resulted:

(Provide supporting documentation for the claim period and for comparable periods in the past. The SGVCOG reserves the right to request additional documentation as needed to evaluate your claim.)

See Attached Claims Letter.

Dollar amount of the business loss: \$ Claims Ltr.

Have you made a claim with a service provider, landlord or insurer? YES NO
Provide copies

I hereby certify under penalty of perjury, that the foregoing facts are true and correct to the best of my knowledge and belief.

Signature of claimant  Date May 21, 2026



Jeffer Mangels
& Mitchell LLP

jeffer.com

Joel D. Deutsch
jdeutsch@jeffer.com

1900 Avenue of the Stars, 7th Floor
Los Angeles, California 90067-4308
(310) 203-8080 (310) 203-0567 Fax
www.jeffer.com

May 21, 2026

VIA OVERNIGHT DELIVERY

San Gabriel Valley Council of Governments
c/o Marisa Creter, Executive Director
1333 S. Mayflower Avenue, Suite 360
Monrovia, CA 91016

Re: Government Claims Act Claim -- California Government Code sections
810, et seq.

Public Entity: San Gabriel Valley Council of Governments / Alameda Corridor-
East Construction Authority

Property at Issue: 18271 Gale Avenue, City of Industry, CA 91748 (APN 8264-
014-062)

To the San Gabriel Valley Council of Governments:

Pursuant to California Government Code Sections 810 *et seq.*, Industry Realty Holdings, LLC (“Claimant”) submits the following claim to the San Gabriel Valley Council of Governments (“SGVCOG”). Claimant is the owner of certain real property located at 18271 Gale Avenue, City of Industry, CA 91748 (APN 8264-014-062) (the “Property”). Responses to this Claim should be sent to Joel D. Deutsch at Jeffer Mangels & Mitchell LLP, 1900 Avenue of the Stars, 7th Floor, Los Angeles, California 90067.

(a) **BACKGROUND AND CIRCUMSTANCES OF OCCURRENCE**

Alameda Corridor-East Construction Authority (“ACE”) is a single purpose construction authority created by SGVCOG in 1998 to mitigate the impacts of significant increases in rail traffic over 70 miles of mainline railroad in the San Gabriel Valley. ACE has been constructing a grade separation at the Fullerton Road crossing of Union Pacific Railroad track, referred to as the Fullerton Road Grade Separation Project (the “Project”). Construction work for the Project, including on the Property, was originally anticipated to last approximately three and one-half (3.5) years but has not yet been completed (“Property Construction Term”).

SGVCOG, c/o Marisa Creter, Executive Director
May 21, 2026
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Claimant is the owner of the Property, and is the landlord to Indyhop, Inc. (“Indyhop”), Jack in the Box, Inc., and its subtenant TBS Foods Inc. fka Foodmaker, Inc. dba Jack in the Box, and two commercial tenants located on the second floor of the building in which the IHOP is located. On or about February 15, 2017, Claimant, Indyhop, and ACE entered into a Mitigation Agreement (the “Mitigation Agreement”), a true and correct copy of which is attached hereto as **Exhibit A**, in an effort to make Claimant and Indyhop whole by allowing Claimant and Indyhop to recover compensation for the anticipated impacts the Project construction may have on the Property.

Under the Mitigation Agreement, ACE agreed, among other things, to: (i) guarantee that Claimant would receive up to \$11,000 per month in rent for the portion of the Property occupied by TBS Foods Inc. (Jack in the Box) during the Property Construction Term, and continue such payments if the Jack in the Box Lease expired during that term (Sections 6(b) and 6(c)); (ii) restore to a safe and commercially sound condition all portions of the Property disturbed, damaged, or otherwise affected by the Project construction work (Section 12); (iii) indemnify and protect Claimant against any and all claims, costs, damages, legal fees, court costs, or awards, for damage or injury to any person or property threatened or made against Claimant by any third party (including, but not limited to, Jack in the Box, Inc. or its franchisee TBS Foods), which arise from or in any way relate to the negligence and/or willful misconduct of ACE and/or its agents or contractors in connection with construction of the Project (Section 6(d)); and (iv) pay the prevailing party’s attorney’s fees and costs in the event of a dispute over enforcement of the Mitigation Agreement (Section 15(k)).

(b) **DAMAGE TO AND FAILURE TO RESTORE THE JACK IN THE BOX PROPERTY; FAILURE TO REMIT MONTHLY JACK IN THE BOX RENT PAYMENTS**

When ACE commenced construction, it took exclusive possession of the Jack in the Box on the Property (this specific portion of the Property is referred to hereinafter as the “JIB Property”). ACE fenced the JIB Property and its contractor refused to permit anyone, including Claimant’s principals, access to the premises. ACE parked trucks and heavy equipment on the JIB Property, cut through asphalt and concrete, created a slope, eliminated a large portion of the driveway, destroyed the ordering menu, fences, lighting, and landscaping. What ACE did not do was protect the JIB Property from vandals, thieves, homeless persons, animals, or the weather.¹ When ACE took possession, the JIB Property was a fully operational restaurant that had been running continuously for 28 years. It was vacated in place by Jack in the Box and immediately

¹ The Mitigation Agreement’s waiver and release provisions in Section 8 expressly carve out and preserve claims for “damage or injury to any person or property arising from the negligence, personal injuries, breach of contract, accidents, and unforeseen events . . . and/or willful misconduct of ACE and/or its agents or contractors in constructing or otherwise executing the Project.” The vandalism damage to the JIB Property falls squarely within these preserved claims.

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transferred to ACE. Now, the JIB Property is torn up, stripped of copper, seats, stainless steel, and equipment, and significantly damaged.

