



WEST VALLEY WATER DISTRICT
855 W. Base Line Road, Rialto, CA 92376
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**ENGINEERING, OPERATIONS AND PLANNING COMMITTEE MEETING
AGENDA**

TUESDAY, MARCH 21, 2023 - 6:00 PM

NOTICE IS HEREBY GIVEN that West Valley Water District has called a meeting of the Engineering, Operations and Planning Committee to meet in the Administrative Conference Room, 855 W. Base Line Road, Rialto, CA 92376.

BOARD OF DIRECTORS

**President Gregory Young, Chair
Director Angela Garcia**

Members of the public may attend the meeting in person at 855 W. Base Line Road, Rialto, CA 92376, or you may join the meeting using Zoom by clicking this link: <https://us02web.zoom.us/j/8402937790>. Public comment may be submitted via Zoom, by telephone by calling the following number and access code: Dial: (888) 475-4499, Access Code: 840-293-7790, or via email to administration@wvwd.org.

If you require additional assistance, please contact administration@wvwd.org.

I. CALL TO ORDER

II. PUBLIC PARTICIPATION

The public may address the Board on matters within its jurisdiction. Speakers are requested to keep their comments to no more than three (3) minutes. However, the Board of Directors is prohibited by State Law to take action on items not included on the printed agenda.

III. DISCUSSION ITEMS

1. Updates to the Engineering, Operations and Planning Committee.
2. Contract with Westbrook Fence, Inc. in the amount of \$158,473.00 for installation of iron fence at Well 42 and Material Yard sites.
3. Water System Infrastructure Installation and Conveyance Agreement, Temporary Construction Easement, and Property Appraisal for IDIL West Valley Logistics Center, LP.
4. Amendment No. 1 of the Rockets, Fireworks and Flares Superfund Site Remediation Agreement between Goodrich Corporation and West Valley Water District.
5. PS4-1, Well 8A and 3A-1 Booster Fencing Project Fund Transfer, document execution, and award of Contract for fencing to Westbrook Fence, Inc for \$66,434.75.

IV. ADJOURN

DECLARATION OF POSTING:

I declare under penalty of perjury, that I am employed by the West Valley Water District and posted the foregoing Engineering, Operations and Planning Committee Agenda at the District Offices on March 16, 2023.

Elvia Dominguez

Elvia Dominguez, Board Secretary



**BOARD OF DIRECTORS
ENGINEERING, OPERATIONS AND PLANNING COMMITTEE
STAFF REPORT**

DATE: March 21, 2023
TO: Engineering, Operations and Planning Committee
FROM: Van Jew, Acting General Manager
SUBJECT: CONTRACT WITH WESTBROOK FENCE, INC. IN THE AMOUNT OF \$158,473.00 FOR INSTALLATION OF IRON FENCE AT WELL 42 AND MATERIAL YARD SITES.

BACKGROUND:

West Valley Water District (District) Well 42 located at 295 E. San Bernardino Ave. in Rialto and Material Yard located at 6624 N. Linden Ave. in Rialto have in recent times been broken into, vandalized, and burglarized. The perpetrators either cut or hopped over the existing chain link fence, sprayed graffiti, damaged a portable toilet, copper and brass fittings were stolen, and chlorine injectors were broken. District staff have replaced the existing chain link fence multiple times, repaired broken components, and performed site cleanup after each incident. One solution to this ongoing security issue is to construct a wrought fence, which would be much more difficult to cut and would thereby better protect District assets.

District staff have identified a need to remove existing chain link fence at the two sites, to install approximately 930 linear feet of 8-foot-high iron fence with arched top pickets and two (2) 8 ft. x 20 ft. iron double swing gates at material yard and install approximately 410 linear feet of 8-foot-high iron fence with arched top pickets and one (1) 8 ft. x 20 ft. iron double swing gate at Well 42.

DISCUSSION:

On February 8, 2023, a Request for Bids (RFBs) was issued and publicly advertised on PlanetBids. Nine (9) firms attended a mandatory pre-bid meeting and job walk on February 16, 2023. Seven (7) firms – Westbrook Fence, Inc, Irvine Fence Inc., Valley Cities Gonzales Fence Inc., Harris Steel Fence Co., Inc., Red Hawk Services Inc., Alta Fencing Company, and Quality Fence Co Inc. – submitted bids to provide the specified services. Attached as **Exhibit A** is the RFBs for Wrought Iron Fence and Gates for Well 42 and Material Yard.

The seven bids were as follows:

Firm	Bid Amount
Westbrook Fence, Inc.	\$158,473.00
Irvine Fence Inc.	\$176,145.00

Valley Cities Gonzales Fence Inc.	\$215,291.00
Harris Steel Fence Co., Inc.	\$273,360.00
Red Hawk Services Inc.	\$357,915.67
Alta Fencing Company	\$395,300.00
Quality Fence Co Inc.	\$427,200.00

Based on information received, District staff examined the lowest bid submitted by Westbrook Fence, Inc. and found it to be in conformance with the requirements of the project.

FISCAL IMPACT:

This item is included in the Fiscal Year 2021/22 Capital Improvement (CIP) budget and will be funded from Project Numbers W22032 titled “Iron Fencing at Well 42 Site” and W23006 titled “Iron Fencing at Linden Material Supply Yard” with a budget of \$245,000.00.

STAFF RECOMMENDATION:

Forward a recommendation to the Board of Directors to approve a contract with Westbrook Fence, Inc. in the amount of \$158,473.00 for installation of iron fence at Well 42 and Material Yard sites.

Respectfully Submitted,

Van Jew

Van Jew, Acting General Manager

VJ:jc

ATTACHMENT(S):

1. Exhibit A - RFBs for Wrought Iron Fence and Gates for Well 42 and Material Yard

EXHIBIT A



REQUEST FOR BIDS (RFB)
Wrought Iron Fence and Gates for Material Yard and Well 42

INVITATION

The West Valley Water District (“District”) is seeking the services of a qualified, experienced contractor to furnish all labor, material and equipment, perform and complete all work required for the Wrought Iron Fence and Gates for Well 42 and Material Yard project.

No bids shall be submitted on Planet Bids (PB) after **4:00 p.m. on Monday, February 27, 2023.** Late qualification documents will not be accepted.

Participating Contractors are to attend a mandatory pre-bid meeting/job walk on February 16, 2023 at 9 AM at the material yard located at 6624 N. Linden Ave. in Rialto, the corner of Linden Ave. and Vineyard Ave. Well 42 site located at 295 E. San Bernardino Ave. in Rialto will also be visited; driveway entrance on Wildrose Ave.

During the RFB process, consultants shall direct all questions in Planet Bids. Responses to questions received four (4) days prior to the RFB deadline will not be available. If there is any revision to the RFB, an addendum will be issued on Planet Bids (PB) and made available to all firms receiving RFB documents. Furthermore, all inquiries, addendums, questions, requests will be facilitated solely through Planet Bids.

BACKGROUND

West Valley Water District (“District”) is a County Water District, a public agency of the State of California, organized and existing under the County Water District Law (Division 12, Section 30000 of the Water Code) of the State of California. The District serves water to over 20,000 connections within the Cities of Rialto, Fontana, Colton, Jurupa Valley (Riverside County) and to unincorporated areas of San Bernardino County. The District’s service area includes a large amount of undeveloped land which is described in various specific plans.

The District’s distribution system includes eight pressure zones which are divided into a northern and southern system with the City of Rialto serving the area in between. The system includes 72.61 million gallons of storage capacity, 12 booster pump stations, 17 active production wells, several treatment facilities and over 150 miles of transmission lines.

Water supplies include groundwater from District wells in 4 groundwater basins, from imported State Water Project water and Lytle Creek surface flows treated at the Oliver P. Roemer Water Filtration Facility, from water purchased through the Base Line Feeder pipeline and from groundwater treated at our new Groundwater Wellhead Treatment System.

SCHEDULE OF EVENTS

2/8/2023	Issuance of Request for Bids
2/16/2023	Mandatory Job Walk at 9 AM
2/21/2023	Deadline for Written Questions
2/27/2023	Bids Due by 4:00 PM
4/6/2023	District Approval of Contract (est. date)
4/10/2023	Issuance of Notice-to-Proceed (est. date)

SCOPE OF WORK

Contractor shall furnish all equipment, labor, and material to remove existing chain link fence, properly and legally dispose of all waste associated with demolishing the existing chain link fence and installing the new wrought iron fence, and install new wrought iron fence and associated gates at two (2) of District's sites, Material yard and Well 42.

The **Material Yard** is located at 6624 N. Linden Ave. in Rialto and it's on the corner of Linden Ave. and Vineyard Ave. See map below:



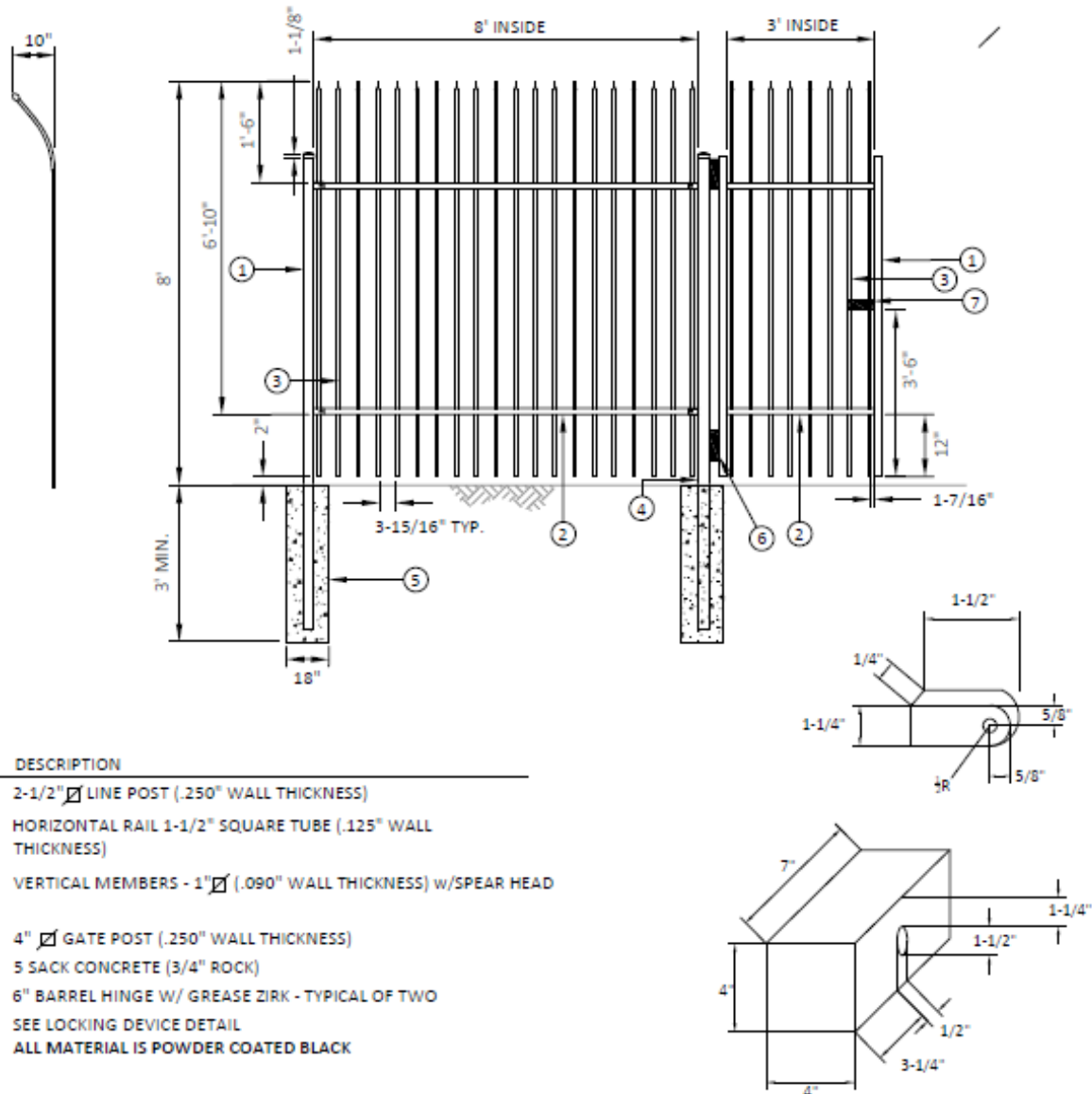
There will be approximately 930 linear feet of 8-foot-high wrought iron fence with arched top pickets be installed and two (2) 8 ft. x 20 ft. iron double swing gates with arched top pickets to match fence be installed at material yard.

The **Well 42** site is located at 295 E. San Bernardino Ave. in Rialto. Driveway entrance is on Wildrose Ave. See map below:



There will be approximately 410 linear feet of 8-foot-high wrought iron fence with arched top pickets be installed and one (1) 8 ft. x 20 ft. iron double swing gates with arched top pickets to match fence be installed at Well 42.

All work must be performed in accordance with the drawings below:

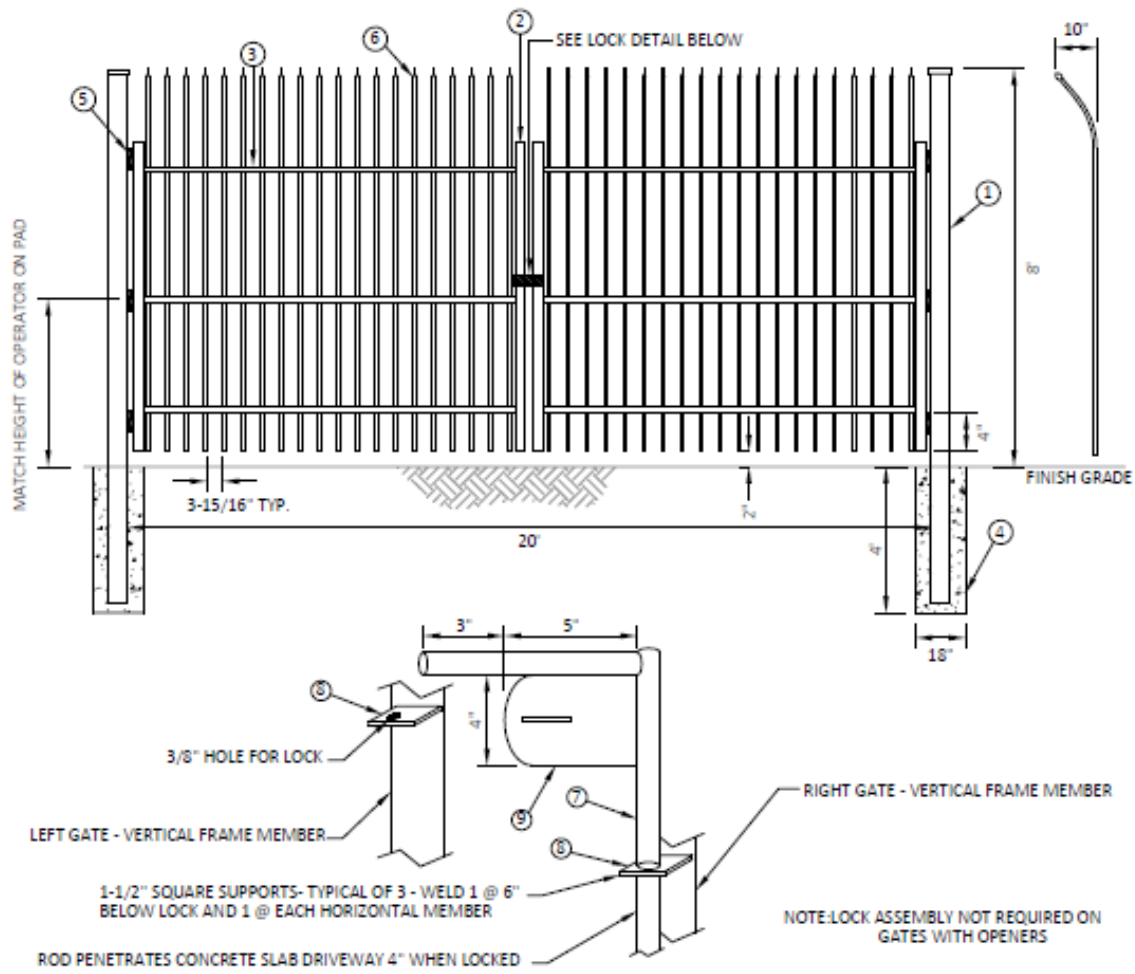


ITEM	DESCRIPTION
①	2-1/2" \square LINE POST (.250" WALL THICKNESS)
②	HORIZONTAL RAIL 1-1/2" SQUARE TUBE (.125" WALL THICKNESS)
③	VERTICAL MEMBERS - 1" \square (.090" WALL THICKNESS) w/SPEAR HEAD
④	4" \square GATE POST (.250" WALL THICKNESS)
⑤	5 SACK CONCRETE (3/4" ROCK)
⑥	6" BARREL HINGE W/ GREASE ZIRK - TYPICAL OF TWO
⑦	SEE LOCKING DEVICE DETAIL
⑧	ALL MATERIAL IS POWDER COATED BLACK

NOTES

1. LOCKING DEVICE BOX TO BE MADE OF 3/16" THICKNESS STEEL

LOCKING DEVICE DETAIL (NTS)



LOCK DETAIL

ITEM	DESCRIPTION
①	DRIVE GATE POST - MINIMUM 4" SQUARE TUBING OR AS DETERMINED BY THE DEPARTMENT (.250" WALL THICKNESS)
②	VERTICAL FRAME MEMBER 1-1/2" SQUARE TUBE (.125" WALL THICKNESS)
③	HORIZONTAL RAIL 1-1/2" SQUARE TUBING (.125" WALL THICKNESS)
④	5 SACK CONCRETE (3/4" ROCK)
⑤	6" BARREL HINGE W/ GREASE ZIRK - 3 PER GATE (1@ EACH HORIZONTAL MEMBER)
⑥	VERTICAL MEMBERS - 1" \square (.090" WALL THICKNESS) WITH SPEAR HEAD
⑦	3/4" SOLID ROUND STOCK
⑧	1/4" x 1-1/2" FLAT STEEL PLATE (CUT TO 1-1/2" x 1-1/2")
⑨	1/4" STEEL PLATE
⑩	COATING - ALL MATERIAL IS POWDER COATED BLACK

All work shall conform to all applicable Industry, Federal, State and Local Laws, Codes, Ordinances, OSHA requirements and standards, Dig Alert requirements, and current building code requirements.

Site protection /cleanup: The contractor is responsible for the proper handling of materials to include discard of debris and keeping the work site clean.

The contractor shall restore all areas and objects that were damaged or disrupted due to construction activities to a condition as good as existing prior to construction.

The contractor shall coordinate all fencing measurements with West Valley Water District staff.

The contractor shall properly and legally dispose of all waste associated with the fencing project.

WARRANTY REQUIREMENT

Contractor shall provide a material and workmanship warranty of two (2) years.

BID REQUIREMENTS

Although the District requires no specific format, this section is intended to provide guidelines to the firm regarding features that the District will look for and expect to be included in the bid.

1. Content & Format

The District requests that bids submitted be organized and presented in a neat and logical format and are relevant to these services. The contractors' bids shall be clear, accurate and comprehensive. Excessive or irrelevant material will not be favorably received.

Bids should include the following:

- Transmittal/offer letter signed by an individual authorized to act on behalf of the Firm.
- Index/Table of Contents.
- Project Approach & Scope of Work
- Costs (not-to-exceed rate)
- References

GENERAL REQUIREMENTS

1. Bids

Bids must be submitted on blank forms prepared and furnished with this Request for Bids, for that purpose. Contractors may obtain copies of the specifications through the District's Planet Bids (PB) electronic bidding system. Only bids submitted in electronic format through the District's PB site will be accepted.

2. Prevailing Wages

Contractors on this Work will be required to comply with the President's Executive Order No. 11246 (Equal Employment Opportunity Clause) as amended, California Government Code Section 12900 et. seq., California Labor Code Section 177.6 and implementing

regulations concerning equal opportunity for Apprentices.

The Director of the Department of Industrial Relations has ascertained the general prevailing rate of per diem wages and the general rate for holiday and over-time work in the locality in which the work is to be performed for each craft or type of workmen needed to execute the Contract of Work as hereinafter set forth (see Labor Code 1770 et. seq., effective January 1, 1977). Copies of the rates are available online at <http://www.dir.ca.gov/oprl>. The successful Contractor shall provide a copy of such determinations to each crew working on this maintenance contract. Attention is called to the fact that not less than the minimum salaries and wages shall be paid on these Projects by all Contractors and Subcontractors.

Pursuant to Section 1740 of the California Labor Code, contractors are notified that the said wage rates shall be subject to modification to comply with revisions in Federal Minimum Wage schedules without necessity of republication.

3. Department of Industrial Relations Compliance

West Valley Water District requires all contractors/vendors to be registered with the State of California Department of Industrial Relations (DIR). This provision applies to all public works contracts in excess of \$15,000 or more. *Public Works* is defined as “*construction, alteration, demolition and installation, or repair work (including maintenance) performed under a contract utilizing public funds.*” ***All bidders or contractors must provide proof of registration with the DIR in their bids or the bid will be rejected.***

4. Workers Compensation Clause

The Contractor and its Subcontractor(s) shall comply with the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for worker’s compensation or to undertake self-insurance in accordance with the provisions of that code.

5. Payment

Payments will be made to the Contractor in accordance with the provisions of the specifications and on itemized estimates duly certified by the Contractor and approved by the District. Payment shall not be made more often than once each thirty (30) days.

6. Award and Execution

The award of contract, if made, will be made within thirty (30) calendar days from the date of the bid opening.

The Contractor shall execute the Agreement within fifteen (15) days from the date of the Notice of Award.

The Contractor shall receive the Notice to Proceed within ten (10) days from the date of the execution of the Agreement by the District and shall commence the maintenance work 10 days from the date of the Notice to Proceed. If at any time the Contractor fails to perform

the scheduled work, the District shall be notified in writing of the reason why the work was not performed and an alternate date scheduled with District staff. If the Contractor fails to perform the scheduled maintenance for more than thirty days, they will be notified in writing of the District's intent to terminate the contract.