ACE had an obligation under Section 12 of the Mitigation Agreement to restore to a safe and commercially sound condition all portions of the Property, which includes the JIB Property, disturbed, damaged, or otherwise affected by ACE's Project construction work. ACE also had an obligation under Section 6(d) to indemnify and protect Claimant against any and all claims, costs, damages, legal fees, court costs, or awards, for damage or injury to any person or property which arise from or in any way relate to the negligence and/or willful misconduct of ACE and/or its agents or contractors in connection with construction of the Project.

Furthermore, ACE has failed to remit monthly rental payments to Claimant for the JIB Property during the Property Construction Term. To date, ACE has substantial unfinished work on the JIB Property, has never ceased using the JIB Property, and continues to use this portion of the JIB Property as a storage yard. Among the most significant unfinished elements are the pedestrian bridge, walkway, and access steps from the sidewalk to the JIB Property—a fundamental system of pedestrian access for potential retail customers that has never been completed.

The JIB Property was intended to be re-leased to a retail restaurant entity that depends on appealing looks and attractiveness to draw customers; instead, the JIB Property, and particularly ACE's easement section as it faces the streets, has looked like an unfinished construction site every day since ACE ceased payment. Claimant leased the JIB Property to a new tenant in November 2025, but has not and will not earn rent until November 1, 2026², and then only at a 50% reduced rate, for four months. The new tenant has confirmed it has been working on the JIB Property for months. The JIB Property is still not ready for interior finishes and it has still not been restored to the condition it was in when Jack in the Box moved out.

Ultimately, this failure to remit rental payments to Claimant for the JIB Property may constitute breach by ACE of its obligations under the Mitigation Agreement, including but not limited to Sections 6(b) and 6(c).

(c) DAMAGE TO PARKING LOT AND FAILURE TO RESTORE

ACE entered the Property—encompassing the entire parking lot, not just the JIB Property—and cut deep and wide trenches for utilities, and slope modifications. ACE also drove upon the driveway daily with trucks and frequently with heavy equipment, removed the driveways (curb-cuts) and relocated them, and changed the size of the parking area. When this work was completed, ACE only patched portions of the lot. The patches were poorly executed, make the lot look substandard, and have created tripping hazards. The asphalt lot is now multi-

² If the tenant finishes its work fixing the JIB Property before November 1, 2026 and opens for business, its rent obligation to pay 50% of the rent would begin then.

SGVCOG, c/o Marisa Creter, Executive Director
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colored tones of gray. The entire lot needs to be repaired. Claimant's liability insurance carrier has advised that the lot must be redone soon for safety reasons. Section 12 of the Mitigation Agreement expressly requires ACE to restore to a safe and commercially sound condition all portions of the Property, including "parking lot asphalt and concrete, striping, fences, driveways, signs, lighting, utility lines and equipment, landscaping, curbs, walkways, walls, planters, windows, vehicles, structures, and any other elements of the Property" that are disturbed, damaged, or otherwise affected by ACE's Project construction work. ACE has failed to perform this obligation.

(d) ALTERNATIVE CLAIMS IN NEGLIGENCE AND WASTE

To the extent that the vandalism damage to the JIB Property is not covered by or falls outside the scope of the Mitigation Agreement, Claimant asserts alternative claims sounding in negligence and waste against ACE. ACE knew or should have known that a vacant commercial building in an active construction zone was vulnerable to vandalism, trespass, and damage. ACE failed to take reasonable measures to secure the building or to protect it from foreseeable harm during the extended construction period. This failure constitutes negligence and waste. Additionally, ACE's actions and omissions, including negligence, regarding damage to the Property's parking lot have resulted in waste to the Property. Because these claims may sound in tort rather than contract, this letter serves as the formal government claim required under California Government Code Sections 810 *et seq.* as a prerequisite to filing suit against a public entity.

(e) TOLLING AGREEMENT

SGVCOG, Indyhop, and Claimant previously entered into a Tolling Agreement dated August 13, 2024, and an Addendum to Tolling Agreement effective September 19, 2025, pursuant to which the Parties agreed to toll the applicable statute of limitations with respect to all time limits for presenting and filing a government claim or any other applicable statute of limitations, any counterclaim, or any other related doctrine or defense that may bar or diminish any of the Parties' claims or defenses due to the passage of time, such as laches and estoppel. The Tolling Period, as extended by the Addendum, runs through and including July 1, 2026. Notwithstanding the protections afforded by the Tolling Agreement and Addendum thereto, Claimant submits this formal claim out of an abundance of caution and to preserve all rights and remedies.

(f) DAMAGES AND AMOUNTS CLAIMED

Claimant has incurred and continues to incur damages including, but not limited to, the following: (i) Unpaid monthly Jack in the Box rent from March 2024 to the present date (Mitigation Agreement Section 6(b)); (ii) Cost to restore the JIB Property to the condition in which it existed when ACE took possession, including any and all costs for damage threatened to Claimant (Mitigation Agreement Sections 6(d) and 12); (iii) Cost to repair and restore the

SGVCOG, c/o Marisa Creter, Executive Director
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parking lot (Mitigation Agreement Section 12); (iv) All additional costs necessary to restore the Property to a safe and commercially sound condition (Mitigation Agreement Section 12); (v) Lost rental income from the JIB Property during the restoration period, from the present date to the commencement of reduced rent in November 1, 2026 (see footnote 2) and the reduced rent period of four months thereafter (Mitigation Agreement Section 6(c)); (vi) Attorney's fees, legal costs, and all costs incurred in the preparation, prosecution, and collection of this Claim (Mitigation Agreement Section 15(k)); and (vii) All other consequential, incidental, and related damages arising from ACE's breaches.

The total amount of damages exceeds \$10,000, and the Claimant therefore states the amount claimed as in excess of \$10,000, as permitted by Government Code section 910(f). The total claim would not be a limited civil case.