The District hereby reserves the right to reject any and all bids, to waive any irregularity, and to award the contract to the lowest responsible responsive bidder. No bidder may withdraw his bid and the bid is to remain firm for a period of ninety (90) days after bid opening.

7. Contractual Documents

Contractual Documents, including specifications, may be downloaded through the District's Planet Bids (PB) System.

EVALUATION PROCESS AND SELECTION CRITERIA

The District's evaluation and selection process is based upon meeting all requirements listed in the scope of work. to the District. The district reserves the right to award project to the lowest responsible responsive bidder.



**BOARD OF DIRECTORS
ENGINEERING, OPERATIONS AND PLANNING COMMITTEE
STAFF REPORT**

DATE: March 21, 2023
TO: Engineering, Operations and Planning Committee
FROM: Van Jew, Acting General Manager
SUBJECT: WATER SYSTEM INFRASTRUCTURE INSTALLATION AND CONVEYANCE AGREEMENT, TEMPORARY CONSTRUCTION EASEMENT, AND PROPERTY APPRAISAL FOR IDIL WEST VALLEY LOGISTICS CENTER, LP.

BACKGROUND:

IDIL West Valley Logistics Center, LP, (“Developer”) is the owner of land located west of Locust Avenue, north of Armstrong Road, east of Alder Avenue and south of Jurupa Avenue in the City of Fontana known as the West Valley Logistics Center (“Development”). The proposed Development includes the construction and operation of six (6) warehouses across sixteen (16) parcels of vacant land and (1) West Valley Water District (“District”) parcel known as APN 0256-131-10 (“District Property”). In developing this land, the Developer is required to construct multiple district facilities within pressure Zone-2 and Zone-3, which will include new 12-inch, 16-inch, and 24-inch water mains, Z-2/Z-3 pressure regulating station, fire hydrants, water services, and the coating and seismic retrofit of the R2-3 Water Tank.

DISCUSSION:

Before construction can begin on the water facilities, the District and the Developer must enter into a Water System Infrastructure Installation and Conveyance Agreement (“Agreement”) to supply water to the site. This Agreement outlines the responsibilities of the Developer in constructing facilities, insurance coverage, bonding requirements, and conveyance and acceptance of the water system by the District. Attached as Exhibit A is a copy of the Agreement for this project.

In addition to the Agreement, to begin the on-site grading for the Development, the Developer is required to obtain a Temporary Construction Easement (“Easement”) across the District Property which bisects the Development. The Easement would allow the passage of construction equipment and materials from one side of the Development to the other, through the District Property, while a formal real-estate agreement is processed for the purchase of the land. The Easement, attached as Exhibit B, shows the full extent, legal description, restrictions, and fees required of the Developer to obtain the easement from the District.

As construction begins on the Development and within the District Property, the Developer will be required to upsize and relocate our existing 12-inch water main outside of the District Property which traverses beneath one of the proposed warehouses, and into a dedicated easement spanning the distance of the R2-3 water tank to its terminus at the intersection of Locust Avenue and 8th Street. Prior to the sale of District property, an appraisal (attached as Exhibit C) was performed to determine the fair market value of the property. If accepted by the District, a purchase/sale agreement will be prepared for the District Property at the appraised value of \$2,042,000 as presented in the attached Property Appraisal.

FISCAL IMPACT:

If the appraisal is accepted, the Developer will be required to pay the full appraised value of the District Property of \$2,042,000. In addition, the Developer will be established as a new customer, required to pay for all new connection fees resulting from the Development. Going forward the site will be metered for water consumption on all six (6) warehouses for domestic, irrigation and fire service. The Developer will also be required to pay a refundable deposit of \$50,000 for incidentals and an additional \$100,000 for use of the property as outlined in the Temporary Construction Easement.

STAFF RECOMMENDATION:

Forward a recommendation to the Board of Directors to:

1. Authorize entering into a Water System Infrastructure Installation and Conveyance Agreement with IDIL West Valley Logistics Center, LP.
2. Approve a Temporary Construction Easement over APN 0256-131-10 for IDIL West Valley Logistics Center, LP.
3. Accept a Property Appraisal for future sale of APN 0256-131-10.
4. Authorize the Acting General Manager to execute all necessary documents.

Respectfully Submitted,

Van Jew

Van Jew, Acting General Manager

dg:LJ

ATTACHMENT(S):

1. Exhibit A - Water System Infrastructure Installation Agreement
2. Exhibit B - Temporary Construction Easement
3. Exhibit C - Property Appraisal

EXHIBIT A

WATER SYSTEM INFRASTRUCTURE INSTALLATION AND CONVEYANCE AGREEMENT

This water system infrastructure installation and conveyance agreement (“Agreement”) is entered into and effective as of _____ by and between **IDIL WEST VALLEY LOGISTICS CENTER, LP** (“Developer”), and **WEST VALLEY WATER DISTRICT** (“District”) who agree as follows:

The Developer is the owner of certain land described as **WEST VALLEY LOGISTICS CENTER** and as more fully (or further) shown on Exhibit "A". In developing this land, the Developer is desirous of obtaining a public water supply adequate for domestic uses and public fire protection purposes and is desirous of integrating that water system into the District’s public water system.

In order to provide facilities for a water supply to said land, it is the intention of the parties to this Agreement that the Developer shall furnish and install those water mains, fire hydrants, service laterals, water meters and valves, valve boxes, and all other appurtenant fittings and facilities required for a complete water system to serve the land shown on Exhibit "A".

In order to implement the foregoing and in consideration of the terms and conditions herein contained, the parties further agree as follows:

1. DESIGN

1.1. Developer shall design and construct, at the Developer's sole expense, the water facilities and appurtenances required to serve the development in accordance with final District-approved plans known as **WATER IMPROVEMENT PLANS FOR WEST VALLEY LOGISTICS CENTER** as approved and attached herein as Exhibit "B" and in accordance with District-approved design standards and specifications, and the terms and conditions of this Agreement.

1.2. The water system design shall be by a Professional Engineer registered in the State of California, and in accordance with the District's Rules and Regulations, latest edition (the “Rules and Regulations”), the District's Standards for Domestic Water Facilities and Standard Drawings herein included by reference, all applicable District ordinances and policies and all City, County, State of California, and Federal laws, ordinances, rules, regulations, codes and other legal requirements of all government bodies having jurisdiction over said construction and property (all of the foregoing requirements in this paragraph being collectively referred to herein at times as “Legal Requirements”).

1.3. The District, at Developer's expense, shall review Developer's plans for the purpose of ensuring the adequacy of the design and conformance with the District's standards and specifications. The District reserves the right to add, delete, modify, change or amend any or all the plans and specifications.

1.4. In the event that the property to be developed includes multiple residential, condominiums, commercial or industrial uses, all site plans, grading plans, improvement plans, and any available plumbing plot plans shall be furnished to the District by Developer.

1.5. The District makes no warranties as to the correctness, accuracy or completeness of the plans and specifications. The accuracy, adequacy, suitability, and correctness of the water system design shall be the sole responsibility of the Developer.

2. CONSTRUCTION

2.1. Developer shall perform, or caused to be performed, all construction of the water system infrastructure installation pursuant to the approved water system plans, legal requirements, and other applicable requirements.

2.2. The performance of this Agreement shall commence within one hundred eighty (180) calendar days from Developer's receipt of the notice to proceed provided by the District pursuant to Section 8.1 below, and shall be completed within two (2) years from the estimated construction start date, unless such construction is delayed by a force majeure event, or events beyond Developer's control.

2.3. Time is of the essence in this Agreement; provided that, in the event good cause is shown therefore, the general manager of the District ("General Manager") may extend the time for completion of the water system installation. Any such extension may be granted without the notice to Developer's surety, and extensions so granted shall not relieve the surety's liability on the bond to secure faithful performance of this Agreement. The General Manager shall be the sole and final judge as to whether or not good cause has been shown to entitle Developer to an extension.

2.4. The Developer and its contractor and subcontractors shall attend a pre-construction meeting with the District no less than two (2) working days prior to commencement of construction.

2.5. No work on water facilities shall commence prior to the completion of all required curbs and gutters.

3. LICENSES AND PERMITS

3.1. Developer, and all of Developer's contractors and subcontractors warrants it possesses, or shall obtain, and maintain during the term of this Agreement any and all licenses, permits, qualifications, insurance and approval of whatever nature that are legally required of Developer, its contractors, and all subcontractors to practice its profession, skill or business.

3.2. The work to be performed under this Agreement, except meter installations by the District, shall be performed by Developer, or a contractor or subcontractor who is pre-approved by the District and is licensed under the laws of the State of California in the specialty Class of "C-34" Pipeline or Class "A" General Engineering. A copy of the contract between Developer and the selected pre-approved contractor and all subcontractors shall be submitted to the District for review and approval attached herein as Exhibit "C".

3.3. Excavation/resurfacing permits shall be secured by Developer at Developer's expense. Permits/easements to install, maintain and operate water system facilities in private property shall be secured by Developer at Developer's sole expense prior to construction.

3.4. Developer shall, at Developer's sole expense, be responsible for obtaining and adhering to a National Pollution Discharge Elimination System (NPDES) permit from the Regional Water Quality Board as required for construction or pipeline flushing and disinfection.

3.5 Developer shall, at Developer's sole expense, be responsible for obtaining and adhering to the California Environmental Quality Act.

4. INSURANCE REQUIREMENTS

4.1. The following insurance requirements have been adopted by the District and shall be applicable to this Agreement. These requirements supersede the insurance requirements set forth in any other reference of the District, and to the extent of any conflict, the specified requirements herein shall prevail.

4.2. Developer shall ensure that Developer's contractors conform to the following insurance requirements and that all required documents are submitted to the District at the time of Agreement submittal: Developer shall ensure that its contractors and all subcontractors shall purchase and maintain insurance in amounts equal to the requirements set forth in (a) through (d) below, and shall not commence work under this Agreement until all insurance required under this heading is obtained in a form acceptable to the District, nor shall Developer allow any contractor or subcontractor to commence construction pursuant to a contract or subcontract until all insurance required of the contractor and any subcontractors has been obtained.

a. General Liability: Developer shall ensure that its contractor and all subcontractors shall maintain during the life of this Agreement, a standard form of either Comprehensive General Liability insurance or Commercial General Liability insurance ("General Liability Insurance") providing the following minimum limits of liability: Combined single limit of \$1.0 million per occurrence for bodily injury, including death, personal injury, and property damage with \$2.0 million minimum aggregate, separate for this project as evidenced by endorsement. The insurance shall include coverage for each of the following hazards: Premises-Operations; Owners and Contractors Protective; Broad Form Property Damage contractual for Specific Contract; Severability of Interest or Cross-Liability; XCU Hazards; and Personal Injury – With the "Employee" Exclusive Deleted.

b. Automotive/Vehicle Liability Insurance: Developer shall ensure that its contractor and all subcontractors shall maintain a policy of automotive/vehicle liability insurance on a commercial auto liability form covering owned, non-owned and hired automobiles providing the following minimum limits of liability: Combined single limit of liability of \$1.0 million per accident for Bodily Injury, Death and Property Damage ("Automotive/Vehicle Liability Insurance").

c. Workers' Compensation Insurance: Developer shall ensure that its contractor and all subcontractors shall provide such workers' compensation insurance with statutory minimum amounts of coverage, as required by the California *Labor Code* and other applicable law, and including employer's liability insurance with a minimum limit of \$1,000,000.00 ("Workers' Compensation Insurance"). Such Workers' Compensation Insurance shall be endorsed to provide for a waiver of subrogation against the District.

d. Excess Liability: Developer shall ensure that its contractor and all subcontractors shall provide a policy providing excess coverage in a face amount necessary when combined with the primary insurance, to equal the minimum requirements for General Liability Insurance and Automotive/Vehicle Liability Insurance.

4.3. The insurances provided for in Section 4.2 and its subsections above are subject to all of the following conditions:

a. The insurance shall be issued and underwritten by insurance companies acceptable to the District, and shall be licensed by the State of California to do business on the lines of insurance specified. The insurers must also have an "A-" Policyholder's rating" and a "financial rating" of at least Class VII in accordance with the most current A.M. Best's Rating Guide.

b. Developer's contractor and subcontractors may satisfy the limit requirements in a single policy or multiple policies. Any such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

c. Any costs associated with a self-insured program, deductibles, or premium rating programs that determine premium based on loss experience shall be for the account of Developer, Developer's contractor and subcontractors, and the District shall not be required to participate in any such loss. If any such programs exist, Developer, Developer's contractor and subcontractors, agree to protect and defend the District in the same manner as if such cost provisions were not applicable.

d. Developer shall ensure that its contractor and all subcontractors shall have presented at the time of execution of the Agreement, the original policies of insurance and a certificate of insurance naming the District as the certificate holder and that such coverage is in force and complies with the terms and conditions outlined herein.

e. If an insurance policy contains a general policy aggregate of less than the minimum limits specified, then the policy coverage shall be written with limits applicable solely to this Agreement, as specified, and shall not be reduced by or impaired by any other claims arising against Developer. These policy limits shall be set forth by separate endorsement to the policy.

4.4. Each such policy of General Liability Insurance and Automotive/Vehicle Liability Insurance shall contain endorsements providing the following:

a. The District, their board members, officers, agents, employees, consultants, and engineers, are hereby declared to be additional insureds under the terms of this policy, but only with respect to the operations of the Developer at or upon any of the premises of the District in connection with the Agreement with the District, or acts or omissions of the additional insureds in connection with, but limited to its general supervision or inspection of said operations and save for any claims arising from the sole negligence or sole willful misconduct the District.

b. No policy shall be canceled, limited, materially altered, or non-renewed by the insurer until thirty (30) days after receipt by the District of a written notice of such cancellation or reduction in coverage.

c. This insurance policy is primary insurance and no insurance held or owned by the designated additional insureds shall be called upon to cover a loss under this policy.

5. BONDING REQUIREMENTS

5.1. Developer shall obtain a cost proposal for the approved water improvement plans from a pre-approved Contractor attached herein as Exhibit "C". The cost proposal will be submitted to the District for review and approval, and shall be used as the basis for bonding requirements for the water system described in the plans provided to the District by the Developer and approved for construction by the District.

5.2. Performance Bond: The cost proposal for the water system improvements for **WATER IMPROVEMENT PLANS FOR WEST VALLEY LOGISTICS CENTER**, is **(DEVELOPER TO PROVIDE BID RESULTS FOR BONDING)** no/100 dollars **(DEVELOPER TO PROVIDE BID RESULTS FOR BONDING)**. Developer shall and by this Agreement does guarantee the Developer's faithful performance of this Agreement and all of its terms and conditions by providing the following: Developer shall provide the District with a performance bond, from a surety institution licensed by the State of California and authorized to do and doing business in said State, valid and renewable until such improvements are accepted by the District. The performance bond attached herein at Exhibit "D", shall be in the amount of **(DEVELOPER TO PROVIDE BID RESULTS FOR BONDING)** no/100 dollars **(DEVELOPER TO PROVIDE BID RESULTS FOR BONDING)** equal to 100 percent of the cost proposal.

5.3. Warranty Bond: The pre-approved Contractor shall furnish a two-year warranty bond for all work completed in accordance with the approved water improvement plans attached herein as Exhibit "B". Before District's acceptance of the completed water facilities and appurtenances, such facilities and appurtenances shall be free from any and all liens and encumbrances and free from any and all defects in the materials or construction thereof. The two-year warranty shall be a warranty bond beginning on the date of acceptance of the water facilities by the District and shall be in the amount of **(DEVELOPER TO PROVIDE BID RESULTS FOR BONDING)** no/100 dollars **(DEVELOPER TO PROVIDE BID RESULTS FOR BONDING)** equal to 100 percent of the Contractor's cost proposal.

6. MATERIALS

6.1. The water system facilities to be installed pursuant to this Agreement shall become an extension of the distribution system of the District. All materials used must conform to District specifications for such materials pursuant to all applicable legal requirements.

7. NOTICES

7.1. All notices herein required shall be in writing, and delivered in person or sent by registered mail, postage prepaid.

- 7.2. Notices required shall be given to the **District** addressed as follows:

WEST VALLEY WATER DISTRICT
 Attn: General Manager
 Post Office Box 920
 Rialto, CA 92377
RE: Water Improvement Plans for West Valley Logistics Center

- 7.3. Notices required shall be given to **Developer** addressed as follows:

DEVELOPER NAME: IDIL WEST VALLEY LOGISTICS CENTER, LP
 ATTN TO: Brandon Dickens
 ADDRESS: 840 Apollo Street, Suite 343, El Segundo, CA 90245
RE: Water Improvement Plans for West Valley Logistics Center

- 7.4. Notices required shall be given to **Surety** addressed as follows:

SURETY NAME:
 ATTN TO:
 ADDRESS
RE: Water Improvement Plans for West Valley Logistics Center

7.5. Provided that any party or Surety may change such address by notice in writing to the other party, and thereafter, notices shall be addressed and transmitted to the new address.

7.6. The Developer or its contractor shall provide the District forty-eight (48) hours advance notice of request for inspection or testing.

- 7.7. The District is closed on the holidays listed in Exhibit "E".

8. NOTICE TO PROCEED TO CONSTRUCT WATER SYSTEM FACILITIES

8.1. Upon acceptance of the insurance and aforementioned bonds in the amounts provided herein and approval by the District and upon payment of all applicable charges, the Agreement shall be signed by Developer and the District. The District shall return an original copy of the signed Agreement with a letter to Developer giving notice to proceed to construct the water system facilities.

9. INSPECTION

9.1. It is understood that the sole purpose and intent of the District's inspection and testing is to validate that the materials, workmanship, and construction of the water facilities are in compliance with the District-approved final plans, the District's Rules and Regulations, the Standards for Domestic Water Facilities, the Standard Drawings, and all other applicable District requirements. Developer acknowledges and represents that it assumes full and sole responsibility for the safety and management of the project.

9.2. Developer shall at all times maintain proper facilities and provide safe access for inspection by the District to all parts of the work and to the shops wherein the work is in preparation. Additionally, in connection with the performance of this Agreement, the District shall have the authority to enter the work site at any time for the purpose of identifying the existence of conditions, either actual or threatened, that may present a danger of hazard to any and all employees. Developer agrees that the District, in its sole authority and discretion, may order the immediate abatement of any and all conditions that may present an actual or threatened danger or hazard to any and all employees at the work site. Furthermore, Developer acknowledges the provisions of California *Labor Code* Section 6400 et seq., which requires that employers shall furnish employment and a place of employment that is safe and healthful for all employees working therein. In the event the District identifies the existence of any condition that presents an actual or threatened danger or hazard to any or all employees at the work site, the District is hereby authorized to order an immediate abatement of that condition.

9.3. All work and materials shall be subject to inspection, testing, and acceptance by the District at Developer's expense. In the event Developer arranges to have materials fabricated for the project, Developer may be required to arrange for the District to inspect that material during fabrication at Developer's expense.

9.4. All material fabrications shall be preapproved by the District and must conform to District standards and specifications.

9.5. The District's inspectors shall have full, unlimited access to perform continuous inspection and have the authority to stop work at any time, by written notice or verbal notice followed by written notice within three (3) working days, without any liability whatsoever to the District, if, in the inspectors' judgment, the work called for by this Agreement, or the District approved plans, or the specifications is not being installed or performed in a satisfactory and workmanlike manner according to District's standards and specifications and/or in the event the materials do not comply with the District's standards and specifications.

9.6. The Developer shall be responsible for insuring the pre-approved contractor performs work with District inspection. If work is done without District inspection, the Contractor shall be responsible for exposing any portion of work as directed by the District at their sole expense. The District will not provide permanent water services until all required inspections are completed and any requirements set forth by the District have been satisfied.

9.7. Final acceptance of all material to be purchased or fabricated by Developer under this Agreement shall be made only with the prior approval of the District. Approval by the District, however, shall not operate to relieve the material supplier or Developer of any guarantees, warranties, or the duty of compliance with any of the requirements of the approved plans and specifications or of this Agreement. All construction pursuant to this Agreement shall be inspected pursuant for conformity with District requirements. Developer shall pay actual costs for inspections.

10. TESTING AND DISINFECTION

10.1. All water system facilities and components constructed pursuant to this Agreement shall adhere to all requirements for testing, disinfection, and flushing pursuant to District standards and Legal Requirements.

11. RELOCATIONS, RECONSTRUCTIONS, AND DAMAGES

11.1. Developer accepts the responsibility for and the costs occasioned by any reconstruction, relocation, damages to, or changes of water services or facilities caused or contributed to directly or indirectly by any subsequent changes in the location of any of said facilities or water meters or water services.

12. AS-CONSTRUCTED DOCUMENTATION

12.1. In order for the District to accept the facilities, Developer shall provide all required documentation as specified in the Standards for Domestic Water Facilities, including as-built drawings.

13. INDEMNIFICATION

13.1. Developer hereby agrees to and shall protect, defend, indemnify and hold the District and its board members, officers, agents, employees, and engineers free and harmless from any and all liability losses, damages, claims, liens, demands and cause of action of every kind and character including, but not limited to, the amounts of judgments, penalties, interests, court costs, attorney's/legal fees, and all other expenses incurred by the District arising in favor of any party, including claims, liens, debts, demands for lost wages or compensation, personal injuries, including employees or the District, death or damages to property (including property of the District) and without limitation by enumeration, all other claims or demands of every character occurring or in any way incident to, in connection with or arising directly or indirectly out of the obligations herein undertaken or out of the operations conducted by Developer save and except claims or litigation arising through the sole negligence or sole willful misconduct of the District or the District's agents and employees. Developer shall investigate, handle, respond to, provide defense for and defend any such claims, demand, or suit at the sole expense of Developer even if the claim or claims alleged are groundless, false or fraudulent. Developer agrees to, and shall defend the District and its members, directors, officers, agents, employees, and engineers from any suits or actions at law or in equity for damages caused, or alleged to have been caused, by reason of any of the aforesaid operations, provided as follows:

a. That the District does not and shall not waive any rights against Developer which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by the District, or the deposit with District by Developer, or any of the insurance policies described in this Agreement.

b. That the aforesaid hold harmless agreement by Developer shall apply to all damages and claims for damages of every kind suffered, or alleged to have been suffered, by reason of any or the aforesaid operations referred to in this subsection, regardless of whether or not District has prepared, supplied water system installation, or regardless of whether or not such

insurance policies shall have been determined to be applicable to any such damages or claims for damages.

This provision is not intended to create any cause of action in favor of any third party against Developer or the District or to enlarge in any way Developer's liability but is intended solely to provide for indemnification of the District from liability for damage or injuries to third persons or property arising from Developer's performance hereunder.

13.2. Neither Developer nor any of Developer's agents, contractors or subcontractors are, or shall be, considered to be agents of the District in connection with the performance of Developer's obligations under this Agreement.

14. REPAIR OR RECONSTRUCTION OF DEFECTIVE WORK

14.1. If, within a period of two years after final acceptance of the work performed under this Agreement, any structure or part of any structure furnished and/or installed or constructed, or caused to be installed or constructed by Developer, or any of the work done under this Agreement, fails to fulfill any of the requirements of this Agreement or the specifications referred to herein, Developer shall, without delay and without any cost to District, repair or replace or reconstruct any defective or otherwise unsatisfactory part or parts of the work structure. Should Developer fail to act promptly or in accordance with this requirement, or should the exigencies of the situation as determined by the District in the exercise of its sole discretion require repair, replacement or reconstruction before Developer can be notified, District may, at its option, make the necessary repairs or replacements or perform the necessary work, and Developer shall pay to the District the actual cost of such repairs.

15. COSTS AND FEES

15.1. Developer shall be responsible for all fees and deposits as required by the District. All fees and deposits shall be paid in full before construction can take place as outlined in the billing letter (provided separately).

15.2. Any additional costs and fees shall be paid in full prior to conveyance and acceptance of the water system.

16. CONVEYANCE AND ACCEPTANCE OF WATER SYSTEM

16.1. Upon completion of the water system in accordance with the approved water plans and submission of the required documentation, the Developer shall convey the water system to the District.

16.2. The Developer shall be responsible for insuring the pre-approved contractor furnish a warranty bond (One Hundred (100%) of Contractor's cost proposal) for a period of two (2) years as stated in Sections 5.3 of this Agreement, as-built drawings with contractor redlines and AutoCAD files, materials list with quantities, water system cost breakouts, compaction test report signed and sealed by a California Registered Engineer, notice of completion filed with County Recorder's office, fire flow tests of all hydrants, all required easements for water facilities and unconditional financial release from subcontractors and material providers. Upon compliance

with all the terms and conditions of this Agreement, the District shall prepare the Bill of Sale accepting the water facilities and forward same to the address provided herein. Title to the ownership of said facilities and appurtenances shall thereby be conveyed to the District. The District shall thereafter operate and maintain said facilities so as to furnish water service to the development (Exhibit "A") in accordance with the District's ordinances, policies and Rules and Regulations.

17. PERMANENT WATER SERVICE

17.1. In no event shall permanent water services be provided to Developer's installed system until all applicable charges and fees have been paid by Developer and all facilities have been conveyed, free of all encumbrances, to the District, including any easements which may be required. Such conveyance shall occur in a timely manner in accordance with the terms of this Agreement.

18. BREACH OR DEFAULT OF AGREEMENT

18.1. If Developer refuses or fails to obtain prosecution of the work, or any severable part thereof, with such diligence as will insure its completion within the time specified, or any extension thereof, or fails to obtain completion of said work within such time, or if Developer should be adjudged as bankrupt, or Developer should make a general assignment for the benefit of Developer's creditors, or if a receiver should be appointed in the event of Developer's insolvency, or if Developer, or any of Developer's contractors, subcontractors, agents or employees, should violate any of the provisions of this Agreement, the District's General Manager or the General Manager's designee may serve written notice upon Developer and Developer's surety of breach of this Agreement, or of any portion thereof, and default of Developer.

18.2. In the event of any such notice, Developer's surety shall have the duty to take over and complete the work and the improvement herein specified; provided, however, that if the surety, within five (5) days after the serving upon of such notice of breach, does not give the District written notice of its intention to take over the performance of the contract, and does not commence performance thereof within five (5) days after notice to the District of such election, District may take over the work and prosecute the same to completion, by contract or by any other method District may deem advisable, for the account and at the expense of Developer, and Developer's surety shall be liable to the District for any excess cost or damages occasioned District thereby; and, in such event, District, without liability for so doing, may take possession of, and utilize in completing the work, such materials, appliances, plant and other property belonging to Developer as may be on the site of the work and necessary therefore.

[CONTINUED ON NEXT PAGE]

19. SUCCESSORS BOUND

19.1. This Agreement shall be binding upon and inure to the benefit of each of the parties and their respective legal representatives, successors, heirs, and assigns.

20. ENFORCEMENT OF PROVISIONS

20.1. The District's failure to enforce any provisions of this Agreement or the waiver thereof in any instance shall not be construed as a general waiver or relinquishment on its part of any such provision, but the same shall nevertheless be and remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto execute this Agreement.

WEST VALLEY WATER DISTRICT

By: _____
Van Jew, Acting General Manager

Date: _____

DEVELOPER:

**By: IDIL WEST VALLEY LOGISTICS CENTER, LP,
a Delaware limited partnership**

By: _____
Charles McPhee, SVP and Regional Director

Date: _____

Exhibit A

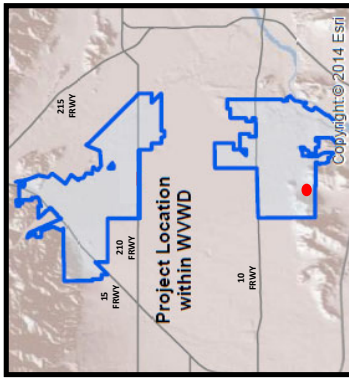


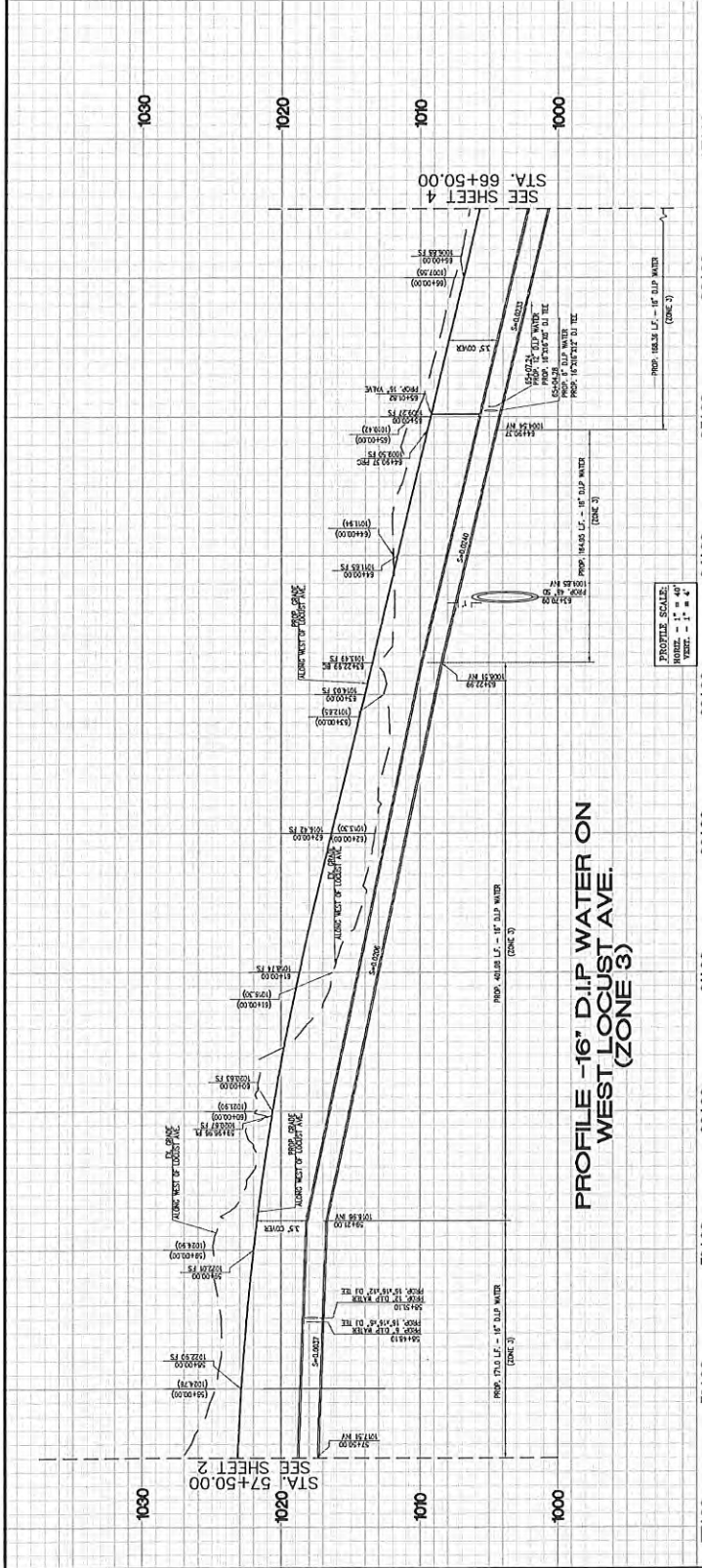
Exhibit A
WEST VALLEY LOGISTICS CENTER



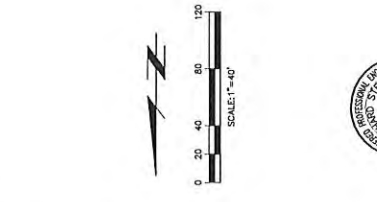
Exhibit B

(approved plans to be
provided at a later date)

- WATER CONSTRUCTION NOTES:**
- 1. MATERIALS SHALL BE STORED WITH ADEQUATE PROTECTION TO PREVENT DAMAGE TO THE MATERIALS.
 - 2. ALL MATERIALS SHALL BE FULLY EXAMINED AND TESTED PER CONTRACT REQUIREMENTS.
 - 3. ALL MATERIALS SHALL BE FULLY EXAMINED AND TESTED PER CONTRACT REQUIREMENTS.
 - 4. ALL MATERIALS SHALL BE FULLY EXAMINED AND TESTED PER CONTRACT REQUIREMENTS.
 - 5. ALL MATERIALS SHALL BE FULLY EXAMINED AND TESTED PER CONTRACT REQUIREMENTS.
 - 6. ALL MATERIALS SHALL BE FULLY EXAMINED AND TESTED PER CONTRACT REQUIREMENTS.
 - 7. ALL MATERIALS SHALL BE FULLY EXAMINED AND TESTED PER CONTRACT REQUIREMENTS.
 - 8. ALL MATERIALS SHALL BE FULLY EXAMINED AND TESTED PER CONTRACT REQUIREMENTS.
 - 9. ALL MATERIALS SHALL BE FULLY EXAMINED AND TESTED PER CONTRACT REQUIREMENTS.
 - 10. ALL MATERIALS SHALL BE FULLY EXAMINED AND TESTED PER CONTRACT REQUIREMENTS.



PROFILE -16\"/>



LOCUST AVE.

BENCHMARK:
 SAN JOAQUIN COUNTY SURVEY BENCHMARK 4025-2
 A BENCHMARK OF KNOWN LOCATION AND ELEVATION SHALL BE USED TO VERIFY THE LOCATION AND ELEVATION OF ALL POINTS SHOWN ON THIS PLAN. THE BENCHMARK SHALL BE USED TO VERIFY THE LOCATION AND ELEVATION OF ALL POINTS SHOWN ON THIS PLAN. THE BENCHMARK SHALL BE USED TO VERIFY THE LOCATION AND ELEVATION OF ALL POINTS SHOWN ON THIS PLAN.

CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM ALL AFFECTED AGENCIES AND AGENCIES. CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM ALL AFFECTED AGENCIES AND AGENCIES. CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM ALL AFFECTED AGENCIES AND AGENCIES.



Underground Services Alert
 Call TOLL FREE
 1-800-227-2000

By	Date	Approved

Checked: AS SKOON
 Date: 2/28/12
 Designer: AS SKOON
 Scale: AS SHOWN

Pressure Zone: ZONE -2 / ZONE-3
 IIR Number: D21002

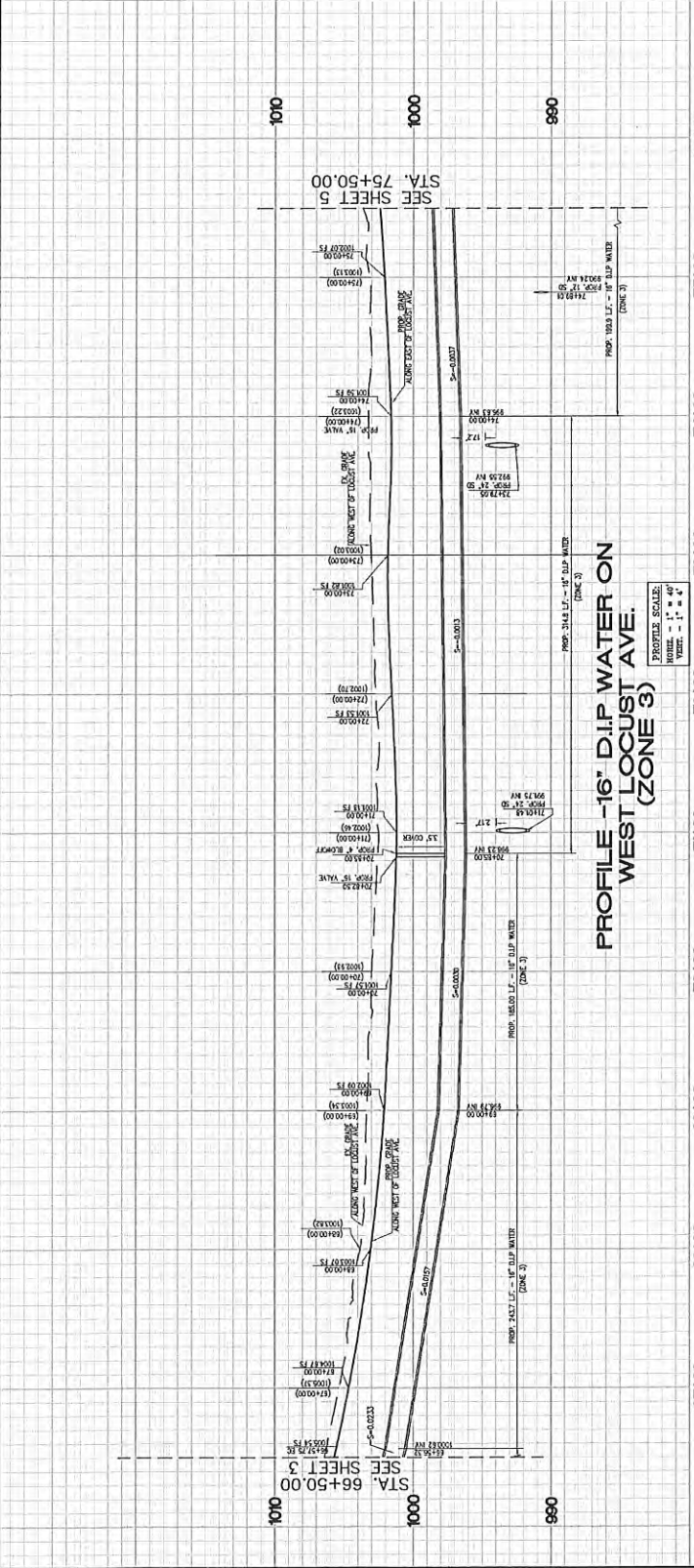
WEST VALLEY WATER DISTRICT
 WATERLINE IMPROVEMENT PLANS FOR
 WEST VALLEY LOGISTICS CENTER
 JUNCTION OF LOCUST AVE
 FONTANA, CALIFORNIA



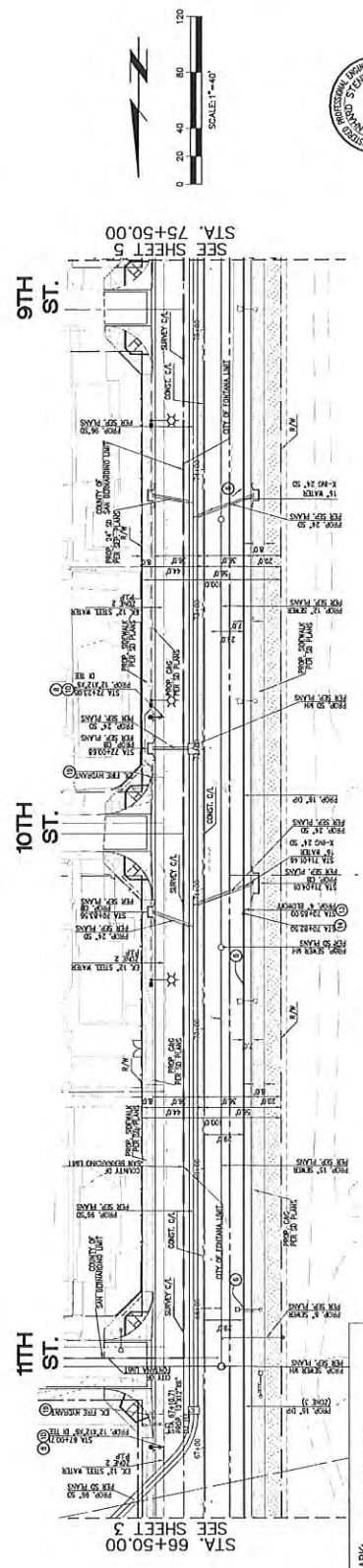
PROJECT: WEST VALLEY LOGISTICS CENTER
 SHEET: 3 OF 13
 DATE: 02/28/12
 DRAWN BY: AS SKOON
 CHECKED BY: AS SKOON
 SCALE: AS SHOWN

WATER CONSTRUCTION NOTES:

- 1. SPECIAL CLASS 500 REINFORCED CONCRETE PER DISTRICT
- 2. SPECIAL CONCRETE TEST BLOCK PER WHO STANDARD W-20, W-21, W-22, W-23
- 3. SPECIAL REINFORCING PER WHO STANDARD W-2
- 4. SPECIAL 4" BLOCK PER WHO W-21 AND W-23
- 5. SPECIAL BUTTRESS VALVE (SEE PER PLAN FOR WHO W-1)
- 6. SPECIAL C. TR. INVERT AND ADJACENT LATERAL PER WHO W-21



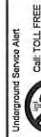
PROFILE -16" D.I.P WATER ON WEST LOCUST AVE. (ZONE 3)



LOCUST AVE.