(g) CAUSES OF ACTION PRESERVED

This Claim is presented to preserve all available claims and causes of action, including but not limited to breach of the Mitigation Agreement; breach of the implied covenant of good faith and fair dealing; negligence; waste; negligent maintenance; trespass and nuisance; temporary inverse condemnation; failure to inspect, secure, and maintain the Property during and as a result of the Project; indemnification under the Mitigation Agreement; recovery of attorney's fees and costs under Section 15(k) of the Mitigation Agreement; and any other statutory or common-law basis supported by the facts.

(h) CLAIMANT INFORMATION AND REPRESENTATION

This Claim is presented on behalf of Claimant by counsel. All future communications regarding this Claim should be directed to the undersigned.

Very truly yours,



JOEL D. DEUTSCH of
Jeffer Mangels & Mitchell LLP

EXHIBIT A

MITIGATION AGREEMENT

Project: Fullerton Road Grade Separation Project
APN: 8264-014-062
Property Address: 18271 Gale Avenue, City of Industry, CA 91748

This Mitigation Agreement ("Agreement") is made and entered into as of this 15th day of FEBRUARY, 2017, by and between INDYHOP, Inc., a California corporation ("Indyhop", dba "IHOP"), INDUSTRY REALTY HOLDINGS, LLC, a California limited liability company ("Owner") and the ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY ("ACE"), on behalf of the San Gabriel Valley Council of Governments, a California joint powers authority.

RECITALS

This Agreement is made with reference to the following facts and circumstances which are part of this Agreement:

A. ACE is a single purpose construction authority created by the San Gabriel Valley Council of Governments in 1998 to mitigate the impacts of significant increases in rail traffic over 70 miles of mainline railroad in the San Gabriel Valley and is constructing a grade separation at the Fullerton Road crossing of Union Pacific Railroad track referred to as the Fullerton Road Grade Separation Project ("Project"). Construction work on the Project is anticipated to last approximately three and one-half (3.5) years.

B. Owner is the owner of certain real property located at 18271 Gale Avenue, City of Industry, CA 91748, APN: 8264-014-062 ("Property") which is the landlord to Indyhop, Jack in the Box, Inc. and its subtenant, TBS Foods Inc. fka Foodmaker, Inc. dba Jack in the Box, and several office tenants located on the second floor of the building in which the IHOP is located.

C. Indyhop is a tenant of the Property, on which it operates an International House of Pancakes restaurant ("Business" or "IHOP").

D. Jack in the Box, Inc. is a tenant of the Property pursuant to that certain Lease Agreement between Dicker-Warlington Properties and Foodmaker, Inc. dated July 2, 1987, as amended by the Notice signed by Jack in the Box on October 30, 2012 and receipt acknowledged by Owner on November 1, 2012 ("Jack in the Box Lease"). TBS Foods Inc. fka Foodmaker, Inc. dba Jack in the Box ("TBS Foods") is a subtenant under the Jack in the Box Lease. The current Jack in the Box Lease term commenced May 1, 2013 and expires April 30, 2018. As set forth in the Jack in the Box Lease, TBS Foods pays Owner both a Minimum Rent and Percentage Rent and it pays additional charges for common area maintenance and insurance and real estate taxes and assessments ("CAM"). The sum of the minimum rent, percentage rent, and CAM shall be referred to herein as the "Jack in the Box Rent". The Jack in the Box Rent is approximately \$11,000 per month.

JW /// Mac
Owner/Indyhop Initials ACE Initials

(b) Actual Operating Income. At the end of each quarter, or any portion thereof, during the Project Construction Term, Indyhop shall provide ACE with financial records including, but not limited to, monthly sales reports (also known as Sales Tax Payment Schedules) and operating statements ("Quarterly Financial Records") detailing the Business's actual total operating income for that quarter ("Quarterly Actual IHOP Operating Income") and calendar year ("Annual Actual IHOP Operating Income").

(c) The four annual quarters are defined as follows: first quarter is from January 1 through March 31; second quarter is from April 1 through June 30; third quarter is from July 1 through September 30; fourth quarter is from October 1 through December 31.

4. Lost Income Compensation for Indyhop. The Parties will use the Quarterly Projected IHOP Operating Income and Quarterly Actual IHOP Operating Income to determine the amount of compensation Indyhop is entitled to pursuant to this Agreement, if any, during the Project Construction Term.

(a) Quarterly Compensation for Lost Income. On a quarterly basis during the Project Construction Term, Indyhop shall be entitled to compensation for reductions in Operating Income of the Business as follows:

(i) If the Quarterly Actual IHOP Operating Income in a particular quarter is greater than the Quarterly Projected IHOP Operating Income, Indyhop shall not be entitled to any compensation for that quarter.

(ii) If the Quarterly Actual IHOP Operating Income in a particular quarter is less than the Quarterly Projected IHOP Operating Income, Indyhop shall be entitled to compensation that is equal to the difference between the Quarterly Projected IHOP Operating Income and the Quarterly Actual IHOP Operating Income for that quarter.

(iii) If only a portion of a quarter falls within the Project Construction Term, compensation pursuant to this Section 4(a) shall be based on the pro rata Quarterly Projected IHOP Operating Income and Quarterly Actual IHOP Operating Income.