BENCHMARK: SAN JOAQUIN COUNTY SURVEY BENCHMARK 4612.2
 PRODUCTION OF THIS PLAN IS THE SOLE RESPONSIBILITY OF THE ENGINEER AND HIS FIRM. THE ENGINEER SHALL BE HELD RESPONSIBLE FOR THE ACCURACY OF THE DATA AND THE DESIGN PROFESSIONAL LIABILITY ARISING FROM THE SOLE NEGLIGENCE OF DESIGN PROFESSIONALS.
 BENCHMARK = 1,020.71 FT. (RANG 105 / FURNISH 000)



Underground Service Airtight
 Call TOLL FREE 1-800-277-2000
 10000 S. DEER CREEK AVENUE, SUITE 100, DENVER, CO 80231

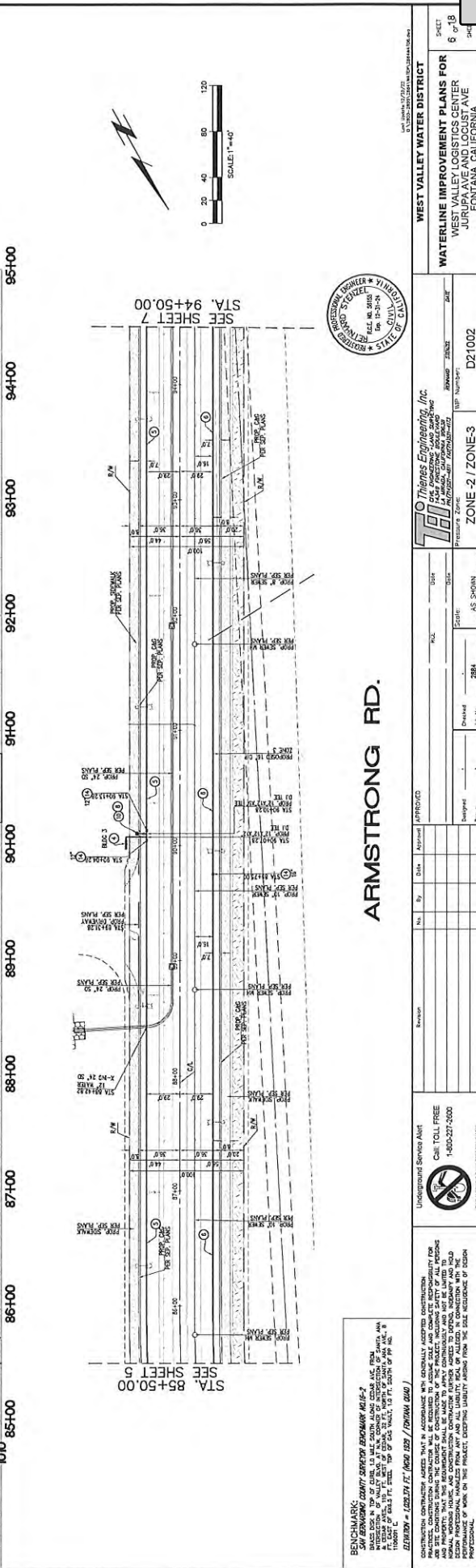
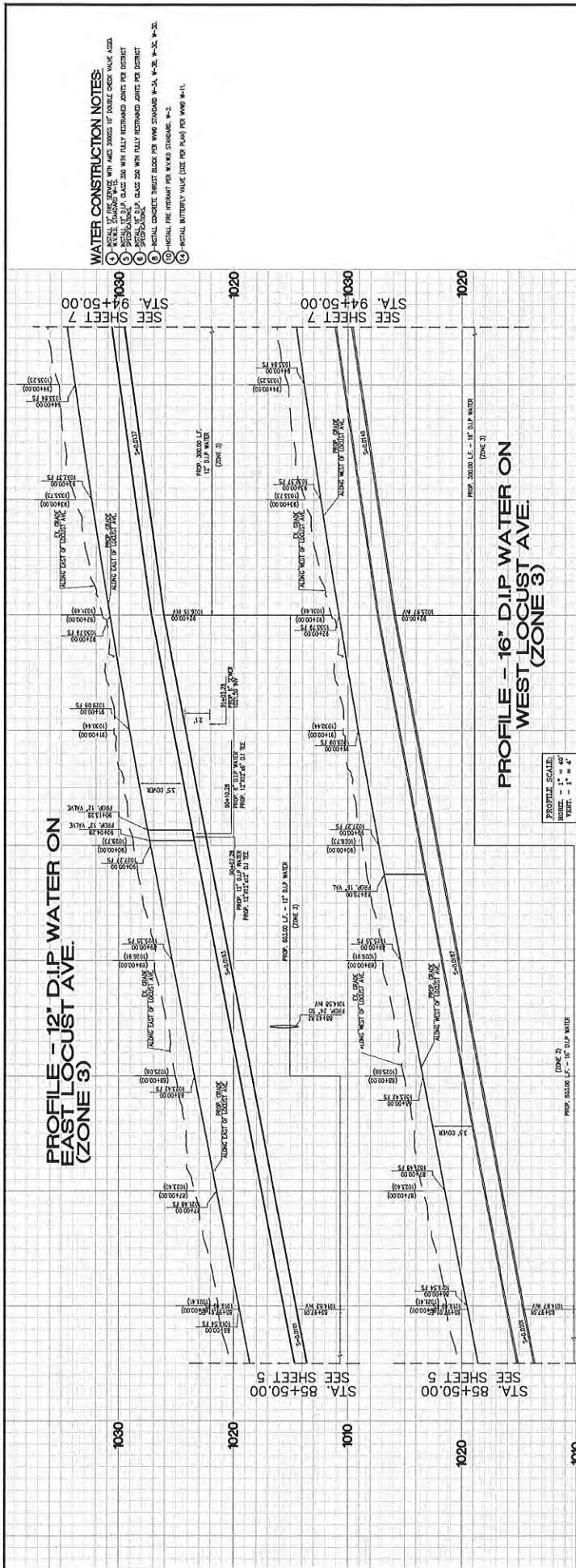
T. O. Thielen Engineering, Inc.
 1000 S. DEER CREEK AVENUE, SUITE 100
 DENVER, COLORADO 80231
 PHONE: 303-733-1111
 FAX: 303-733-1112

Project Name: **WEST VALLEY WATER DISTRICT WATERLINE IMPROVEMENT PLANS FOR JURUPA AVE & LOCUST AVE**
 Zone: **ZONE -2 / ZONE-3**
 Sheet Number: **D21002**

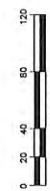
Author: **AS SHOWN**
 Checker: **2884**
 Date: **11/11/11**

Revised: **11/11/11**
 Approved: **11/11/11**

WEST VALLEY WATER DISTRICT
 WATERLINE IMPROVEMENT PLANS FOR
 JURUPA AVE & LOCUST AVE
 FONTANA, CALIFORNIA



- WATER CONSTRUCTION NOTES:**
- 1. ALL WATER LINES SHALL BE INSTALLED WITH 12\"/>
 - 2. ALL WATER LINES SHALL BE INSTALLED WITH 16\"/>
 - 3. ALL WATER LINES SHALL BE INSTALLED WITH 12\"/>
 - 4. ALL WATER LINES SHALL BE INSTALLED WITH 16\"/>
 - 5. ALL WATER LINES SHALL BE INSTALLED WITH 12\"/>
 - 6. ALL WATER LINES SHALL BE INSTALLED WITH 16\"/>
 - 7. ALL WATER LINES SHALL BE INSTALLED WITH 12\"/>
 - 8. ALL WATER LINES SHALL BE INSTALLED WITH 16\"/>
 - 9. ALL WATER LINES SHALL BE INSTALLED WITH 12\"/>
 - 10. ALL WATER LINES SHALL BE INSTALLED WITH 16\"/>



ARMSTRONG RD.



Thomas Engineering, Inc.
 1215 S. GARDEN AVENUE, SUITE 200
 ANAHEIM, CALIFORNIA 92805
 TEL: 714.938.1111 FAX: 714.938.1112
 WWW.THOMASENG.COM

Project Name: **WEST VALLEY WATER DISTRICT WATERLINE IMPROVEMENT PLANS FOR WEST VALLEY LOGISTICS CENTER**
 Location: **JUNIPER AVE AND FONTANA, CALIFORNIA**

Sheet: **6** of **18**
 Date: **08/14/2018**
 Scale: **AS SHOWN**

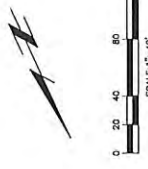
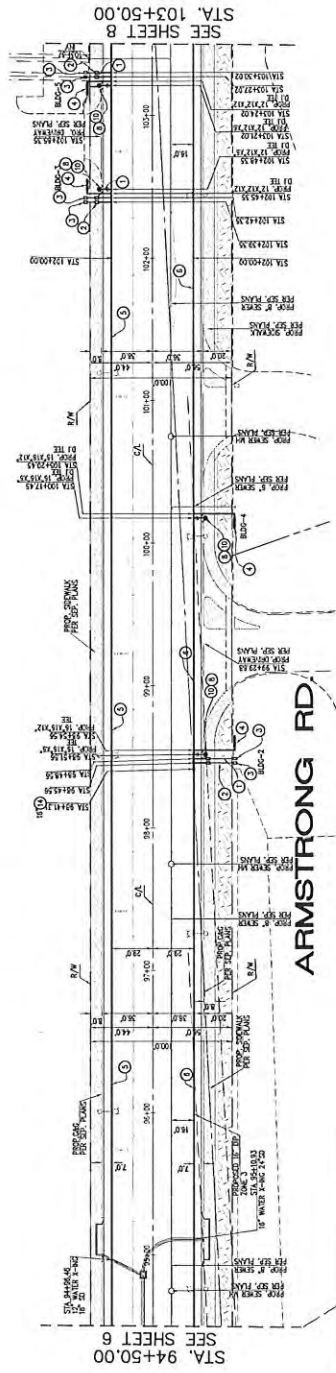
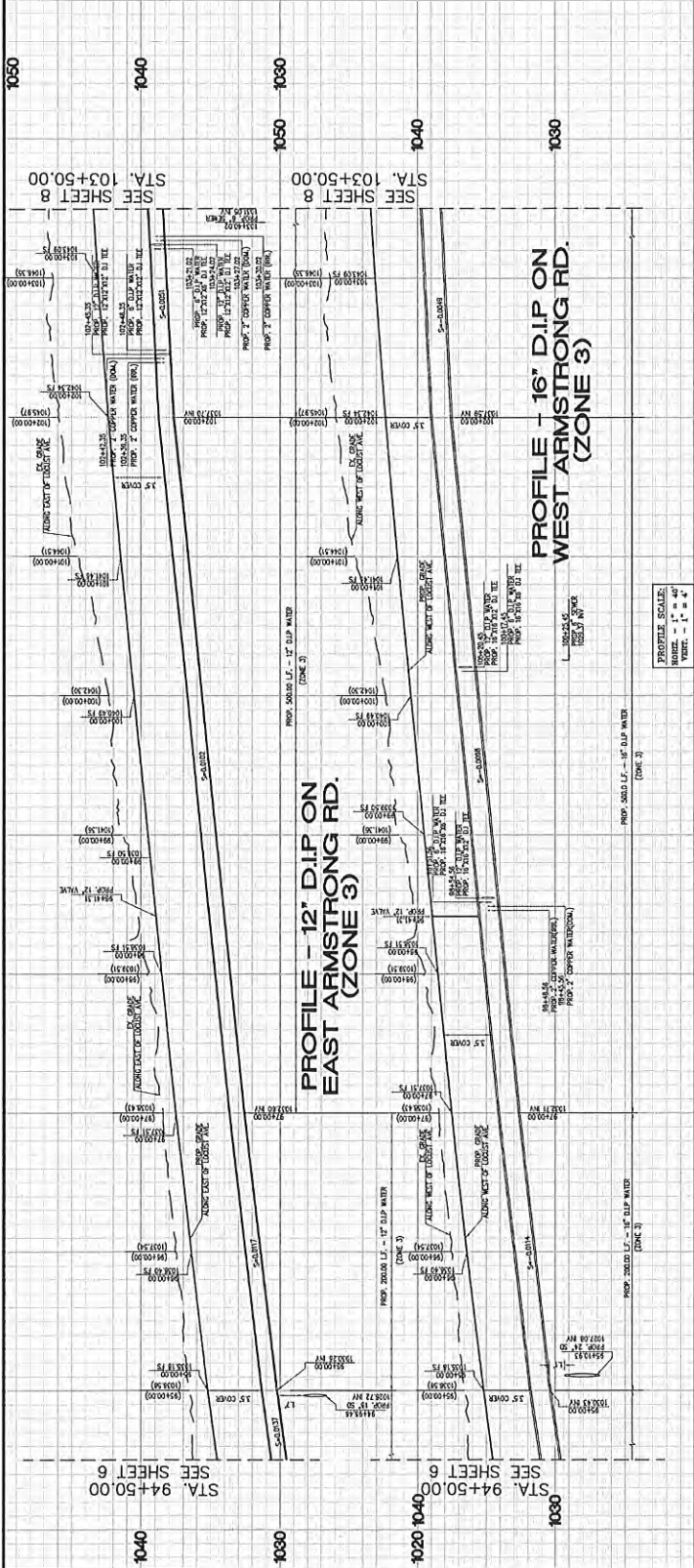
Zone: **ZONE -2 / ZONE-3**
 Project No.: **D21002**

Unapproved Service Area
 Call TOLL FREE 1-800-227-7000

BENCHMARK: COMPANY PROPERTY BENCHMARK #161-2
 BENCHMARK IS LOCATED AT THE CORNER OF THE BLOCK CONTAINING THE BENCHMARK AND IS NOT TO BE USED FOR ANY OTHER PURPOSES. THE BENCHMARK IS NOT TO BE USED FOR ANY OTHER PURPOSES. THE BENCHMARK IS NOT TO BE USED FOR ANY OTHER PURPOSES.

CONTRACTOR'S AGREEMENT: CONTRACTOR AGREES THAT IN ACCORDANCE WITH GENERALLY ACCEPTED CONSTRUCTION PRACTICES AND THE STANDARD SPECIFICATIONS FOR HIGHWAY CONSTRUCTION, THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM ALL AFFECTED AGENCIES AND LOCAL JURISDICTIONS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM ALL AFFECTED AGENCIES AND LOCAL JURISDICTIONS. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM ALL AFFECTED AGENCIES AND LOCAL JURISDICTIONS.

- WATER CONSTRUCTION NOTES:**
1. INSTALL 2" COVER BENCH AND 2" HETERO (BORING) FOR M.V. STANDARD W-1.
 2. INSTALL 2" COVER BENCH AND 2" HETERO (BORING) FOR M.V. STANDARD W-2.
 3. INSTALL 2" COVER BENCH AND 2" HETERO (BORING) FOR M.V. STANDARD W-3.
 4. INSTALL 2" COVER BENCH AND 2" HETERO (BORING) FOR M.V. STANDARD W-4.
 5. INSTALL 2" COVER BENCH AND 2" HETERO (BORING) FOR M.V. STANDARD W-5.
 6. INSTALL 2" COVER BENCH AND 2" HETERO (BORING) FOR M.V. STANDARD W-6.
 7. INSTALL 2" COVER BENCH AND 2" HETERO (BORING) FOR M.V. STANDARD W-7.
 8. INSTALL 2" COVER BENCH AND 2" HETERO (BORING) FOR M.V. STANDARD W-8.
 9. INSTALL 2" COVER BENCH AND 2" HETERO (BORING) FOR M.V. STANDARD W-9.
 10. INSTALL 2" COVER BENCH AND 2" HETERO (BORING) FOR M.V. STANDARD W-10.
 11. INSTALL 2" COVER BENCH AND 2" HETERO (BORING) FOR M.V. STANDARD W-11.



BENCHMARK
 THE BENCHMARK COMPANY BENCHMARK #16-2
 10000 N. 100TH AVENUE, SUITE 100, DENVER, CO 80231
 10000 N. 100TH AVENUE, SUITE 100, DENVER, CO 80231
 10000 N. 100TH AVENUE, SUITE 100, DENVER, CO 80231

CONSTRUCTION NOTES:
 CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE CITY OF DENVER AND THE STATE OF COLORADO. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE CITY OF DENVER AND THE STATE OF COLORADO. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE CITY OF DENVER AND THE STATE OF COLORADO.

WEST VALLEY WATER DISTRICT
WATERLINE IMPROVEMENT PLANS FOR
 WEST VALLEY WATER DISTRICT
 10000 N. 100TH AVENUE, SUITE 100, DENVER, CO 80231

THOMAS ENGINEERING, INC.
 1515
 CALIFORNIA
 10000 N. 100TH AVENUE, SUITE 100, DENVER, CO 80231

APPROVED
 No. By Date
 APPROVED

DESIGNED
 No. By Date
 DESIGNED

CHECKED
 No. By Date
 CHECKED

DATE
 DATE

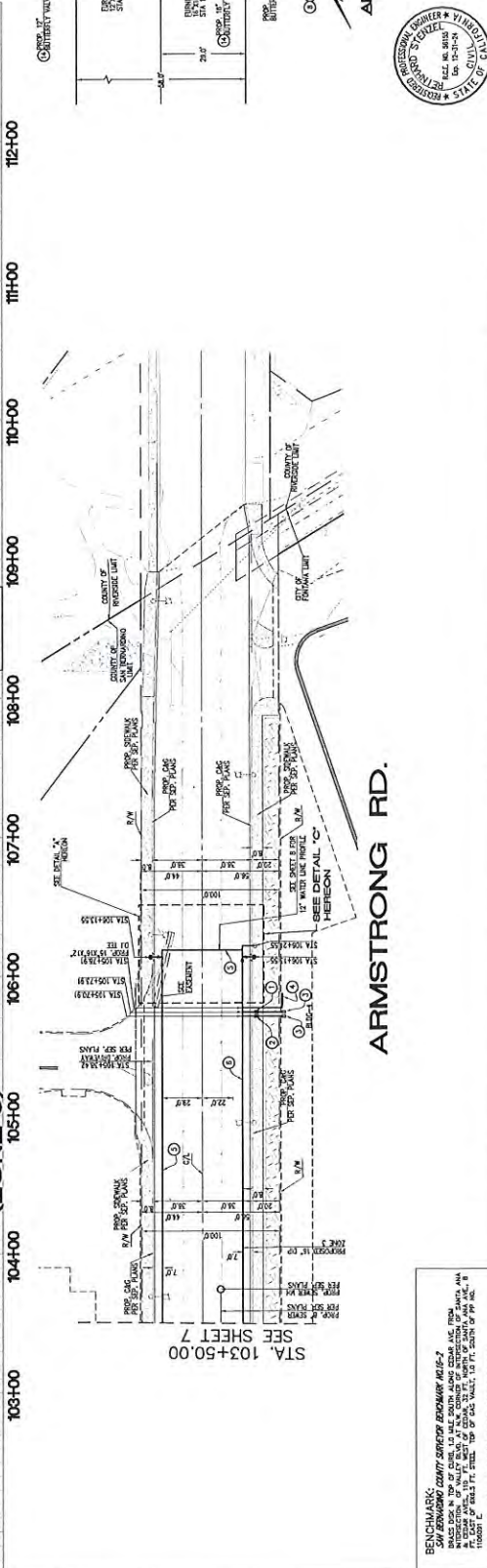
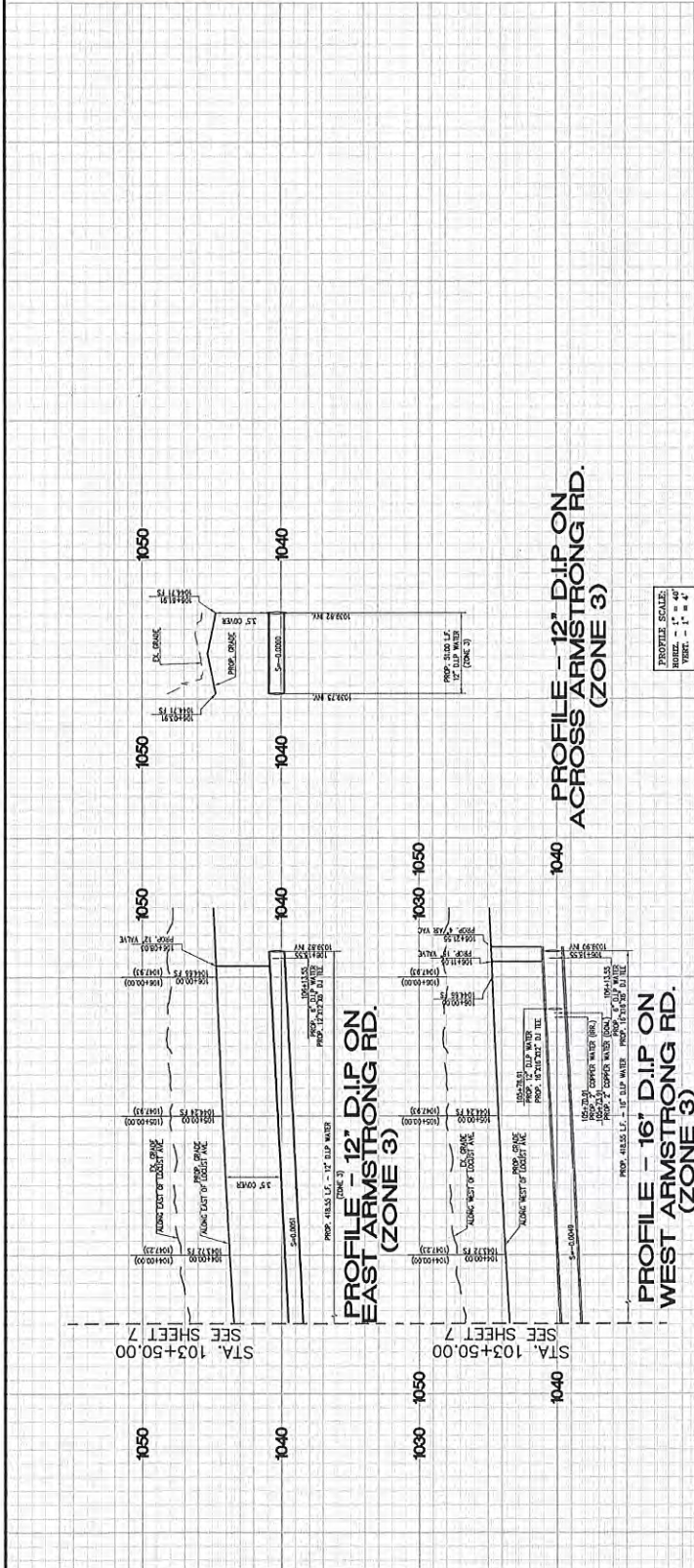
ZONE - 2 / ZONE-3
 Pressure Zone
 AS SHOWN

D21002
 IP Number

7-18
 SHEET

10000 N. 100TH AVENUE, SUITE 100, DENVER, CO 80231
 PROJECT

- WATER CONSTRUCTION NOTES:**
- 1-NOMINAL 2" COPPER SERVICE AND 2" BITE (MINIMUM) PER N.W.S.A. STANDARD W-1.
 - 2-NOMINAL 2" COPPER SERVICE AND 2" BITE (MINIMUM) PER N.W.S.A. STANDARD W-5.
 - 3-NOMINAL 2" REDUCED PRESSURE BACKFLOW DEVICE PER N.W.S.A. STANDARD W-2.
 - 4-NOMINAL 2" REDUCED PRESSURE BACKFLOW DEVICE PER N.W.S.A. STANDARD W-2.
 - 5-NOMINAL 2" REDUCED PRESSURE BACKFLOW DEVICE PER N.W.S.A. STANDARD W-2.
 - 6-NOMINAL 2" REDUCED PRESSURE BACKFLOW DEVICE PER N.W.S.A. STANDARD W-2.
 - 7-NOMINAL 2" REDUCED PRESSURE BACKFLOW DEVICE PER N.W.S.A. STANDARD W-2.
 - 8-NOMINAL 2" REDUCED PRESSURE BACKFLOW DEVICE PER N.W.S.A. STANDARD W-2.
 - 9-NOMINAL 2" REDUCED PRESSURE BACKFLOW DEVICE PER N.W.S.A. STANDARD W-2.
 - 10-NOMINAL 2" REDUCED PRESSURE BACKFLOW DEVICE PER N.W.S.A. STANDARD W-2.
 - 11-NOMINAL 2" REDUCED PRESSURE BACKFLOW DEVICE PER N.W.S.A. STANDARD W-2.
 - 12-NOMINAL 2" REDUCED PRESSURE BACKFLOW DEVICE PER N.W.S.A. STANDARD W-2.
 - 13-NOMINAL 2" REDUCED PRESSURE BACKFLOW DEVICE PER N.W.S.A. STANDARD W-2.
 - 14-NOMINAL 2" REDUCED PRESSURE BACKFLOW DEVICE PER N.W.S.A. STANDARD W-2.
 - 15-NOMINAL 2" REDUCED PRESSURE BACKFLOW DEVICE PER N.W.S.A. STANDARD W-2.
 - 16-NOMINAL 2" REDUCED PRESSURE BACKFLOW DEVICE PER N.W.S.A. STANDARD W-2.
 - 17-NOMINAL 2" REDUCED PRESSURE BACKFLOW DEVICE PER N.W.S.A. STANDARD W-2.
 - 18-NOMINAL 2" REDUCED PRESSURE BACKFLOW DEVICE PER N.W.S.A. STANDARD W-2.
 - 19-NOMINAL 2" REDUCED PRESSURE BACKFLOW DEVICE PER N.W.S.A. STANDARD W-2.
 - 20-NOMINAL 2" REDUCED PRESSURE BACKFLOW DEVICE PER N.W.S.A. STANDARD W-2.
 - 21-NOMINAL 2" REDUCED PRESSURE BACKFLOW DEVICE PER N.W.S.A. STANDARD W-2.
 - 22-NOMINAL 2" REDUCED PRESSURE BACKFLOW DEVICE PER N.W.S.A. STANDARD W-2.
 - 23-NOMINAL 2" REDUCED PRESSURE BACKFLOW DEVICE PER N.W.S.A. STANDARD W-2.
 - 24-NOMINAL 2" REDUCED PRESSURE BACKFLOW DEVICE PER N.W.S.A. STANDARD W-2.
 - 25-NOMINAL 2" REDUCED PRESSURE BACKFLOW DEVICE PER N.W.S.A. STANDARD W-2.