(b) End-of-Year Annual Adjustment. ACE has agreed to compensate Indyhop for lost Operating Income, if any, on a quarterly basis in accordance with Section 4(a). These quarterly payments are intended to provide Indyhop periodic relief in the event that Project construction impacts the Business. However, to account for the possibility that the cumulative total of all of Indyhop's four Quarterly Actual IHOP Operating Income reports in a given year may exceed the total of all four Quarterly Projected Operating Income estimates for the full year, on an annual basis for any fiscal year (or portion thereof) during the Project Construction Term, the lost Operating Income compensation paid or owed to Indyhop pursuant to Section 4(a) of this Agreement shall be adjusted in accordance with this Section 4(b). The end-of-year annual adjustment shall be calculated as follows:

(i) At the end of each calendar year during the Project Construction Term, the Parties shall determine the sum of all quarterly compensation payments paid or owed to Indyhop during that calendar year pursuant to Section 4(a) ("**Compensation Payments**"). For that same calendar year, the Parties shall calculate Indyhop's total Operating Income decline by calculating the difference between the Business' Annual Actual IHOP Operating Income from the Annual Projected IHOP Operating Income ("**Total Annual Operating Income Loss**").

(ii) If Annual Actual IHOP Operating Income for the fiscal year is greater than the Annual Projected IHOP Operating Income, Indyhop shall refund to ACE all Compensation Payments previously paid to the Business during and for quarters in that calendar year, if any.

(iii) If the Total Annual Operating Income Loss is less than the Compensation Payments paid or owed to Indyhop during a particular fiscal year, Indyhop shall refund the difference to ACE.

5. Payments to Indyhop. Unless there is a dispute regarding the amount of compensation owed, any payments owed by the Parties under Section 4 of this Agreement shall be delivered within thirty (30) days of Indyhop's delivery of its Quarterly Financial Records to ACE. Payments to Indyhop shall be by check made out to "Jeffer Mangels Butler & Mitchell LLP Client Trust Account for the benefit of Indyhop, Inc." and sent to Joel David Deutsch, Esq., Jeffer Mangels Butler & Mitchell LLP, 1900 Avenue of the Stars, 7th Floor, Los Angeles, CA 90067. Payments to ACE shall be by check made out to "Alameda Corridor-East Construction Authority" and sent to Alan A. Sozio, Esq., Burke, Williams & Sorensen, LLP, 444 S. Figueroa Street, 24th Floor, Los Angeles, CA 90071.

6. Payments to Property Owner in Mitigation of Claims for Potential Loss of Rental Income; Offer to Extend Jack in the Box Lease; Agreement to Indemnify.

(a) Within ten (10) business days following the Effective Date, ACE shall pay Owner the lump sum of **\$150,000 ("Rent Payment")**. This is to compensate for the lost rents that may be incurred by the second floor (IHOP building) vacancies and rent reductions during the Project Construction Term due to the Project. The Rent Payment shall be paid by check made out to "Jeffer Mangels Butler & Mitchell LLP Client Trust Account for the benefit of Industry Realty Holdings LLC" and sent to Joel David Deutsch, Esq., Jeffer Mangels Butler & Mitchell LLP, 1900 Avenue of the Stars, 7th Floor, Los Angeles, CA 90067.

(b) If, during the Property Construction Term, TBS Foods fails or refuses to pay to Owner the rent due and owing under the Jack in the Box Lease, ACE will make up the difference such that Owner will be guaranteed to receive during said Property Construction Term up to the amount of \$11,000/month in rent, prorated to the day for the portion of the Property currently occupied by TBS Foods. Owner expressly assigns to ACE all of Owner's right, title and interest that Owner may have in collecting any portion of rent under the Jack in the Box Lease that TBS Foods refused to pay during the Property Construction Term.

(c) Owner will offer, on the same terms as contained in the existing five year options set forth in the Jack in the Box Lease, one additional option to extend the current Jack in the Box Lease term an additional five (5) years commencing May 1, 2018 and expiring April 30, 2023. If the

 
Owner/Indyhop Initials ACE Initials

Jack in the Box Lease expires during the Property Construction Term and TBS Foods is no longer obligated to pay rent under said lease, then ACE will guarantee that Owner will receive during the remainder of the Property Construction Term the amount of \$11,000/month, prorated to the day that TBS Foods last paid rent. Owner will use all reasonable business efforts to lease the former Jack in the Box site to a new tenant, and any and all rent collected by Owner from the new tenant during the Property Construction Term shall offset the \$11,000/month to be paid to Owner pursuant to this paragraph of the Agreement.

(d) ACE shall, following the Effective Date, indemnify and protect Owner and Indyhop, along with their owners, agents, employees and attorneys, against any and all claims, costs, damages, legal fees, court costs, or awards, for damage or injury to any person or property threatened or made against Owner and/or Indyhop by any third party (including, but not limited to, Jack in the Box, Inc. or its franchisee TBS Foods), which arise from or in any way relate to the negligence and/or willful misconduct by ACE and/or its agents or contractors in connection with construction of the Project.

7. Characterization of Payments. None of ACE's payments made or referenced in this Agreement are made on account of goodwill, property or other business losses of any of the current tenants of the Property other than IHOP. Owner is not, and will not be, liable for any non-IHOP tenant's claim for goodwill, property or other business losses resulting from the Project and its construction.

8. Conveyance of Easements; Just Compensation. The Parties agree that the Easements shall be conveyed from Owner to ACE via escrow based upon a separate written agreement to be drafted by the Parties. The parties agree the promises, agreements and covenants contained in this Agreement constitute sufficient rights to just compensation and damages to Owner and Indyhop in regard to ACE's acquisition of the Easements, whether such acquisition occurs by written agreement *in lieu* of condemnation or by condemnation in an eminent domain action to be filed by ACE.

In addition to other compensation to be paid to Owner and/or Indyhop as set forth in this Agreement, the total compensation to be paid to Owner for the value of ACE's acquisition of the Easements shall be the amount of **\$1,000,000**, payable upon the Owner's delivery of signed, notarized Easements in a recordable form.

Subject to and without waiving the terms of compensation and protections set forth herein, Owner and Indyhop, on behalf of themselves and their successors and assigns, and each of them, hereby waive, release and discharge ACE and its officers, officials, council members, employees, attorneys, accountants, other professionals, insurers, and agents, and all entities, boards, commissions, and bodies related to any of them (collectively, the "Released Parties") from all claims that Owner and Indyhop, and each of them, have or may have against the Released Parties arising out of or related to ACE's acquisition of the Easements, including, without limitation, (i) compensation for loss of any improvements, including improvements pertaining to the realty, furniture, fixture, and equipment, (ii) compensation for loss of business goodwill, (iii) compensation for past or future loss of tenants, rents, revenue, income and/or profits; (iv) compensation for damage to the remainder (i.e., severance damages) (v) economic or consequential damages, (vi) compensation for professional consultant fees, attorney's fees, costs and/or litigation expenses, (vii) precondemnation damages,


Owner/Indyhop Initials 
ACE Initials

(viii) relocation benefits and damages, and (ix) any and all other compensable interests, and/or damages, and/or claims, of any kind and nature, claimed or to be claimed, suffered or to be suffered, by Owner and/or Indyhop by reason of ACE's acquisition of the Easements, provided that nothing herein shall release claims of Indyhop and Owner for any liability resulting from ACE's breach of any agreement, obligation, warranty, or covenant for which it is responsible under this Agreement. This waiver and release also does not apply to any claims for damage or injury to any person or property arising from the negligence, personal injuries, breach of contract, accidents, and unforeseen events (such as utility interruptions, sink holes, fire, train derailment, explosions, liens) and/or willful misconduct of ACE and/or its agents or contractors in constructing or otherwise executing the Project.

9. Disputes. In the event that ACE disputes the amount of compensation owed pursuant to Section 4 of the Agreement, ACE shall notify Indyhop of the dispute within ten (10) days following Indyhop's delivery of financial records to ACE. In its notice of dispute, ACE shall provide Indyhop with the good faith reason(s) for disputing the compensation to be paid. Upon Indyhop's receipt of a notice of dispute from ACE, ACE and Indyhop shall meet and confer in good faith regarding the disputed compensation amount and the proof submitted by Indyhop. If, after thirty (30) days of meeting and conferring in good faith, ACE and Indyhop are unable to resolve the dispute, either party may initiate an arbitration action regarding the disputed compensation amount, which arbitration shall be conducted in Los Angeles within 30 days of the date of the dispute, before a single arbitrator at JAMS, to be mutually approved by both parties. If it is determined by the court that ACE overpaid, the amount of the overpayment shall be refunded to ACE, plus interest at the rate of 5% per annum during the period of the overpayment, plus ACE's costs, including fees and costs paid to JAMS, and legal fees. If it is determined that ACE underpaid, ACE shall compensate Indyhop for the amount of the underpayment, its costs, including fees and costs paid to JAMS, and legal fees, and all consequential damages arising from said underpayment, including, but not limited to, the loss of the business of the IHOP due to financial insolvency.

10. Best Business Practices. At all times during the Project Construction Term, Indyhop will utilize all reasonably prudent business practices in the operation of the Business to maintain and, if possible, grow its total Operating Income.

11. Outreach. ACE shall include the Business, for the benefit of the Business and at no cost to the Business, in all of ACE's outreach programs for the purpose of communicating to the Business' customers potentially affected by the Project. Such programs may include, but are not limited to, coupons, discounts, specials and incentives, and will be communicated by ACE to Indyhop in advance of the rollout of any such programs.

12. Restoration of the Property. ACE shall restore to a safe and commercially sound condition all portions of the Property (including parking lot asphalt and concrete, striping, fences, driveways, signs, lighting, utility lines and equipment, landscaping, curbs, walkways, walls, planters, windows, vehicles, structures, and any other elements of the Property) that are disturbed, damaged or otherwise affected by ACE's Project construction work. This restoration work shall be done as soon as reasonably possible after ACE's need to perform construction work on that portion of the affected Property has been completed.

 
Owner/Indyhop Initials ACE Initials

13. Non-Disclosure. The Parties, and each of them, agree and understand that unless authorized by ACE or otherwise compelled by law or court order to disclose such information, both the existence and the terms of this Agreement shall remain confidential and shall not be disclosed to anyone aside from the Parties and their authorized agents. The Parties, and each of them, agree that any violation or threatened violation of this paragraph of the Agreement may cause irreparable injury to the other Parties, entitling the non-breaching Party or Parties to seek ex parte injunctive relief, without posting bond, in addition to any and all legal remedies and damages to which they would otherwise be entitled including, but not limited to, reasonable attorney's fees and costs for pursuing said legal action against any of the breaching Parties.

14. Notices. Notices to the Parties shall be sent by email or facsimile transmission and addressed as follows:

TO ACE:
THE ALAMEDA CORRIDOR-EAST
CONSTRUCTION AUTHORITY
4900 Rivergrade Road, Suite A120
Irwindale, CA 91706
Attention: Mark Christoffels
Real Estate Program Manager
Facsimile (626) 962-3552
Email: mchristoffels@theaceproject.org

TO OWNER and INDYHOP:
Indyhop, Inc. and Industry Realty Holdings,
LLC
Attn: Joseph Anthony Kouba
1445 5th Street
Santa Monica, CA 90401
Facsimile (310) 576-6645
Email: jkoubas@aol.com

-and-

Alan Sozio, Esq.
Burke, Williams & Sorensen, LLP
444 South Flower Street, Suite 2400
Los Angeles, CA 90017
Facsimile: (213) 236-2700
Email: asozio@bwslaw.com

-and-

Jeffer Mangels Butler & Mitchell LLP
1900 Avenue of the Stars, 7th Floor
Los Angeles, CA 90067
Attention: Joel David Deutsch, Esq.
Fax No.: (310) 203-0567
Email: JDeutsch@jmbm.com

15. Miscellaneous.

(a) 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. Any signature page of this Agreement may be detached from any counterpart and re-attached to any other counterpart of this Agreement which is identical in form hereto but having attached to it one or more additional signature pages.