WEST VALLEY WATER DISTRICT

WATERLINE IMPROVEMENT PLANS FOR WEST VALLEY LOGGING CENTER JUNIPERTOWN, CALIFORNIA

ZONE 2 / ZONE-3

ARMSTRONG ROAD

DETAIL 'C' N.T.S.

SCALE: 1" = 40'

PROFILER SCALES:
 HORIZ. = 1" = 40'
 VERT. = 1" = 4'

PROFILER SCALES:
 HORIZ. = 1" = 40'
 VERT. = 1" = 4'

APPROVED: [Signature]

DATE: [Date]

PROJECT: [Project Name]

ZONE: [Zone]

JOB NO.: [Job No.]

AS SHOWN: [As Shown]

UNDERGROUND SERVICE ALERT: Call TOLL FREE 1-800-227-2900

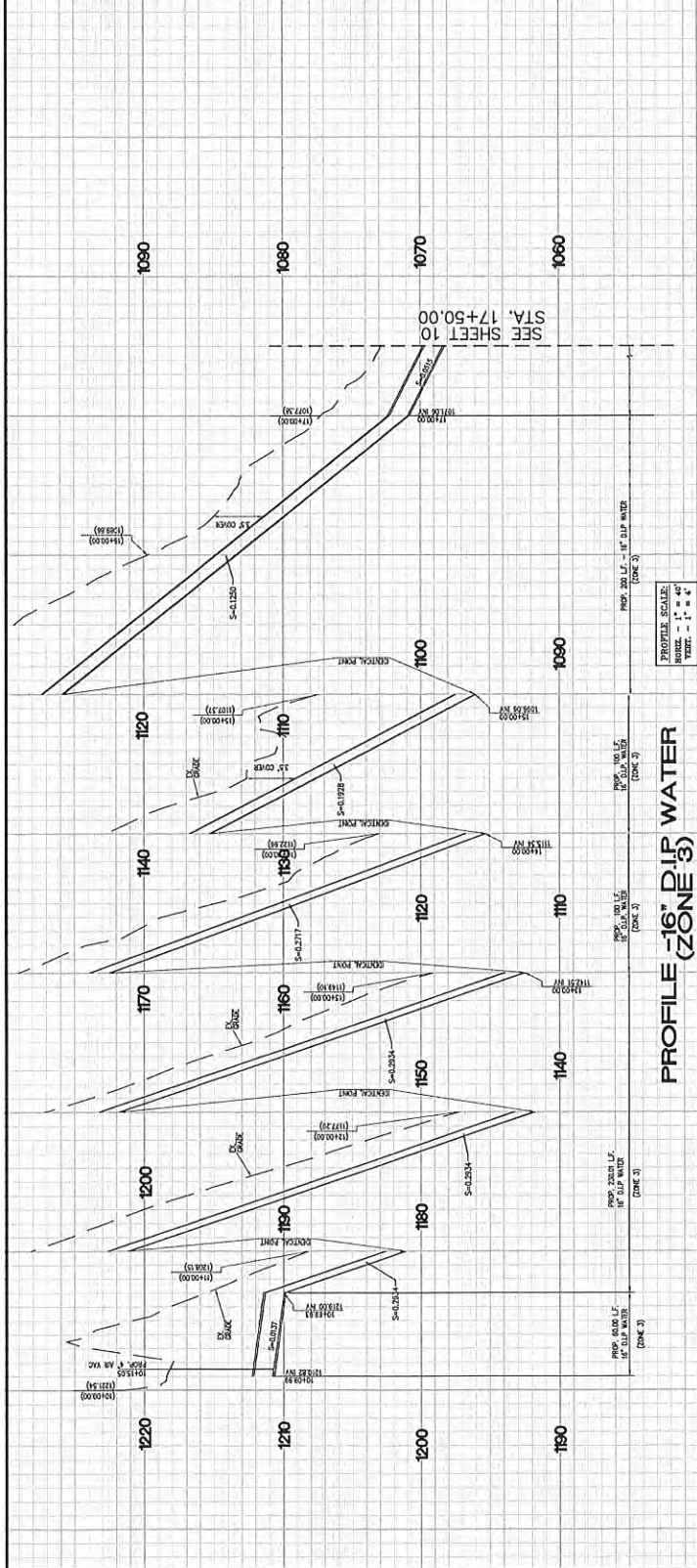
BENCHMARK: [Benchmark Info]

CONSTRUCTION CONTRACTOR: [Contractor Name]

DATE: [Date]

WATER CONSTRUCTION NOTES:

- 1. 18" DIPS SHALL BE FULLY RESTRAINED JOINTS PER DISTRICT
- 2. 18" DIPS SHALL BE FULLY RESTRAINED JOINTS PER DISTRICT
- 3. 18" DIPS SHALL BE FULLY RESTRAINED JOINTS PER DISTRICT
- 4. 18" DIPS SHALL BE FULLY RESTRAINED JOINTS PER DISTRICT
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- 18. 18" DIPS SHALL BE FULLY RESTRAINED JOINTS PER DISTRICT
- 19. 18" DIPS SHALL BE FULLY RESTRAINED JOINTS PER DISTRICT
- 20. 18" DIPS SHALL BE FULLY RESTRAINED JOINTS PER DISTRICT

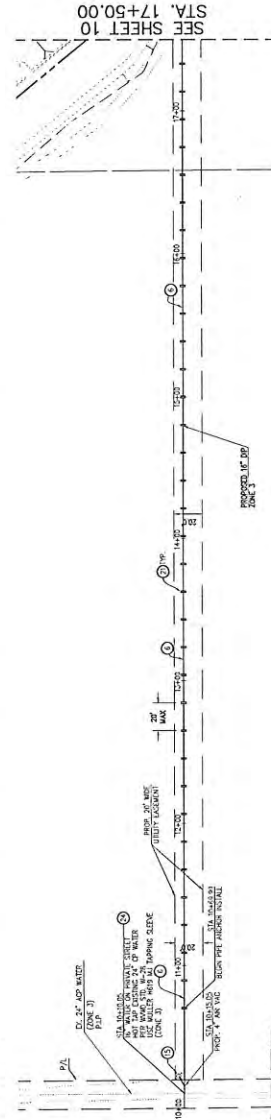


PROFILE -16" DIP WATER (ZONE 3)

PROPOSED SLOPES:
HORIZ. - 1" = 40'
VERT. - 1" = 4'

ALDER AVE.

ALDER AVE.



BENCHMARK:
CONSTRUCTION CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING THE BENCHMARK DATA AND PROVIDING THE BENCHMARK DATA TO THE DISTRICT. THE BENCHMARK DATA SHALL BE PROVIDED TO THE DISTRICT AT THE TIME OF THE BENCHMARK SURVEY. THE BENCHMARK DATA SHALL BE PROVIDED TO THE DISTRICT AT THE TIME OF THE BENCHMARK SURVEY. THE BENCHMARK DATA SHALL BE PROVIDED TO THE DISTRICT AT THE TIME OF THE BENCHMARK SURVEY.

Underground Service Alert
Call TOLL FREE
1-800-222-2900



Thomas Engineering, Inc.
2155 S. Foothill Blvd., Suite 200
Pasadena, CA 91107
Tel: 626-799-1111
Fax: 626-799-1112

PROJECT: WATERLINE IMPROVEMENT PLANS FOR ALDER AVE AND LOCUST AVE, FONTANA, CALIFORNIA
SHEET: 9 OF 18
DATE: 08/18/2011
JOB NO.: D21002

DESIGNED BY: [Name]
CHECKED BY: [Name]
DATE: [Date]

APPROVED BY: [Name]
DATE: [Date]

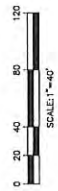
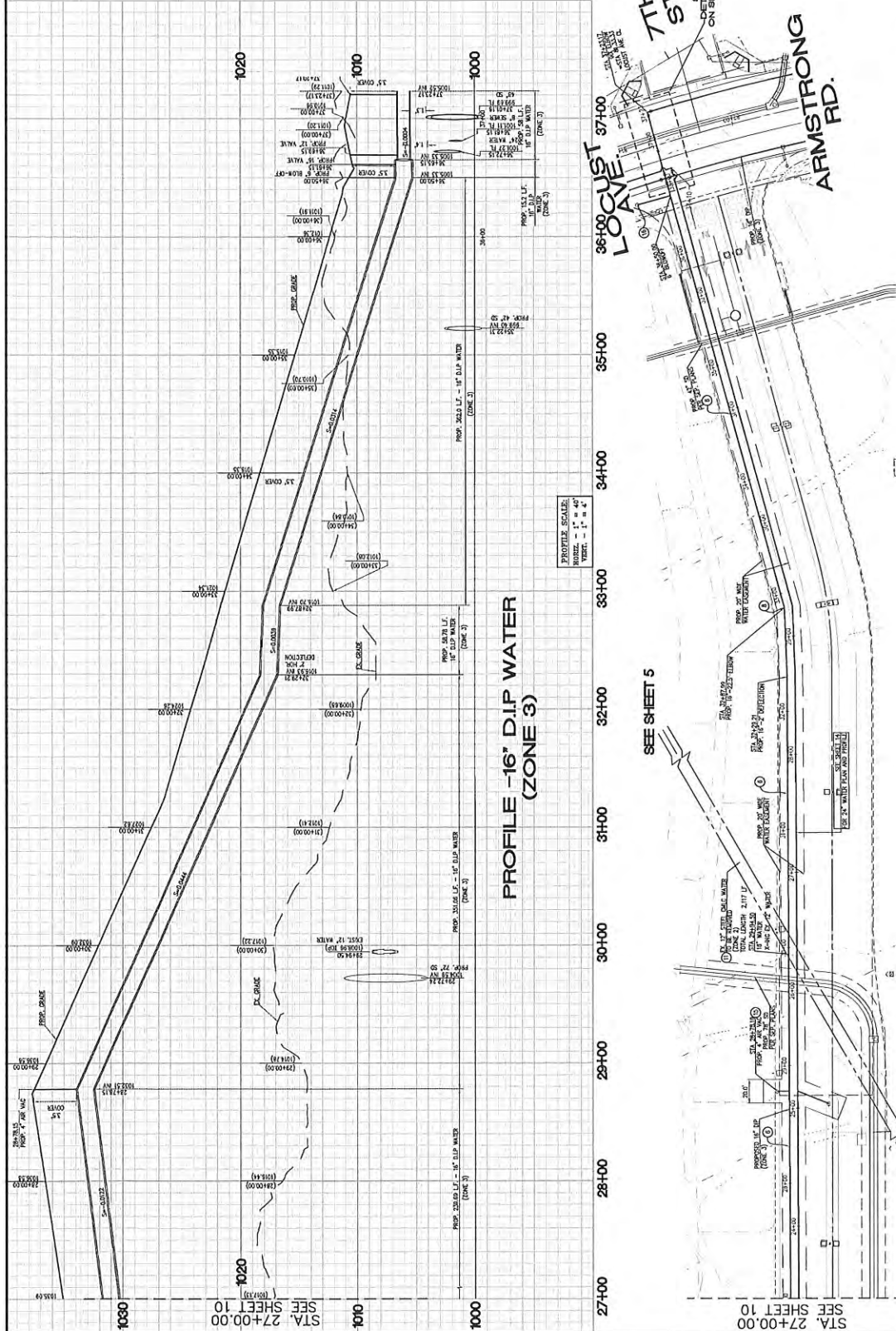
WEST VALLEY WATER DISTRICT
WATERLINE IMPROVEMENT PLANS FOR ALDER AVE AND LOCUST AVE, FONTANA, CALIFORNIA

PROJECT: WATERLINE IMPROVEMENT PLANS FOR ALDER AVE AND LOCUST AVE, FONTANA, CALIFORNIA
SHEET: 9 OF 18
DATE: 08/18/2011
JOB NO.: D21002

WEST VALLEY WATER DISTRICT
WATERLINE IMPROVEMENT PLANS FOR ALDER AVE AND LOCUST AVE, FONTANA, CALIFORNIA

WATER CONSTRUCTION NOTES:

- 1. INSTALL 1/2" P. CLASS 200 WITH FULLY REINFORCED JOINTS FOR STREET
- 2. INSTALL 1/2" P. CLASS 200 WITH FULLY REINFORCED JOINTS FOR STREET
- 3. INSTALL CONCRETE STREET BLOCK PER MWD STANDARD W-3A, W-3B, W-3C, W-3E
- 4. PROVIDE CURBING WATER LINE
- 5. INSTALL BUTTERFLY VALVE (SEE PER PLAN) FOR MWD W-11.
- 6. INSTALL 4" AIR VALVE PER MWD W-4B.
- 7. INSTALL 1/2" ELBOWS PER MWD W-7A AND W-7B.



Thomas Engineering, Inc.
 2150 Foothill Blvd., Suite 200
 San Dimas, CA 91768
 (909) 391-1111
 www.thomaseg.com

WEST VALLEY WATER DISTRICT
WATERLINE IMPROVEMENT PLANS FOR
 WEST VALLEY LOGISTICS CENTER
 JUNIPER AVENUE
 FONTANA, CALIFORNIA

Project No.	D21002
Zone	ZONE -2 / ZONE-3
Sheet No.	11 of 18
Date	11/18

No.	By	Date	Approved

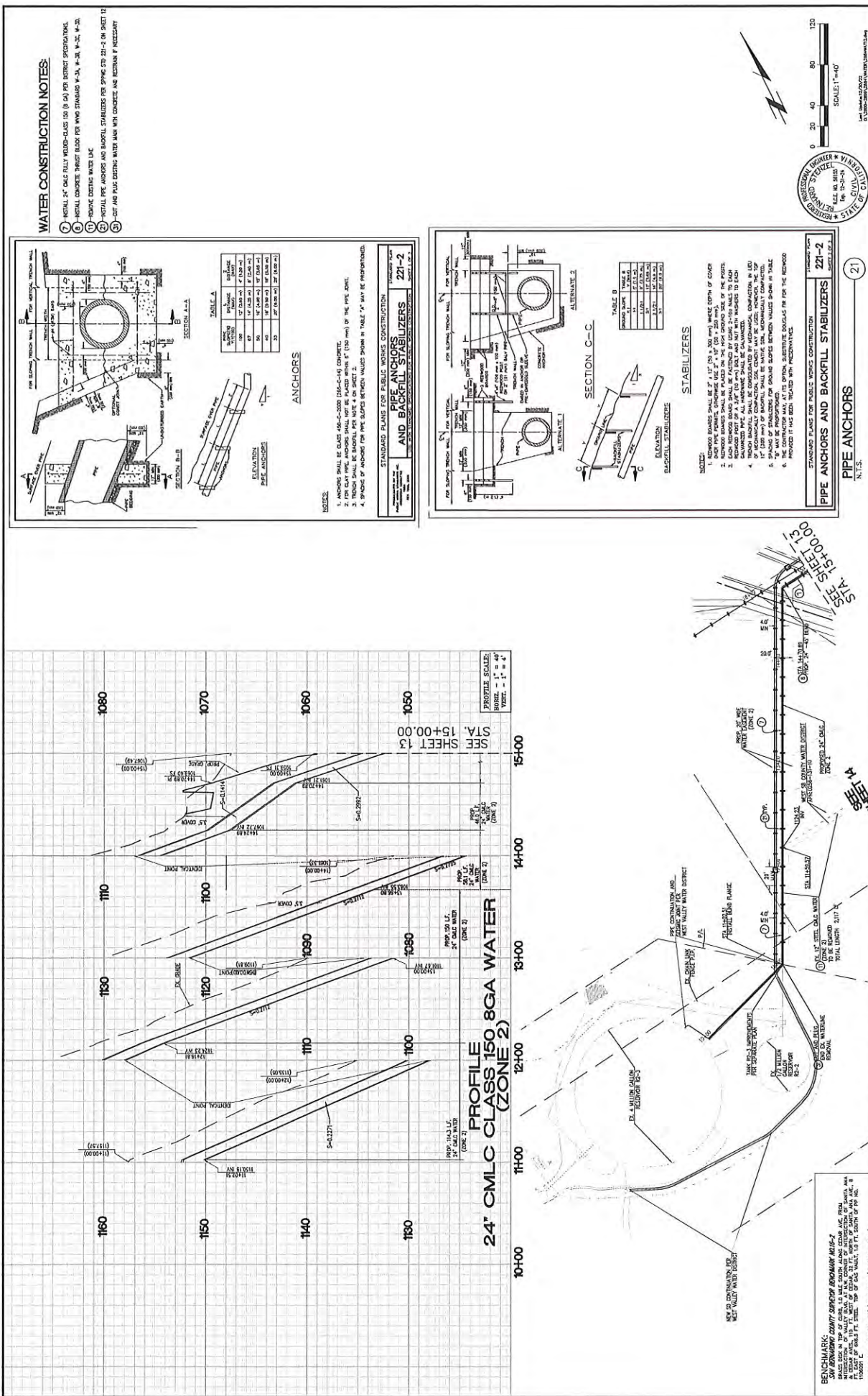
Underground Services Alert
 Call TOLL FREE
 1-800-227-5900

BENCHMARK:
 SAN DIMAS COUNTY SURVEY BENCHMARK 1015-4
 11400 N. 10TH ST., SAN DIMAS, CA 91768
 11400 N. 10TH ST., SAN DIMAS, CA 91768
 11400 N. 10TH ST., SAN DIMAS, CA 91768

SEE SHEET 12

SEE SHEET 5

PROFILE -16' D.I.P WATER (ZONE 3)



WATER CONSTRUCTION NOTES:

- 1. ALL CONCRETE SHALL BE 4000 PSI (8 GA) PER DISTRICT SPECIFICATION.
- 2. METAL ANCHORS SHALL BE PLACED WITHIN 6" (150 MM) OF THE PIPE JOINT.
- 3. TRENCH SHALL BE BACKFILL PER NOTE 4 ON SHEET 2.
- 4. SPACING OF ANCHORS FOR PIPE SLOPS BETWEEN VALUES SHOWN IN TABLE "A" MAY BE PROPORTIONED.

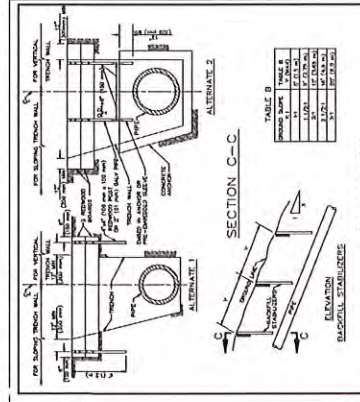
TABLE A

ANCHOR SPACING	PIPE DIAMETER	ANCHOR TYPE
10'	18" (450 mm)	1/2" DIA. X 12" L
12'	24" (600 mm)	3/4" DIA. X 18" L
15'	30" (750 mm)	1" DIA. X 24" L
20'	36" (900 mm)	1 1/4" DIA. X 30" L
25'	42" (1050 mm)	1 3/4" DIA. X 36" L
30'	48" (1200 mm)	2" DIA. X 42" L

ANCHORS

- NOTES:**
- ANCHORS SHALL BE PLACED WITHIN 6" (150 MM) OF THE PIPE JOINT.
 - FOR CLAY PIPE, ANCHORS SHALL NOT BE PLACED WITHIN 8" (200 MM) OF THE PIPE JOINT.
 - TRENCH SHALL BE BACKFILL PER NOTE 4 ON SHEET 2.
 - SPACING OF ANCHORS FOR PIPE SLOPS BETWEEN VALUES SHOWN IN TABLE "A" MAY BE PROPORTIONED.

STANDARD PLANS FOR PUBLIC WORKS CONSTRUCTION
PIPE ANCHORS AND BACKFILL STABILIZERS 221-2



STABILIZERS

- NOTES:**
- BACKFILL SPACES SHALL BE 12" (300 MM) WIDE, EITHER OF CONCRETE OR SAND.
 - BACKFILL SPACES SHALL BE PLACED ON THE HIGH SIDE OF THE PIPE.
 - BACKFILL SHALL BE PLACED WITHIN 6" (150 MM) OF THE PIPE JOINT.
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STANDARD PLANS FOR PUBLIC WORKS CONSTRUCTION
PIPE ANCHORS AND BACKFILL STABILIZERS 221-2

21

WEST VALLEY WATER DISTRICT
WATERLINE IMPROVEMENT PLANS FOR WEST VALLEY LOGISTICS CENTER
JUNIPER DRIVE
FONTANA, CALIFORNIA

PIPE ANCHORS AND BACKFILL STABILIZERS 221-2
N.S.