(b) Amendment to this Agreement. The terms of this Agreement may not be modified or amended either orally or by a course of conduct, but only by an instrument in writing executed by each of the Parties hereto.

(c) Fees and Other Expenses. Each of the Parties shall pay its own fees and expenses in connection with this Agreement, except as otherwise provided herein.

 |||| 
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(d) Entire Agreement. This Agreement supersedes any prior agreements, negotiations, and communications, oral or written, and contains the entire agreement between ACE and Indyhop as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of either party shall be of any effect unless it is in writing and executed by the party to be bound thereby.

(e) Assignment. Neither party may assign, transfer or convey its rights or obligations under this Agreement without the prior written consent of the other party, except that either may assign all of its right, title and interest under this Agreement without the prior consent of the other party to a person or entity acquiring a majority of the capital stock or substantially all assets of the assigning party's business, provided the acquiring party assumes in writing all of the assigning party's obligations hereunder.

(f) Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

(g) Complete Defense. This Agreement may be asserted as a complete defense to any claim that may be brought relating to any released claim made by Parties in any court action.

(h) Consultation with Legal Counsel; Joint Product. All Parties to this Agreement represent that each has consulted with independent legal counsel and each has secured independent advice concerning every aspect of this Agreement and the rights and liabilities each is hereby relinquishing. This Agreement is the product of bargained for, arm's length negotiations between the Parties and their counsel, and shall not be construed for or against any party or its representative(s). The Parties agree that this Agreement was jointly prepared through negotiations of the Parties and the provisions of the Agreement are not to be strictly or liberally construed for or against any of the Parties.

(i) Execution; Authority. The Parties represent that each person signing this Agreement is of legal age, legally competent, and fully and duly authorized to execute the Agreement. The Parties further represent that they are entering into this Agreement of their own free will and not under fraud, misrepresentation, duress, coercion or by mistake and not as a result of reliance upon any statement or representation by the persons or entities who are released hereby or any of their agents or representatives.

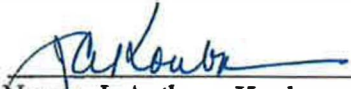
(j) Effective Date. The effective date of this Agreement shall be the date upon which all Parties have signed this Agreement.

(k) Legal Fees in the Event of a Dispute. In the event that there is a dispute over the enforcement of this Agreement, in any legal action or proceeding the prevailing party shall be entitled to recover attorney's fees and costs incurred in the preparation, prosecution and collection of its claim.

IN WITNESS WHEREOF:


“Indyhop”
Indyhop, Inc. a California corporation

“ACE”:
Alameda Corridor-East Construction
Authority on behalf of the San Gabriel
Valley Council of Governments, a California
joint powers authority

By: 
Name: J. Anthony Kouba
Title: President
Date: 2-15-17

By: 
Name: Mark Christoffels
Title: Chief Executive Officer
Date: 2/10/17

“Owner”:
INDUSTRY REALTY HOLDINGS, LLC,
a California limited liability company

By: 
Name: J. Anthony Kouba
Title: Managing Member
Date: 2-15-17

 // 
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Two circular signatures or stamps in blue ink. The left one contains the word "John" and the right one contains the word "M2".

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 207F-UB-3
Utility Easement

That portion of Parcel 12 of Parcel Map No. 234, in the City of Industry, County of Los Angeles, State of California, per map recorded in book 188, pages 74 through 77 of Parcel Maps in the office of the County Recorder of said County, described as follows:

Beginning at the southeasterly terminus of that certain course shown as having a bearing of North 33°16'36" West, and a length of 33.17 feet in the southwesterly line of said Parcel 12;

thence along said certain course, North 33°05'36" West, 0.41 feet;

thence leaving said certain course, North 52°28'09" East, 17.90 feet;

thence North 41°13'09" East, 72.49 feet;

thence North 63°43'09" East, 54.53 feet;

thence North 74°58'09" East, 47.20 feet;

thence South 75°01'51" East, 20.62 feet;

thence North 07°47'45" West, 1.35 feet;

thence North 81°51'40" East, 26.54 feet;

thence South 07°46'07" East, 17.07 feet;

thence South 81°59'21" West, 26.54 feet;

thence North 07°47'45" West, 9.16 feet;

thence North 75°01'51" West, 21.53 feet;

thence South 74°58'09" West, 45.00 feet;

thence South 63°43'09" West, 52.74 feet;

thence South 41°13'09" West, 59.79 feet;

Page 1 of 2

\\Fs01\civ\114_0004\Fuelton Road Grade Separation\BIR Map\CADD\Aspr & Fwy\KIP\Parcel\207F\Legal Desc\INDEN\PARCEL 207F-UB-3 REV 2 - Legal Description.dwg

 
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JK *me*

JK *me*
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to a point in the southerly line of said Parcel 12 and the beginning on a non-tangent curve, concave southeasterly having a radius of 540.00 feet, a radial line of said curve to said point bears North 29°51'04" West;

thence Southwesterly 30.57 feet along said curve and said southerly line through a central angle of 03°14'36" to the Point of Beginning.

The above-described parcel of land contains 1,609 square feet.

As more particularly shown on Exhibit "B" attached hereto and made a part hereof.

This real property description and accompanying plat have been prepared by me or under my direction in conformance with the Professional Land Surveyor's Act.