THOMAS ENGINEERING, INC.
1500 S. GARDEN AVENUE
SUITE 100
FONTANA, CALIFORNIA 92335
TEL: 951.281.1111
FAX: 951.281.1112
WWW.TEINC.COM

APPROVED
No. By Date
Checked: 2884
Job No. AS SHOWN
Drawn

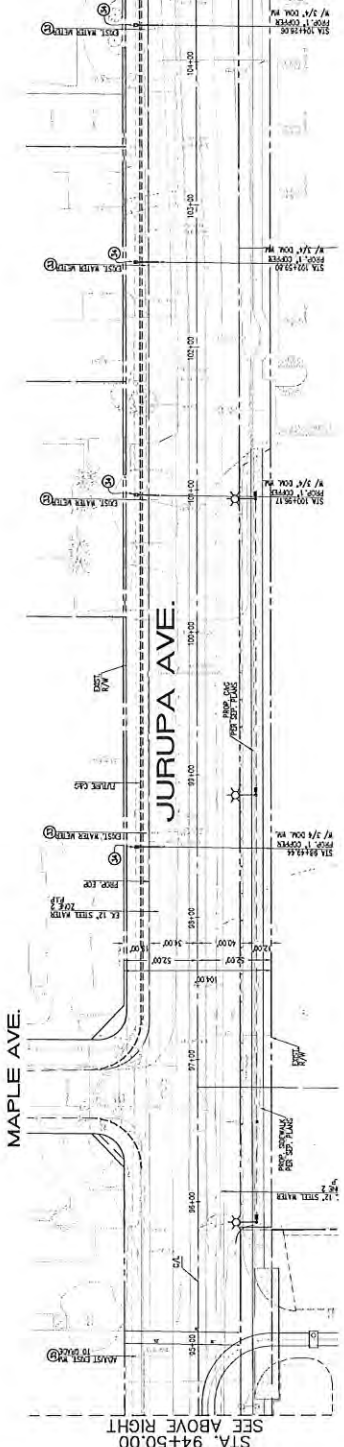
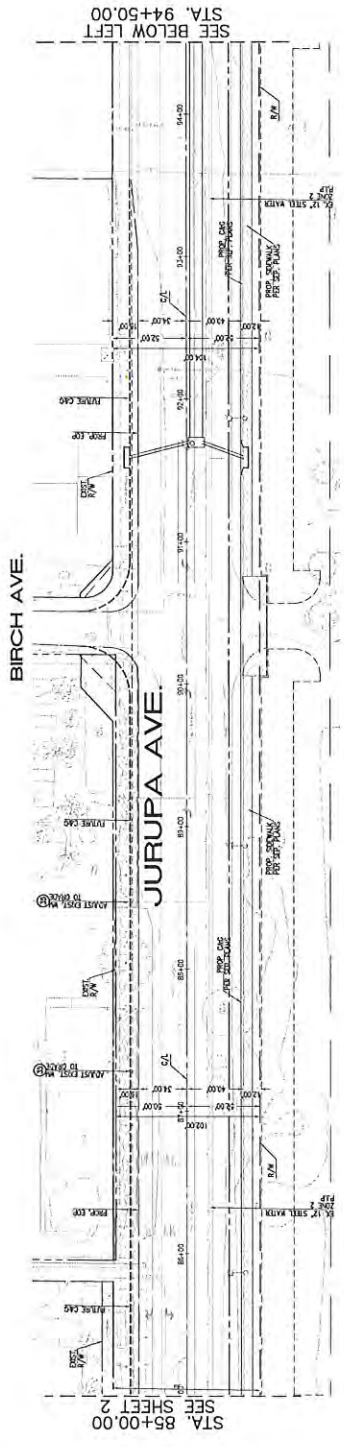
Underground Service Alert
Call TOLL FREE 1-800-227-2000

BENCHMARK: COUNTY COURTHOUSE BENCHMARK #16-2
EAST VALLEY LOGISTICS CENTER
1500 S. GARDEN AVENUE, SUITE 100, FONTANA, CA 92335
ELEVATION: 1130.00 FT. (344.27 M)

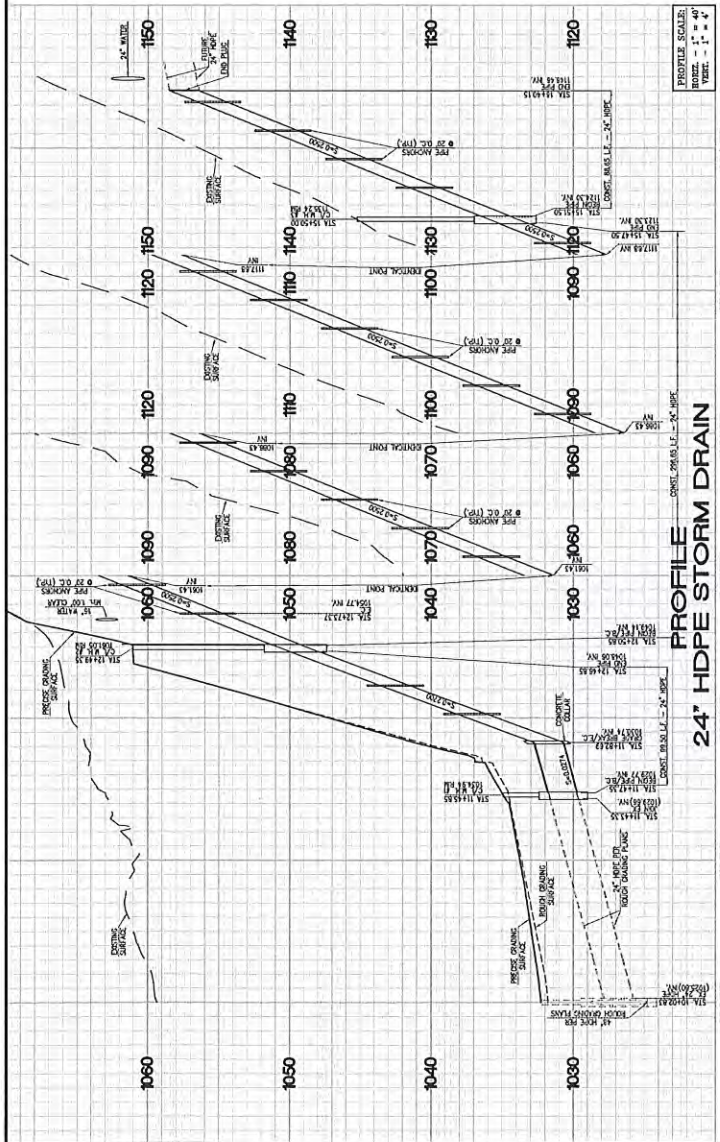
Packet Pg. 44

WATER CONSTRUCTION NOTES:

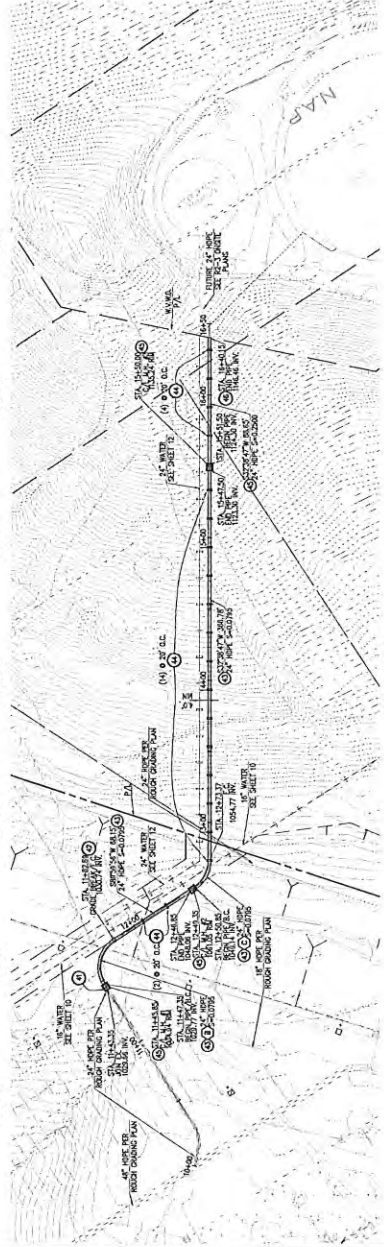
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<p>WEST VALLEY WATER DISTRICT</p> <p>WATERLINE IMPROVEMENT PLANS FOR WEST VALLEY LOGISTICS CENTER</p> <p>3000 WEST VALLEY AVENUE, FONTANA, CALIFORNIA</p>		<p>THOMAS ENGINEERING, INC.</p> <p>2550 PASCADILLA AVENUE, SUITE 200, FONTANA, CALIFORNIA 92335</p> <p>TEL: 951-833-3333 FAX: 951-833-3334</p>	
<p>PROJECT: WEST VALLEY LOGISTICS CENTER</p> <p>SHEET: 16.18</p> <p>DATE: 08/15/15</p>	<p>DESIGNER: T.E.</p> <p>DATE: 08/15/15</p>	<p>PROJECT NUMBER: DZ1002</p> <p>ZONE: ZONE -2 / ZONE-3</p>	<p>AS SHOWN</p> <p>DATE: 08/15/15</p>
<p>APPROVED: _____</p> <p>DATE: _____</p>	<p>BY: _____</p> <p>DATE: _____</p>	<p>REVISION: _____</p> <p>DATE: _____</p>	<p>DATE: _____</p>
<p>Underground Service Alert</p> <p>Call TOLL FREE 1-800-227-2900</p> <p>1-800-227-2900</p>			
<p>BENCHMARK: SAN JOAQUIN COUNTY SURVEY BENCHMARK 1615-3</p> <p>1. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE WATERLINE UNLESS OTHERWISE NOTED.</p> <p>2. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE WATERLINE UNLESS OTHERWISE NOTED.</p> <p>3. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE WATERLINE UNLESS OTHERWISE NOTED.</p> <p>4. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE WATERLINE UNLESS OTHERWISE NOTED.</p> <p>5. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE WATERLINE UNLESS OTHERWISE NOTED.</p> <p>6. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE WATERLINE UNLESS OTHERWISE NOTED.</p> <p>7. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE WATERLINE UNLESS OTHERWISE NOTED.</p> <p>8. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE WATERLINE UNLESS OTHERWISE NOTED.</p> <p>9. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE WATERLINE UNLESS OTHERWISE NOTED.</p> <p>10. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE WATERLINE UNLESS OTHERWISE NOTED.</p>			



PROFILE
24" HDPE STORM DRAIN



PLAN
24" HDPE STORM DRAIN

**END PLUGS
4" - 60" DIAMETER**

PART #	PIPE SIZE
0623AA	8" IP
0623AA	10" IP
1023AA	12" IP
1023AA	15" IP
1023AA	18" IP
1023AA	24" IP
1023AA	30" IP
1023AA	36" IP
1023AA	42" IP
1023AA	48" IP
1023AA	60" IP

NOTE: ALL FITTINGS DIMENSIONS ARE FOR REFERENCE ONLY.

FRONT VIEW
SIDE VIEW

HDPE END CAP DETAIL 45

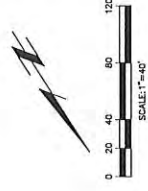
N.T.S.

- STORM DRAIN CONSTRUCTION NOTES:**
1. REMOVE EXISTING END PLUG.
 2. CONSTRUCT CONCRETE COLLAR PER SP. PAC. STD. PLAN 200-4.
 3. CONSTRUCT 24" HDPE 10'-0" WITH WIDE-TOOTH Joints. MODEL FOR MANUFACTURERS SPECIFICATIONS.
 4. CONSTRUCT PIPE ANCHORS PER SP. PAC. STD. PLAN 200-2.
 5. CONSTRUCT CONCRETE MANHOLE PER SP. PAC. STD. PLAN 200-2.
 6. INSTALL HDPE END PLUG PER DETAIL ON SHEET 18.

STORM DRAIN DRAINAGE DATA

INDEX	DATE	REVISION	BY	DATE
1	08/23/07	22.5'	22.5'	23.5'
2	07/17/07	22.5'	4.1'	22.5'

CONTRACTOR TO USE 24" HDPE PERMANENTLY CHECKING AND APPROPRIATE INSERT PILES TO APPROXIMATE GROUND DATA.



BENCHMARK:
SAN JOAQUIN COUNTY SURVEY BENCHMARK 1025-2
WEST VALLEY LOGISTICS CENTER
11000 FT. E. OF THE CORNER OF INTERSECTION OF 24TH ST. & 11000 FT. E. OF THE CORNER OF 15th ST. SOUTH OF THE 11000 FT. E. OF THE CORNER OF 15th ST. SOUTH OF THE 11000 FT. E. OF THE CORNER OF 15th ST.

EL ELEVATION = 1025.24 FT. (ASD 1025 / TRIVIA 024)

CONTRACTOR SHALL VERIFY THAT ALL CONSTRUCTION SHALL BE ACCORDANCE WITH ALL APPLICABLE REGULATIONS AND PERMITS. CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS. CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS. CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS. CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS.

Underground Service Alert

Call TOLL FREE
1-800-227-5800

No.	By	Date	Approved

Design: AS SHOWN
Checked: 288
Date: 10/15/07

WEST VALLEY WATER DISTRICT

WATERLINE IMPROVEMENT PLANS FOR
WEST VALLEY LOGISTICS CENTER
JUNIPERO AVE
FONTANA, CALIFORNIA

PROJECT: 18 OF 18
SHEET: D21002

Zone - 2 / ZONE-3

Scale: 1" = 40'

DATE: 10/15/07

BY: [Signature]

APPROVED: [Signature]

Exhibit C

(to be provided at later date)

Exhibit D



ESTABLISHED AS A PUBLIC AGENCY IN 1952

WEST VALLEY WATER DISTRICT'S MISSION IS TO PROVIDE A RELIABLE,
SAFE-DRINKING WATER SUPPLY TO MEET OUR CUSTOMERS' PRESENT
AND FUTURE NEEDS AT A REASONABLE COST AND TO PROMOTE
WATER-USE EFFICIENCY AND CONSERVATION.

2023 HOLIDAY LIST

MONDAY, JANUARY 2	NEW YEAR'S DAY
MONDAY, JANUARY 16	MARTIN LUTHER KING, JR.
MONDAY, FEBRUARY 20	PRESIDENT'S DAY
MONDAY, MAY 29	MEMORIAL DAY
TUESDAY, JULY 4	INDEPENDENCE DAY
MONDAY, SEPTEMBER 4	LABOR DAY
FRIDAY, NOVEMBER 10	VETERANS DAY (OBSERVED)
THURSDAY, NOVEMBER 23	THANKSGIVING
FRIDAY, NOVEMBER 24	DAY AFTER THANKSGIVING
MONDAY, DECEMBER 25	CHRISTMAS EVE
TUESDAY, DECEMBER 26	CHRISTMAS
MONDAY, JANUARY 1	NEW YEAR'S EVE (2024)

EXHIBIT B

**WEST VALLEY WATER DISTRICT
TEMPORARY CONSTRUCTION EASEMENT AND AGREEMENT**

THIS INDENTURE, made by and between **WEST VALLEY WATER DISTRICT**, a public agency organized and existing under the laws of the State of California, as Grantor, hereinafter called the "District or Owner", and, **IDIL WEST VALLEY LOGISTICS CENTER, LP**, its contractors and their authorized agents, hereinafter called the "Grantee".

WITNESSETH:

1. The District, for full payment of the consideration hereinafter specified and of the terms, covenants, and conditions herein contained in this Temporary Construction Easement and Agreement ("Agreement"), does hereby grant to Grantee a temporary construction easement for a property located west of the intersection of 8th St and Locust Ave (the "Property"), more accurately described as APN 0256-131-10, consisting of approximately 20,416 square feet of ground space, as identified in Exhibit A, attached hereto and made a part hereof, for transportation of Grantee's equipment, machinery, and material; grading and excavation; vehicle access; and for site work associated with the West Valley Logistics Center, hereinafter ("Project").
2. Term. This easement shall be of a temporary nature and will terminate upon the completion of the ownership transfer of the Property from the District to the Grantee. Completion of ownership transfer shall include execution of real estate agreement, closing of escrow finalization of title and recordation with the County Assessor's Office. Grantee shall notify Grantor of its intent to commence its use of the Temporary Easement Area at least ten (10) days in advance of mobilization. Should the ownership transfer not take place, this easement will expire on 12/31/2024.
3. The Grantee shall render to the District, a refundable deposit ("Deposit") of fifty thousand dollars 00/100 (\$50,000.00) for incidentals related to damage and repair of District facilities and appurtenance during the Project. The Deposit shall be due to the District upon the execution of this Temporary Construction Easement and Agreement by the Grantee. The Deposit, if not utilized, will be returned to the Grantee after payment of the District's Billing Letter is received and the Grantee's performance bond has been accepted by the District.
4. The Grantee shall render to the District, a non-refundable payment ("Payment") of one hundred thousand dollars 00/100 (\$100,000.00) for use of the easement over the Property as outlined in this Agreement. The Payment shall be applied to the future sale of the Property and subject to a purchase agreement. Should the purchase of the Property not take place within twelve (12) months of the execution date of this Agreement, the Payment will be forfeited to the District as compensation for use of the easement.
5. If the Grantee uses the Premises for other purposes than the Project, this District shall deliver written notice to Grantee of such violation, and this Agreement shall terminate unless Grantee cures such violation within five (5) business days following receipt of such written notice. Within ten (10) days of receiving written notice of this violation (unless such violation is cured by Grantee) the Grantee will remove all equipment and materials from the Premises

and restore as near as possible the Premises to the condition in which it was prior to the commencement of said work to the satisfaction of District. In the event Grantee fails to do so within this time frame, District shall remove the equipment and materials and restore the Premises at Grantee's expense.

6. Grantee is responsible for maintaining all site security. The District is not liable in the event of any theft, vandalism, injury or damage which may take place on the Property or as a result of this temporary easement.
7. Grantee shall comply with all applicable laws, ordinances and regulations, including but not limited to all applicable regulatory, environmental and safety requirements at Grantee's sole cost and expense. Grantee shall not use, deposit or permit the use or deposit of any hazardous material or toxic waste or other harmful substances on the Property or on any other real property of District adjacent to the Property.
8. The District owns and operates a 12" Steel CMLC Water Main ("Pipe") which traverses beneath the Property from the R2-3 Reservoir to Locust Ave. Grantee is responsible for protecting the Pipe in place and providing sufficient cover over the top of Pipe as to not expose it to the elements ("daylight"), or cause damage. Should the Grantee damage the Pipe, either directly or indirectly, except to the extent caused by the District, the District Parties or its Permittees, the Grantee shall immediately notify the District and cease all activity on the Property until the Pipe is repaired. The cost associated with labor, materials and equipment used to repair the Pipe will be charged directly to the Grantee or billed against the Deposit.

In the event the District elects to have the Grantee repair the damage, the Grantee will be required to contract with one of the District's preapproved contractors and pay all required inspection fees and administrative costs with the District prior to commencing the repairs. The Grantee shall adhere to the most recent District's "Standards for Domestic Water Facilities" and "Water Service Rules and Regulations" and any amendments.

Upon failure of Grantee to perform required repairs, said work will be performed by District at Grantee's expense, which Grantee agrees to pay District within ten (10) days of receiving notice.

9. To the best of its ability, Grantee shall use commercially reasonable efforts to not materially interfere with the operations and activities of District (or other property users) on District's property. Grantee shall use commercially reasonable efforts to use such routes and follow such procedures on District's property to result in the least inconvenience to District.
10. Grantee hereby commits to make commercially reasonable efforts to use existing drive aisles, roads, trails and paths to minimize any potential impact to District's Pipe.
11. Grantee shall be responsible for any damage to the Property or to personal or real property of third parties to the extent caused by any exercise of the rights herein granted, including but not limited to soil erosion, subsidence or damage resulting therefrom, except to the extent caused by the District, the District Parties or its Permittees. Grantee shall promptly repair and restore to its original condition any of District's property that may be altered,

damaged or destroyed in connection with the exercise of Grantee's rights under this Agreement or use of the Property to the satisfaction of District, except to the extent caused by the District, District Parties, or its Permittees.

12. Indemnification: Grantee expressly agrees to indemnify, defend and hold harmless District, its directors, officers, and employees (collectively, the "District Parties") from and against any and all loss, liability, expense, claims, costs, suits, and damages to third parties, including attorneys' fees, caused by Grantee's operation or performance under this agreement, including all costs, claims and damages (including property and personal injury) arising out of any hazardous substances, hazardous materials or hazardous wastes (including petroleum) within the easement area or on the adjacent District's property, released by Grantee, its officers, employees, or contractors, as a result of Grantee's construction, reconstruction, maintenance, use, or removal of its structure, except to the extent arising out of the negligence or willful misconduct by the District Parties or its Permittees. As used herein, the term "Permittees" means the Districts employees, contractors, licensees, customers, and invitees.

Where applicable by law, the duty to indemnify, including the cost to defend is limited in accordance with California Civil Code § 2782.8.

13. Insurance Requirements: Grantee shall not commence any work in the Property until Grantee obtains at Grantee's own cost and expense all insurance required under this Section. Such insurance must have the approval of the District as to company issuing the policies, limits, form and amount. Grantee shall not permit any Subcontractor to commence Work on the Project until the Subcontractor has also complied with these insurance requirements. Nothing contained in these insurance requirements is to be construed as limiting the extent of the Grantee's responsibility for payment of damages resulting from Grantee's operations.

Grantee shall procure worker's compensation insurance coverage, including occupational disease coverage, for all persons whom Grantee employs or may employ in performing the Work under this Agreement, in an amount required by law together with employer's liability with limits of at least One Million Dollars (\$1,000,000) per occurrence with a waiver of subrogation endorsement by the insurance company with respect to the District. Such insurance shall always be maintained in strict accordance with the requirements of the current California Worker's Compensation Insurance laws. In case any employees are to be engaged in hazardous work in the Property and are not protected under the Worker's Compensation Insurance laws, the Grantee and all Subcontractors under Grantee who employ such persons, shall provide adequate insurance for the protection of such employees.

Grantee shall procure commercial general liability insurance and vehicle liability insurance coverage as hereinafter specified. Such insurance shall insure the Grantee and all Subcontractors for contractual liability, blanket commercial, product and completed operation liability coverage, personal injury, including sickness and death, and destruction of or damage to property, including loss of use, arising out of or in connection with any operations on the Property, whether such operations be by the Grantee or by any Subcontractor under Grantee, or by anyone directly or indirectly employed by Grantee or by any Subcontractor.

The commercial general liability insurance shall be written with a limit of liability of not less than Two Million Dollars (\$2,000,000) combined single limit bodily injury, including sickness and death, injury to or destruction of property of others, arising directly or indirectly out of or in connection with the performance of the work on the Property including explosion, collapse and underground exposure per occurrence.

The vehicle liability insurance shall be written with a limit of liability of not less than Two Million Dollars (\$2,000,000) combined single limit bodily injury, including sickness and death or injury to or destruction of property of others, arising directly or indirectly out of or in connection with the performance of the Work on the Property, including explosion, collapse and underground exposure, per occurrence. The vehicle liability insurance shall include non-owned and hired vehicle liability.

The foregoing policies for such insurance shall: (a) include contractual coverage sufficiently broad to cover the Grantee's indemnification agreement and (b) be on an "occurrence" not a "claims made" basis. The existence of the required insurance shall not be deemed to satisfy or limit Grantee's indemnity obligations. Grantee acknowledges that the insurance coverage and policy limits set forth herein constitute the minimum coverage and policy limits required.

Grantee shall procure "All Risk" Builder's Risk Insurance covering no less than the total construction costs for the Work to be performed. Coverage shall be on an "all risks" basis. Except for the deductible amount hereinafter allowed or as otherwise specifically authorized by the District, the amount of such insurance shall not be less than the construction cost to perform the work. The policy for such insurance shall cover at a minimum losses due to fire; explosion; hail; lightning; water, flood coverage, or other direct or indirect water damage of whatever type or nature, or spray from any of the foregoing, all whether or not driven by the wind; vandalism, malicious mischief, wind, collapse, riot, aircraft, and smoke, until the Work is accepted by the District. The policy must specify that coverage is to include all materials and equipment to be incorporated in the Project while at the construction site and while in transit.

A deductible amount of Fifty Thousand Dollars (\$50,000) on all perils will be allowed.

Grantee shall provide that the policies set forth in this Section shall be primary and shall include as additional named insureds the District and District Parties. The policies of insurance set forth in this Section shall contain a provision that any other insurance carried or administered by the District shall be non-contributory and shall contain a waiver of subrogation and endorsement in favor of the District.

Prior to commencement of any work, the Grantee shall obtain and furnish to the District a Certificate of Insurance as to each type of insurance required by this Section.

All insurance required pursuant to the provisions of this Section shall provide that coverage shall not be revised, cancelled or reduced without at least thirty (30) days written notice of such revisions, cancellation or reduction shall have been given to District. In the event any policy or policies of insurance are revised, cancelled or reduced, Grantee shall, prior to the

revision, cancellation or reduction date, submit evidence of new insurance to the District, complying with this Section. Any policies required hereunder may be a part of a blanket policy of insurance, so long as such blanket policy contains all the provisions required herein and does not in any way replace the coverage, impair the rights of the District hereunder or negate the requirements of this easement.

All insurance required to be maintained in this Section must be issued by companies licensed by or admitted to conduct insurance business in the State of California by the California Department of Insurance and must have a rating of A or better and Class VII or better by the latest edition of A.M. Best’s Key Rating Guide.

If Grantee or any Subcontractor, for any reason, fails to obtain and maintain the insurance required by this Section, District may stop work until such insurance is received.

- 14. Grantee hereby acknowledges that, as the contracting party, they are directly and solely liable for any failure to satisfy the terms and obligations of this Agreement.
- 15. It is understood that when the further use of the Property is no longer required for the construction project described herein, this Agreement shall become null and void and shall terminate, and in any event shall cease and terminate no later than 12/31/2024. Termination under Sections 4 and 12 shall not relieve Grantee of any of the obligations under this Agreement.

The performance of this Agreement in furtherance of the completion of the Project constitutes the entire consideration for this temporary construction easement.

IN WITNESS WHEREOF, the District has executed this indenture this ____ day of _____, 2023.

WEST VALLEY WATER DISTRICT

By: _____ Date: _____
Van Jew, Acting General Manager

REVIEWED AND APPROVED

By: _____ Date: _____
Vincent C. Ewing, Interim General Counsel

IDIL West Valley Logistics Center, LP

By: _____ Date: _____
Brandon Dickens, Vice President of Capital Deployment
Authorized Agent

EXHIBIT A

EXHIBIT "A"

LEGAL DESCRIPTION

IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA

THAT PORTION OF PARCEL 3 AS DESCRIBED IN DOCUMENT RECORDED MARCH 13, 1974 IN BOOK 8386, PAGE 797 OF OFFICIAL RECORDS, LYING WITHIN THE THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 1 SOUTH, RANGE 5 WEST, SAN BERANRDINO MERIDIAN, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, BEING A STRIP OF LAND 10.00 FEET IN WIDTH, THE CENTERLINE OF WHICH IS DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF PARCEL 1 OF SAID DOCUMENT RECORDED IN BOOK 8386, PAGE 797, OF OFFICIAL RECORDS;

THENCE NORTHERLY ALONG THE EASTERLY LINE OF SAID PARCEL 1, NORTH 0°27'33" WEST 120.00 FEET;

THENCE NORTHWESTERLY ALONG THE NORTHEASTERLY LINE OF SAID PARCEL 1, NORTH 45°46'18" WEST 99.27 FEET TO THE **POINT OF BEGINNING**;

THENCE NORTH 32°38'47" EAST 115.97 FEET;

THENCE SOUTH 89°53'05" EAST 1938.46 FEET TO THE **POINT OF TERMINUS** OF SAID CENTERLINE.

EXCEPTING THEREFROM THAT PORTION LYING WITHIN LOCUST AVENUE.

THE SIDELINES OF SAID STRIP OF LAND SHALL BE PROLONGED OR SHORTENED SOUTHWESTERLY TO TERMINATE IN THE NORTHEASTERLY LINE OF SAID PARCEL 1 AND SHALL BE PROLONGED OR SHORTENED EASTERLY TO TERMINATE IN THE WESTERLY RIGHT-OF-WAY LINE OF LOCUST AVENUE.

CONTAINING 20,214 SQUARE FEET OR 0.464 ACRES, MORE OR LESS.

EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART THEREOF.

Last Update: 9/26/22

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Thienes Engineering, Inc.
 CIVIL ENGINEERING • LAND SURVEYING
 14349 FIRESTONE BOULEVARD
 LA MIRADA, CALIFORNIA 90638
 PH.(714)521-4811 FAX(714)521-4173

SURVEYOR:

PREPARED UNDER THE DIRECTION OF:

Naveen K. Gali 09/26/22
 NAVEEN K. GALI DATE
 P.L.S. NO. 9123
 REG. EXP. SEPT. 30, 2024

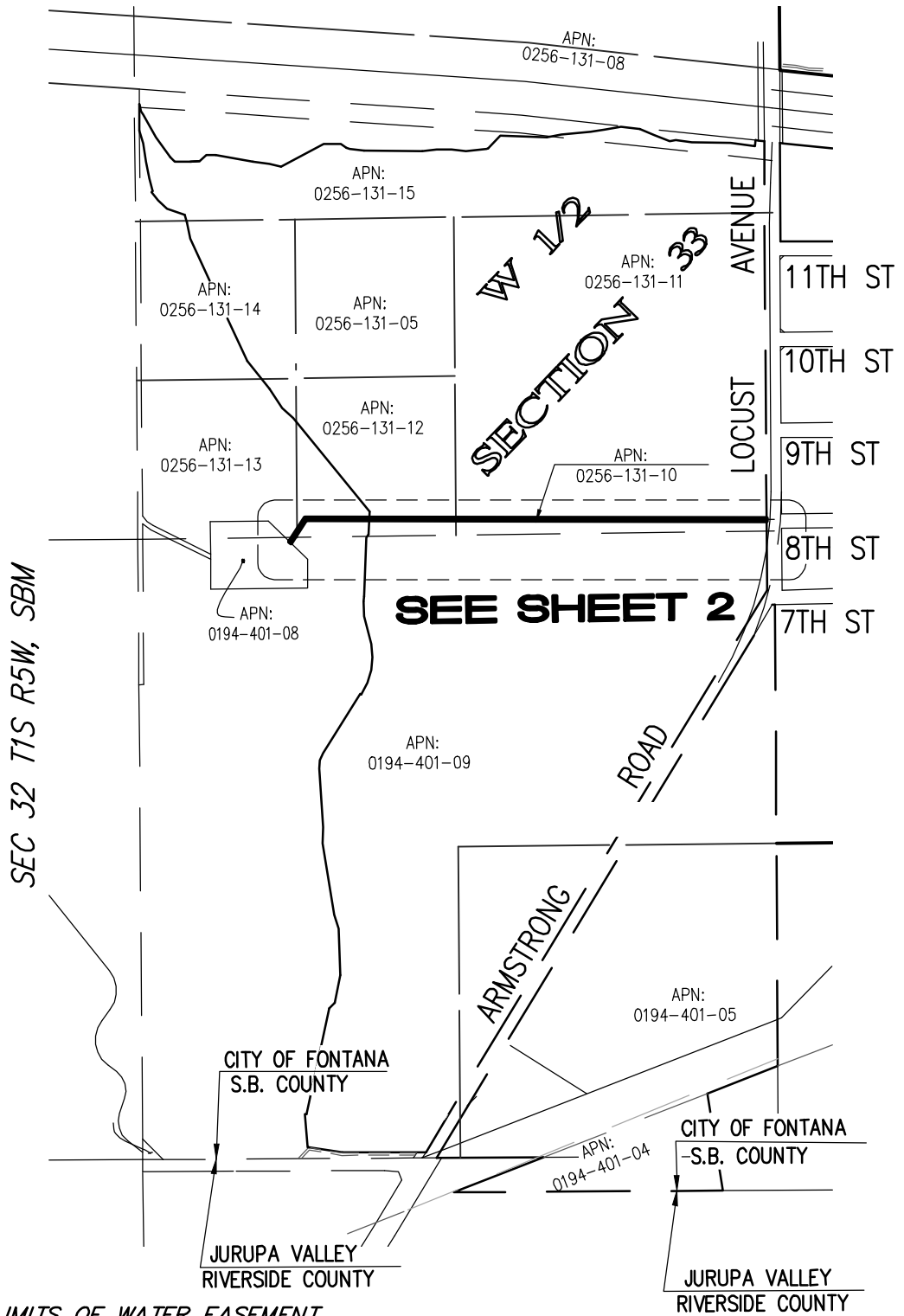


EXHIBIT "B"

PLAT
IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA



INDEX SHEET
N.T.S.



SEE SHEET 2

LEGEND:

 INDICATES LIMITS OF WATER EASEMENT OWNED IN FEE BY WEST SAN BERNARDINO WATER DISTRICT

SURVEYOR:

PREPARED UNDER THE DIRECTION OF:

Naaveen K. Gali 09/26/22
NAVEEN K. GALI DATE
P.L.S. NO. 9123
REG. EXP. SEPT. 30, 2024



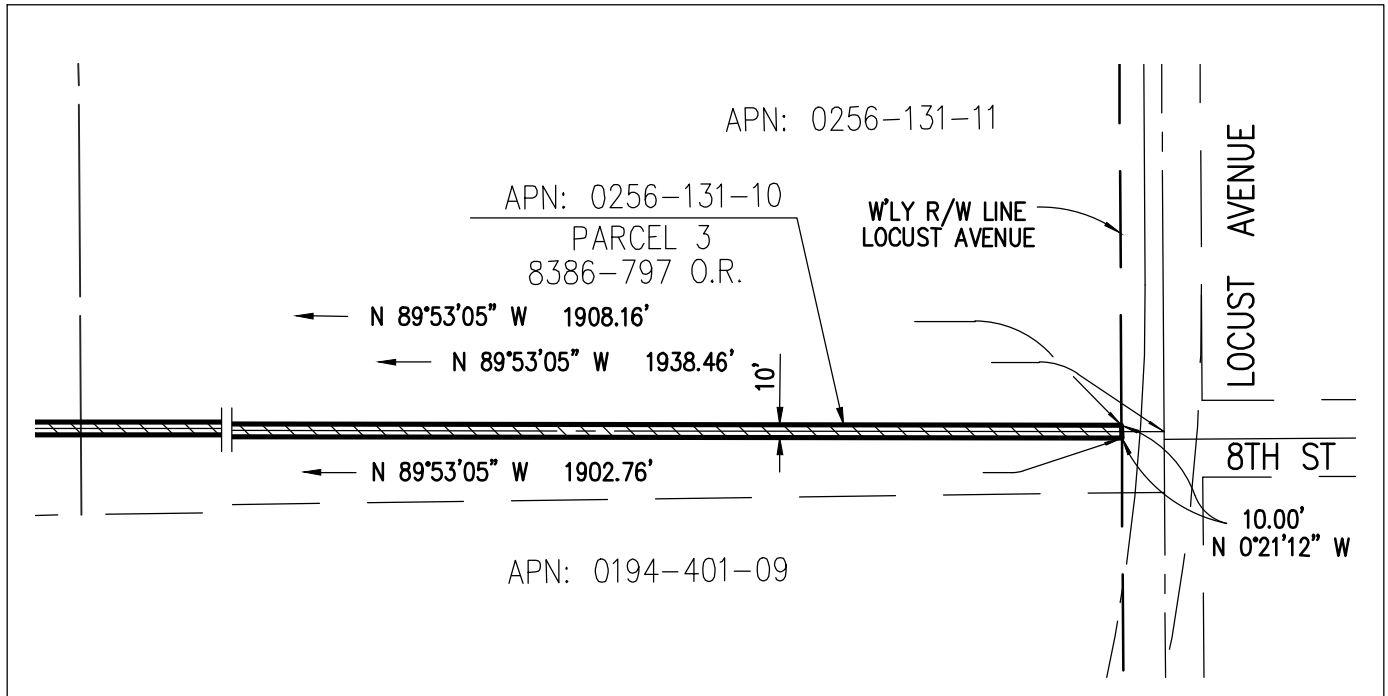
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CIVIL ENGINEERING • LAND SURVEYING
14349 FIRESTONE BOULEVARD
LA MIRADA, CALIFORNIA 90638
PH.(714)521-4811 FAX(714)521-4173

EXHIBIT "B"

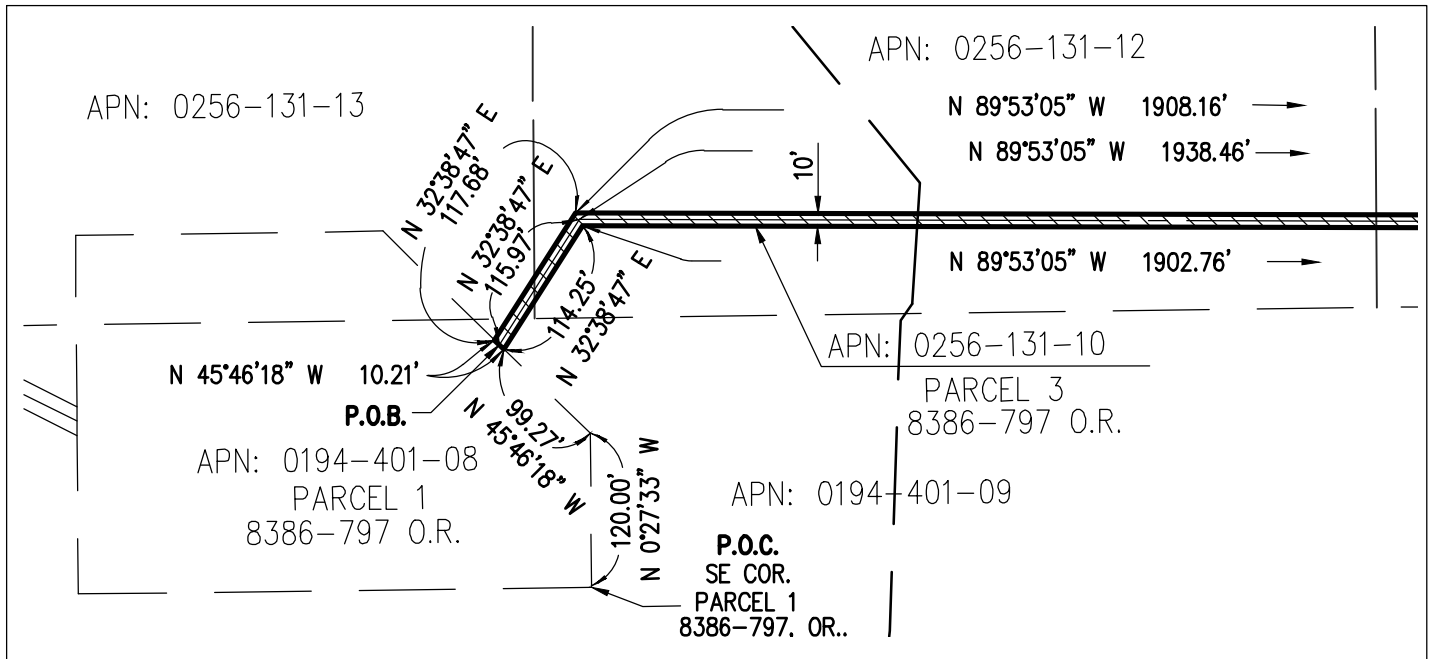
PLAT
IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA



SEE BOTTOM RIGHT



SEE TOP LEFT



LEGEND:

 INDICATES LIMITS OF WATER EASEMENT OWNED IN FEE BY WEST SAN BERNARDINO WATER DISTRICT

CONTAINS: 20,214 SQ. FT. OR 0.464 ACRES ±

P.O.B. - POINT OF BEGINNING
P.O.C. - POINT OF COMMENCEMENT

Last Update: 9/26/22
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Thienes Engineering, Inc.
CIVIL ENGINEERING • LAND SURVEYING
14349 FIRESTONE BOULEVARD
LA MIRADA, CALIFORNIA 90638
PH.(714)521-4811 FAX(714)521-4173

EXHIBIT C



WEST VALLEY WATER DISTRICT APN:0256-131-10-0000

PARLAY 2.0: Welcome, Christine Your subscription is active.



PREPARED FOR:

IDI Logistics
840 Apollo Street, Suite 343
El Segundo, CA 90245

PREPARED BY:

Santolucito Doré Group, Inc.
31600 Railroad Canyon Road
Suite 100-L
Canyon Lake, CA 92587



November 14, 2022

IDI Logistics
Attention: Brandon Dickens
Vice President of Capital Deployment
840 Apollo Street, Suite 343
El Segundo, CA 90245

Re: West Valley Water District
Located on the West Side of Locust Avenue at the Western Terminus of 8th Street
Fontana, San Bernardino County, CA
APN: 0256-131-10-0000

File Name: SDG-2022-068

Dear Mr. Dickens:

Pursuant to your request, we performed an appraisal of the above referenced property as more particularly described in the appraisal report to follow. More specifically, the subject property consists of one legal parcel of land totaling 20,416 square feet of land that that contains a water transmission main which extends from the water tank immediately to the west and connects to the water system in Bloomington and Rialto. The subject is considered a segment of an active utility corridor. It is zoned for industrial uses within the West Valley Logistics Specific Plan and can be further identified as Assessor's Parcel Number (APN) 0256-131-10-0000.

Since the property is a segment of an active utility corridor, we have valued the property via Across the Fence (ATF) Methodology. The land adjacent and to the north and south of the subject property is zoned Industrial Park (I-P). As such, we have considered industrial land adjacent to the subject property in our ATF valuation analysis.

The client and intender user for this assignment is IDI Logistics. The intended use of the appraisal is for property acquisition purposes related to the West Valley Logistics Project; specifically, the full fee acquisition of the land which contains a water pipeline. The purpose is to establish the fair market value of the property and estimate compensation for the proposed acquisition.

This appraisal report has been prepared in accordance with our interpretation of the State of California's guidelines and requirements and the *Uniform Standards of Professional Appraisal Practice (USPAP)* and the California Code of Civil Procedure relating to the appraisal of real property.

Your attention is directed to the Hypothetical Conditions, Extraordinary Assumptions, and General Conditions and Assumptions sections of this report (beginning on page 7). Acceptance of this report constitutes an agreement with these conditions and assumptions.



IDI Logistics
November 14, 2022
Page 2

Please reference page 13 of this report for important information regarding the scope of research and analysis for this appraisal - including property identification, inspection, highest and best use analysis and valuation methodology.

We certify that we have no present or contemplated future interest in the property beyond this estimate of value. The appraisers have performed prior services regarding the subject within the previous three years of the appraisal date.

Based on the appraisal described in the accompanying report, subject to the Hypothetical Conditions, Extraordinary Assumptions and General Conditions and Assumptions, we have made the following value conclusion(s):

VALUE CONCLUSIONS	
FAIR MARKET VALUE	Total Compensation Rounded
AS OF October 13, 2022	\$2,042,000

Of note, the value conclusion(s) in this report consider the impact the global Coronavirus (COVID-19) pandemic has had in the local market, if any. Additional discussion is provided in the Neighborhood and Market Summary section later in this report.

Thank you for the opportunity of submitting this appraisal. If we can be of further service, please do not hesitate to call.

Respectfully submitted,
Santolucito Doré Group Inc.