Tori Kahlen 6/26/15
Tori Kahlen, P.L.S. 8746 Date



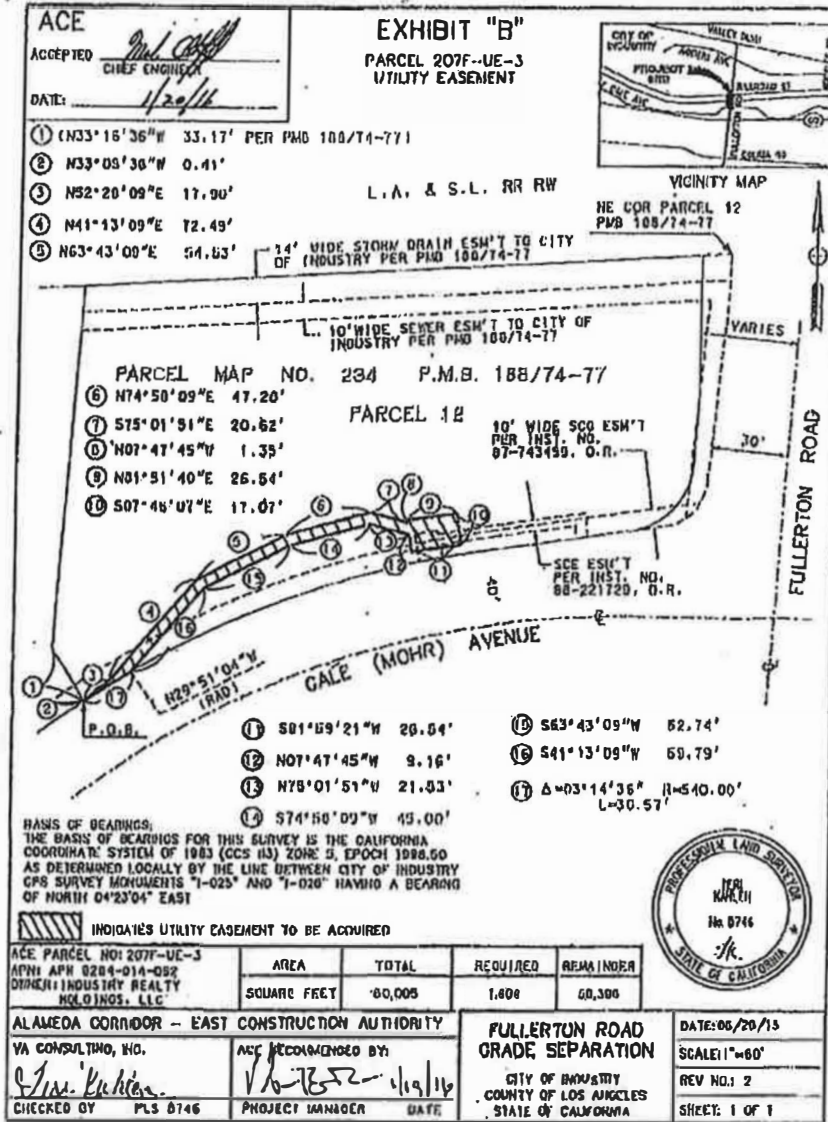
Page 2 of 2

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[Signature] IIII [Signature]
Owner/Indyhop Initials ACE Initials

Exhibit "B"

Plat for 207F-UE-3



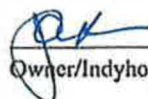

[Signature] Owner/Indyhop Initials ACE Initials

Exhibit "C"

calculation of the "Operating Statements" for 2016 through 2020

Indyhop, Inc.
Profit & Loss Forecast

Year	% of Sales	1	2	3	4
Sales	[a]	2,199,250	2,199,250	2,199,250	2,199,250
Cost of Sales	[b] 19.9%	437,651	437,651	437,651	437,651
Gross Profit		1,761,599	1,761,599	1,761,599	1,761,599
Expenses					
Salaries and Wages	[b] 27.0%	593,798	593,798	593,798	593,798
Employee Benefits	[b] 5.7%	125,357	125,357	125,357	125,357
Occupancy Expenses	[c]	341,413	341,413	341,413	341,413
Operating Expenses	[b] 2.2%	48,384	48,384	48,384	48,384
Marketing and Public Relations	[b] 4.0%	87,970	87,970	87,970	87,970
Utilities	[b] 3.8%	83,572	83,572	83,572	83,572
Administrative and General Expenses	[b] 6.9%	151,748	151,748	151,748	151,748
Repairs and Maintenance	[b] 2.2%	48,384	48,384	48,384	48,384
Total Expenses		1,480,625	1,480,625	1,480,625	1,480,625
Operating Income		280,975	280,975	280,975	280,975

 
Owner/Indyhop Initials ACE Initials

Indyhop, Inc.
Quarterly Revenue Forecast

Year		1	2	3	4
Annual Sales Forecast	[a]	2,315,000	2,315,000	2,315,000	2,315,000
Less: 5.0% Sales Adjustment	[b]	-115,750	-115,750	-115,750	-115,750
Annual Sales Forecast (Net of Adjustment)	[c]	2,199,250	2,199,250	2,199,250	2,199,250
	Estimated % of Total	2016	2017	2018	2019
Quarterly Sales Forecast (Net of Adjustment)	[d]				
1	25.0%	549,813	549,813	549,813	549,813
2	25.0%	549,813	549,813	549,813	549,813
3	25.0%	549,813	549,813	549,813	549,813
4	25.0%	549,813	549,813	549,813	549,813
Forecasted Sales for Period		<u>2,199,250</u>	<u>2,199,250</u>	<u>2,199,250</u>	<u>2,199,250</u>

[a] Sales for year 1 assumed equal to sales for the 12 months ended 9/30/16, rounded. No sales increase assumed during projection.

[b] Adjustment factor to reflect 5% sales loss to be absorbed by Indyhop per agreement.

[c] Sales net of 5% adjustment factor.

[d] Sales for a given quarter are estimated by multiplying forecasted annual sales by 25%, approximately the average percent of total annual sales represented by that quarter during the years 2012-2014 per Exhibit C-1.

 IIII 
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Indyhop, Inc.
Profit & Loss Forecast (Quarterly)

[Plus three more quarters at the same amounts per quarter]

John
me.

Year		1	1	1	1	2	2	2	2	3	3	3	3	4
Quarter		1	2	3	4	1	2	3	4	1	2	3	4	1
Sales	(a)	549,813	549,813	549,813	549,813	549,813	549,813	549,813	549,813	549,813	549,813	549,813	549,813	549,813
Cost of Sales	(b)	19.9%	109,413	109,413	109,413	109,413	109,413	109,413	109,413	109,413	109,413	109,413	109,413	109,413
Gross Profit		440,400	440,400	440,400	440,400	440,400	440,400	440,400	440,400	440,400	440,400	440,400	440,400	440,400
Expenses														
Salaries and Wages	(p)	27.0%	148,449	148,449	148,449	148,449	148,449	148,449	148,449	148,449	148,449	148,449	148,449	148,449
Employee Benefits	(b)	5.7%	31,339	31,339	31,339	31,339	31,339	31,339	31,339	31,339	31,339	31,339	31,339	31,339
Occupancy Expenses	(c)	14.7%	85,353	85,353	85,353	85,353	85,353	85,353	85,353	85,353	85,353	85,353	85,353	85,353
Operating Expenses	(b)	2.2%	12,096	12,096	12,096	12,096	12,096	12,096	12,096	12,096	12,096	12,096	12,096	12,096
Marketing and Public Relations	(b)	4.0%	21,993	21,993	21,993	21,993	21,993	21,993	21,993	21,993	21,993	21,993	21,993	21,993
Utilities	(b)	3.8%	20,893	20,893	20,893	20,893	20,893	20,893	20,893	20,893	20,893	20,893	20,893	20,893
Administrative and General Expenses	(b)	6.9%	37,937	37,937	37,937	37,937	37,937	37,937	37,937	37,937	37,937	37,937	37,937	37,937
Repairs and Maintenance	(b)	2.2%	12,096	12,096	12,096	12,096	12,096	12,096	12,096	12,096	12,096	12,096	12,096	12,096
Total Expenses			370,156	370,156	370,156	370,156	370,156	370,156	370,156	370,156	370,156	370,156	370,156	370,156
Operating Income			70,244	70,244	70,244	70,244	70,244	70,244	70,244	70,244	70,244	70,244	70,244	70,244

(a) Source: Exhibit B-1. Reflects downward adjustment of 5% to reflect 5% sales loss to be absorbed by Indyhop per agreement.
 (b) Computed as percentage of sales per 12 months ended 9/30/16. Source, Exhibit C.
 (c) Source: amount for year in question per Exhibit B, divided by 4.

John // // // _____
 Owner/Indyhop Initials ACE Initials

ORIGIN ID: CIBA (310) 201-6845
CLARE THOMPSON
JEFFER MANGEL'S BUTLER MITCHELL LLP
1900 AVENUE OF THE STARS
7TH FLOOR
LOS ANGELES, CA 90067
UNITED STATES US

SHIP DATE: 21MAY26
ACTWGT: 0.50 LB
CAD: 108572255/NET4535

BILL SENDER

TO **MARISA CRETER, EXECUTIVE DIRECTOR**
SGV COUNCIL OF GOVERNMENTS
1333 S. MAYFLOWER AVENUE, SUITE 360

MONROVIA CA 91016

REF: 83286-0001

PO: (310) 203-8080
INV:

DEPT:



J261026012001uv

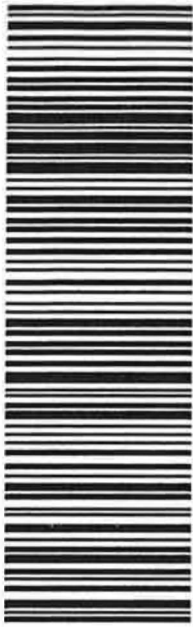
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FRI - 22 MAY 10:30A
PRIORITY OVERNIGHT

WZ WHPA

91016

CA-US BUR



58KJ3/A906/484B

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 Certificate Pages: 2
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Status: Completed

 Envelope Originator:
 Yanin Rivera
 1333 S. Mayflower Avenue
 Suite 360
 Monrovia, CA 91016
 yriviera@sgvcog.org
 IP Address: 47.176.246.2

Record Tracking

Status: Original
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 Holder: Yanin Rivera
 yriviera@sgvcog.org
 Location: DocuSign

Signer Events

Marisa Creter
 MCreter@SGVCOG.org
 Executive Director
 San Gabriel Valley Council of Governments
 Security Level: Email, Account Authentication (None)

Signature

Marisa Creter

 Signature Adoption: Pre-selected Style
 Using IP Address: 47.176.246.2
 Signed using mobile

Timestamp

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In Person Signer Events

Signature

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Editor Delivery Events

Status

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Agent Delivery Events

Status

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Intermediary Delivery Events

Status

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Kevin Lai
 klai@sgvcog.org
 Director of Capital Projects
 San Gabriel Valley Council of Governments
 Security Level: Email, Account Authentication (None)

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Yanin Rivera
 yriviera@sgvcog.org
 Senior Administrative Assistant
 San Gabriel Valley Council of Governments
 Security Level: Email, Account Authentication (None)

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 Resent: 6/22/2026 1:12:12 PM

Electronic Record and Signature Disclosure:
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Witness Events

Signature

Timestamp

Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Signing Complete	Security Checked	6/22/2026 1:12:07 PM
Completed	Security Checked	6/22/2026 1:12:07 PM

Payment Events	Status	Timestamps
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