Christine S. Santolucito, R/W-AC
President
California-AG043715
Expiration: February 14, 2024
christie@sdgroupinc.com

Lance W. Doré, MAI, FRICS
Vice President
California-AG002464
Expiration: October 1, 2024
lance@sdgroupinc.com

Matthew Sunderland, MPA
Senior Appraiser
California-AG039963
Expiration: April 4, 2024
matthew@sdgroupinc.com

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SUMMARY OF SALIENT FACTS & CONCLUSIONS

GENERAL

SUBJECT PROPERTY:	±20,416 Square Feet of Vacant Land Located on the West Side of Locust Avenue at the Western Terminus of 8th Street, Fontana, San Bernardino County, CA
OWNER:	West San Bernardino Co Water District, per Public Records The name was later changed to the West Valley Water District (WVWD), but the original name is still reflected in Public Records databases.
LEGAL DESCRIPTION:	Reference in Addenda
ASSESSOR PARCEL NUMBER:	0256-131-10-0000
EFFECTIVE DATE / REPORT DATE:	October 13, 2022 / November 14, 2022
CLIENT:	IDI Logistics
INTENDED USER(S):	IDI Logistics
INTENDED USE:	The intended use of the appraisal is for property acquisition purposes related to the West Valley Logistics Project; specifically, the full fee acquisition of the land which contains a water pipeline. The purpose is to establish the fair market value of the property and estimate compensation for the proposed acquisition.
SALES HISTORY:	According to public records the subject property has not sold or transferred within the past five years.
CURRENT LISTING / CONTRACT(S):	To the best of our knowledge, the subject is not currently listed for sale. We are not aware of any purchase contracts or offers for the subject property.

PROPERTY

LAND AREA:	±0.47 acres or 20,416 square feet, per Public Records
ACCESS:	The subject is accessed from Locust Avenue at the western terminus of 8 th Steet.



TOPOGRAPHY: The subject is a vacant, undeveloped site that has a rolling to sloped natural terrain from east to west.

AVAILABLE UTILITIES: Electricity: Southern California Edison
Sewer: City of Fontana
Water: West San Bernardino Water District
Gas: Southern California Gas Company

Public utilities are assumed to be typical and adequate for the market area. Note: the subject does not have any improvements or utilities connected.

IMPROVEMENTS / PERSONAL PROPERTY: The subject property is vacant land with no improvements.

ZONING: West Valley Logistics Center Specific Plan – IL-Light Industrial through the City of Fontana; ATF property to the north and south has the same zone designation.

HIGHEST & BEST USE: **As Vacant:** In conclusion, the highest and best use of the subject “as vacant” is to remain as is while it contains the existing water main as part of a corridor.

FLOOD ZONE: Zone X. Map number 060274-06071C8666H dated 08/28/2008.

VALUE CONCLUSIONS	
FAIR MARKET VALUE	Total Compensation Rounded
AS OF October 13, 2022	\$2,042,000



HYPOTHETICAL CONDITIONS AND EXTRAORDINARY ASSUMPTIONS

Acceptance of and/or use of this report constitutes acceptance of the indicated Hypothetical Conditions and Extraordinary Assumptions; these can only be modified in a written document(s) executed by both parties.

HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as “That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.”¹

The following hypothetical conditions apply to this specific appraisal assignment. Use of these hypothetical conditions may have affected the assignment results.

- Per Section 1263.330 of the California Code of Civil Procedure, the valuation of the subject larger parcel does not include any increase or decrease in the value attributable to the proposed project.

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as “An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis.”²

The following extraordinary assumptions apply to this specific appraisal assignment. Use of these extraordinary assumptions may have affected the assignment results.

- The larger parcel boundary was not staked. The appraisers determined the property boundaries based on a review of Google Earth aerial imagery, the legal description(s) and plat map(s), and our physical inspection of the property. We have assumed our estimates are reasonable for analysis purposes. If it is later found that our estimates are incorrect, based on additional surveys or changes in the engineering maps, we reserve the right to reconsider our estimates.
- The larger parcel is valued via the ATF method, often used in the appraisal of corridors. This method utilizes a modified sales comparison approach to compare the sale comparables to the typical ATF property. As such, size, shape, and topography of the

¹ *The Appraisal of Real Estate* 14th Edition, Page 332, (Chicago: Appraisal Institute, 2013).

² *Ibid.*



larger parcel are disregarded, and these items of comparability are analyzed based on the characteristics of the typical ATF parcel.

- A preliminary title report was requested, but not provided. We have made the assumption that the contents of a preliminary title report will have no effect on the value of the subject property.
- Though the subject is a portion of an existing utility corridor, we have assumed the proposed acquisition of the subject segment will not impact the use or function of the corridor. The Client has indicated that the subsurface water pipeline will be relocated parallel to the existing pipeline as part of the project.

GENERAL CONDITIONS AND ASSUMPTIONS

The appraisal has been completed subject to the following General Conditions and Assumptions:

- This appraisal was completed per the requirements of the *Uniform Standards of Professional Appraisal Practice (USPAP)* and those additional requirements expected of a member of the Appraisal Institute. The development process used was a complete analysis that is documented in this appraisal report.
- By use of this appraisal report, each party that uses this report agrees to be bound by all of the Hypothetical Conditions and Extraordinary Assumptions stated herein. The opinions are only as of the date stated in the appraisal report. Changes since that date in external and market factors, or in the subject property itself, can significantly affect the conclusions presented in the appraisal report.
- This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed as this report is intended to be used in whole and not in part.
- All files, work papers and documents developed in connection with this assignment are the property of Santolucito Doré Group Inc. No part of this appraisal, its value estimates, or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media without Santolucito Doré Group Inc.'s prior written consent. If the appraisal report is referred to or included in any offering material or prospectus, the report shall be deemed referred to or included for informational purposes only and Santolucito Doré Group Inc., its employees, and the appraiser(s) have no liability to such recipients. Santolucito Doré Group Inc. disclaims any and all liability to any party other than the party that retained Santolucito Doré Group Inc. to prepare the appraisal report.
- The information contained in this appraisal report, or upon which the report is based, has been gathered from sources the appraiser(s) assumes to be reliable and accurate. The owner of the subject property may have provided some of such information. Neither the appraiser(s), nor Santolucito Doré Group Inc., shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits, and factual matters. Any authorized user of the appraisal report is obligated to bring to the attention of Santolucito Doré Group Inc. any inaccuracies or errors that it believes are contained in the report. Any plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted. Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.
- No part of the appraisal report shall be used in conjunction with any other analyses. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the appraisal report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. Any authorized user(s) of this appraisal report who provides



a copy to, or permits reliance thereon by, any person or entity not authorized by Santolucito Doré Group Inc. in writing to use or rely thereon, hereby agrees to indemnify and hold Santolucito Doré Group Inc., its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the appraisal report by any such unauthorized person(s) or entity(ies).

- If the appraisal report is submitted to a lender or investor with the prior approval of Santolucito Doré Group Inc., such party should consider this report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Hypothetical Conditions and Extraordinary Assumptions incorporated in this appraisal report.
- The appraiser(s) may not divulge the material (evaluation) contents of the report, analytical findings, or conclusions, or give a copy of the report to anyone other than the client, legal authorities via subpoena, or the Appraisal Institute.
- The appraisal report is based on the assumption of: (a) responsible ownership and competent management of the subject property; (b) no hidden or unapparent conditions of the subject property, subsoil or structures that render the property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the appraisal report is based.
- The physical condition of the improvements, if any, considered by the appraiser(s) is based on visual inspection by the appraiser(s). Santolucito Doré Group Inc. assumes no responsibility for the soundness of structural components or for the condition of mechanical equipment, plumbing or electrical components.
- The presence of hazardous substances may affect the value of the subject property. No hidden or unapparent conditions of the subject property, if any, to the subsoil or structure, including without limitation, asbestos, formaldehyde foam insulation, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which would make the property more or less valuable, were discovered by or made known to the appraiser(s), except those specifically mentioned in the report. The appraiser(s) is not qualified to test for such substances and no responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, the appraiser(s) assumed there was no existence of hazardous materials or conditions, in any form, on or near the subject property.
- No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the subject property was presumed to be good and merchantable and the property was appraised assuming

there were no adverse easements, encroachments, liens, encumbrances, special assessments, or other restrictions.

- The appraised value was based on the assumption that there were no tax liens affecting the subject property. Property does not appear to be assessed because it is considered a public entity. Unless otherwise noted, the subject property was found to be current in the payment of real estate taxes as of the date of value according to the applicable county Treasurer-Tax Collector. It was assumed that any special assessments affecting the subject property are typical and appropriate for the area and do not have an impact on the value conclusion in this report and that any outstanding bonds have been paid.
- Unless stated herein, the subject property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.
- Santolucito Doré Group Inc. was not provided with a Biological Survey detailing possible biological species. Without a recent biological survey of the property, it could not be determined which species are actually on or frequent the subject land. The vegetation cover on the subject land is typical for the area and may provide habitat for many indigenous animal species found throughout the area.
- No opinion is expressed with regard to potential seismic impact and it was assumed that the subject's potential risks are similar to those shared by most properties throughout the region. Santolucito Doré Group Inc. makes no warranty as to the seismic stability of the subject land. The assumption was made that future development of the property, if any, would occur in accordance with all appropriate regulations and ordinances regarding grading, fill, and applicable building codes.
- Any ground lease information referred to in the appraisal report may be based on lease summaries provided by the owner or third parties. The appraiser(s) assumes no responsibility for the authenticity or completeness of lease information provided by others. Santolucito Doré Group Inc. recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties. Any forecasts are not predictions of the future. Rather, they are the appraiser's best opinions of current market thinking on future income and expenses. The appraiser(s) and Santolucito Doré Group Inc. make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the appraiser's task to predict or in any way warrant the conditions of a future real estate market; the appraiser(s) can only reflect what the investment community, as of the date of the appraisal report, envisages for the future in terms of rental rates, expenses, and supply and demand.
- Except as may be otherwise stated in the letter of engagement, the appraiser(s) shall not be required to give testimony in any court or administrative proceeding relating to the subject property or the appraisal. If the appraiser(s) is subpoenaed pursuant to a court order, the client agrees to pay the Santolucito Doré Group Inc.'s regular per diem rate plus expenses.
- In the event of a claim against Santolucito Doré Group Inc., its affiliates, their respective officers or employees, or the appraiser(s) in connection with or in any way relating to this



appraisal report or this engagement, the maximum damages recoverable shall be the amount of the monies actually collected by Santolucito Doré Group Inc. or its affiliates for this appraisal report and under no circumstances shall any claim for consequential damages be made.

- Any estimate of insurable value, if included within the agreed upon scope of work and presented within this report, is based upon figures derived from a national cost estimating service and is developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, it is strongly recommended that the client obtain estimates from professionals experienced in establishing insurance coverage for replacing any structure. This analysis should not be relied upon to determine insurance coverage. Furthermore, the appraiser(s) makes no warranties regarding the accuracy of this estimate.
- Necessary licenses, permits, consents, legislative or administrative authority from any local, state, or federal government, or private entity, are assumed to be in place or reasonably obtainable.

SCOPE OF WORK

According to the *Uniform Standards of Professional Appraisal Practice*, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

In preparing this report, we investigated numerous land sales and listings from the area and confirmed all data with buyers, sellers, brokers, property developers, and/or public officials, when possible. We collected, confirmed, and reported data that were applicable in the valuation process. Data collection involved the use of various sources including CoStar, LoopNet, the Multiple Listing Service, RealQuest, Dataquick, Inc. (data collection services), San Bernardino County deed records, and in-house materials. The data collected and confirmed have been reported to an extent sufficient for the particular appraisal problem involved.

The client and intended user for this assignment is IDI Logistics. The intended use of the appraisal is for property acquisition purposes; specifically, the full fee acquisition of the land which contains a water pipeline. The purpose is to establish the fair market value of the property and estimate compensation for the proposed acquisition.

SCOPE OF WORK

REPORT TYPE:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary of the appraisal process, subject and market data, and valuation analyses.
PROPERTY IDENTIFICATION:	The subject has been identified by the legal description and the assessors' parcel number.
PROPERTY RIGHTS APPRAISED:	Fee simple
INSPECTION:	SD Group sent a notice of decision to appraise letter inviting the property to attend the appraisal inspection. However, the property owner was already aware of the project and is working with the Client on the relocation of their facilities.



	Access to the subject property was provided by the Client. An inspection of the subject property was made on October 13, 2022, with photographs taken the same date.
MARKET AREA AND ANALYSIS OF MARKET CONDITIONS:	An analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.
HIGHEST AND BEST USE ANALYSIS:	A highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.
VALUATION ANALYSES:	The subject site currently has a West Valley Logistics Center Specific Plan – IL-Light Industrial zone designation. However, we have valued the subject via Across the Fence (ATF) Methodology, which is typical in the valuation of land with limited developability. The zone designation of the ATF property is the same as the subject.
Cost Approach:	A cost approach was not developed in valuing the larger parcel as the site is vacant land.
Sales Comparison Approach:	A sales comparison approach was applied in determining the market value for the subject’s underlying land value (via the ATF method). There is adequate data to develop a value estimate and this approach reflects market behavior for this property type.
Income Approach:	The income approach was not developed because the subject is vacant land and not income producing.
HYPOTHETICAL CONDITIONS:	The following hypothetical conditions apply to this specific appraisal assignment. Use of these hypothetical conditions may have affected the assignment results. Per Section 1263.330 of the California Code of Civil Procedure, the valuation of the subject larger parcel does not include any increase or decrease in the value attributable to the proposed project.
EXTRAORDINARY ASSUMPTIONS:	The following extraordinary assumptions apply to this specific appraisal assignment. Use of these extraordinary assumptions may have affected the assignment results. The larger parcel boundary was not staked. The appraisers determined the property boundaries based on a review of Google Earth aerial imagery, the legal description(s) and plat map(s), and our physical inspection of the property. We have assumed our estimates are reasonable for analysis



purposes. If it is later found that our estimates are incorrect, based on additional surveys or changes in the engineering maps, we reserve the right to reconsider our estimates.

The larger parcel is valued via the ATF method, often used in the appraisal of corridors. This method utilizes a modified sales comparison approach to compare the sale comparables to the typical ATF property. As such, size, shape, and topography of the larger parcel are disregarded, and these items of comparability are analyzed based on the characteristics of the typical ATF parcel.

A preliminary title report was requested, but not provided. We have made the assumption that the contents of a preliminary title report will have no effect on the value of the subject property.

Though the subject is a portion of an existing utility corridor, we have assumed the proposed acquisition of the subject segment will not impact the use or function of the corridor. The Client has indicated that the subsurface water pipeline will be relocated parallel to the existing pipeline as part of the project.

DOCUMENTATION:

Santolucito Doré Group Inc. was provided with the document(s) listed below. Unless noted, the document(s) did not indicate any unusual or detrimental conditions that have an impact on value. These documents were assumed to be accurate and were relied upon in the valuation of the subject property.

- West Valley Logistics Center Site Plan prepared by Yong Nam of HPA Architecture (C-29451), dated January 31, 2022

No responsibility is assumed for any missing pertinent data contained within these documents and the reconciled value does not reflect knowledge of their content. A preliminary title report was requested, but not provided. We have made the assumption that the contents of a preliminary title report will have no effect on the value of the subject property.

DEFINITIONS

FAIR MARKET VALUE, SEVERANCE DAMAGES, AND PROJECT BENEFITS³

As defined in the California Code of Civil Procedure:

- 1263.320 (a) The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.
- (b) The fair market value of property taken for which there is no relevant, comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable.
- 1263.330 The fair market value of the property taken shall not include any increase or decrease in the value of the property that is attributable to any of the following:
- (a) The project for which the property is taken.
- (b) The eminent domain proceeding in which the property is taken.
- (c) Any preliminary actions of the plaintiff relating to the taking of the property.
- 1263.410 (a) Where the property acquired is part of a larger parcel, in addition to the compensation awarded pursuant to Article 4 (commencing with Section 1263.310) for the part taken, compensation shall be awarded for the injury, if any, to the remainder.
- (b) Compensation for injury to the remainder is the amount of the damage to the remainder reduced by the amount of the benefit to the remainder. If the amount of the benefit to the remainder equals or exceeds the amount of the damage to the remainder, no compensation shall be awarded under this article. If the amount of the benefit to the remainder exceeds the amount of damage to the remainder, such excess shall be deducted from the compensation provided in Section 1263.510, if any, but shall not be deducted from the compensation required to be awarded for the property taken or from the other compensation required by this chapter.
- 1263.420 Damage to the remainder is the damage, if any, caused to the remainder either or both of the following:
- (a) The severance of the remainder from the part taken.
- (b) The construction and use of the project for which the property is taken in the manner proposed by the plaintiff whether or not the damage is caused by a portion of the project located on the part taken.

³ Part 3, Title 7, Chapter 9, Article 4, of the California Code of Civil Procedure



1263.430 Benefit to the remainder is the benefit, if any, caused by the construction and use of the project for which the property is taken in the manner proposed by the plaintiff whether or not the benefit is caused by a portion of the project located on the part taken.

PROPERTY RIGHTS APPRAISED

The property rights appraised are fee simple estate.

Fee Simple Estate is defined as follows: "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."⁴

ACROSS THE FENCE

The subject property has been valued using the across the fence method.

Across the Fence Method is defined as follows "A land valuation method often used in the appraisal of corridors. The across-the-fence method is used to develop a value opinion based on comparison to abutting land."⁵

Across the Fence Value is defined as follows "In the valuation of real estate corridors, the value concluded based on a comparison with adjacent lands before the consideration of any other adjustment factors."⁶

⁴ *The Dictionary of Real Estate Appraisal*, 7th Edition, Page 73, (Appraisal Institute, Chicago: 2022).

⁵ *The Dictionary of Real Estate Appraisal*, 7th Edition, Page 3, (Appraisal Institute, Chicago: 2022).

⁶ *The Dictionary of Real Estate Appraisal*, 7th Edition, Page 3, (Appraisal Institute, Chicago: 2022).



REGIONAL DESCRIPTION – SAN BERNARDINO COUNTY



San Bernardino County is located in the southeastern portion of California and is bordered by Inyo County (north), Riverside County (south), Orange, Los Angeles and Kern Counties (west), and Arizona (east). With a land area of approximately 20,105 square miles and 24 incorporated cities, it is the largest county in the nation in terms of physical size and fifth largest in the state in population. The county is part of the "Inland Empire," a region that encompasses 27,000 square miles and also includes Riverside County.

TRANSPORTATION

San Bernardino County has some of the busiest transportation corridors in the nation including Interstate 10 (providing access to Los Angeles and Riverside Counties), Interstate 40 (providing access to Barstow and beyond), Interstate 15 (providing access to Riverside and San Diego Counties), Interstate 215 (allows alternative freeway access to I-15), and Interstate 30 (providing access to State Routes 18 and 330). Additional primary highways include Highways 95 and 395. Traffic is expected to increase significantly in the long-term as a result of population and employment growth throughout the region.

Passenger and cargo air service is provided by Ontario International Airport and San Bernardino International Airport. There are also 10 private and municipal aviation facilities serving the county. Commercial rail transportation is provided by Southern Pacific, Union Pacific, and Santa Fe; passenger rail is provided by Amtrak (long-distance) and Metrolink (commuter). Omnitrans operates 27 bus routes in the urbanized portions of the county and jointly operates routes to Los Angeles; additional transit agencies offer bus service to other areas. The closest deep-water ports are in Los Angeles and San Diego.

SERVICES

San Bernardino County offers a complete array of services to residents. Southern California Gas Company and Southern California Edison provide gas and electric, respectively. Water and sewer services are offered by various providers. The county's primary law enforcement agency is the San Bernardino County Sheriff's Department, which serves the county's unincorporated areas and 14 contract cities; non-contract cities have their own municipal police departments. San Bernardino County Consolidated Fire District provides "all-risk" fire, rescue and emergency medical services to unincorporated areas that are not served by independent fire protection districts, as well as those cities that contract with the department. There are 33 school districts in the county and a community college campus in the city of San Bernardino. There are also several public and private universities, including California State University-San Bernardino, University of Redlands, and Loma Linda University.

RECREATION | TOURISM

San Bernardino has a wide variety of recreational and touristic attractions, including mountains, deserts, resorts, cultural and sporting events. The county is known for its abundant outdoor activities, including the San Bernardino Wilderness Area with 11,000+ foot mountains providing opportunities for snow skiing, and the San Bernardino and Cleveland National Forests, which have 1,000,000+ acres of land with campsites, hiking trails, and mountain lakes for fishing, boating, and water skiing. The Cleveland National Forest includes a section of the Pacific Crest Trail, Mount Palomar Observatory, and Agua Tibia Wilderness. North of the San Bernardino Mountain range is the Mojave Desert and Death Valley. Joshua Tree National Monument, Santa Rosa Mountains National Scenic Area, and Anza Borrego Desert are also nearby. Specific recreational venues include Calico Ghost Town, Zzyzx (a desert center), and Goldstone Deep Space Communications Complex. Coastal-oriented activities are easily accessible in Los Angeles, Orange, and San Diego Counties.

SAN BERNARDINO COUNTY CITY POPULATION ESTIMATES			
City	Jan-21	Jan-22	% change
Adelanto	36,569	36,357	-0.6
Apple Valley	76,160	75,628	-0.7
Barstow	25,405	25,202	-0.8
Big Bear Lake	5,054	5,041	-0.3
Chino	89,824	91,998	2.4
Chino Hills	78,437	77,964	-0.6
Colton	53,853	53,617	-0.4
Fontana	209,889	212,809	1.4
Grand Terrace	13,131	13,042	-0.7
Hesperia	100,225	100,324	0.1
Highland	56,915	56,546	-0.6
Loma Linda	25,310	25,349	0.2
Montclair	38,052	37,846	-0.5
Needles	4,915	4,876	-0.8
Ontario	176,689	179,516	1.6
Rancho Cucamonga	174,484	174,476	0.0
Redlands	72,933	72,585	-0.5
Rialto	104,050	103,954	-0.1
San Bernardino	222,024	220,840	-0.5
Twentynine Palms	27,486	27,685	0.7
Upland	78,891	79,139	0.3
Victorville	134,700	136,561	1.4
Yucaipa	54,830	54,494	-0.6
Yucca Valley	21,846	21,813	-0.2
Balance of County	300,671	300,003	-0.2
San Bernardino	2,182,343	2,187,665	0.2

Source: California Development Department

POPULATION | DEMOGRAPHICS

As of January 2022, the county's total estimated population was 2,182,343, which is a 0.2% increase from the previous year. Population is projected to increase by 1.1% annually between 2019 and 2060.

Population increases in the region are primarily a result of out-migration from the nearby overcrowded and more expensive counties of Los Angeles, Orange and San Diego. Many locals commute to these primary employment centers in exchange for a superior quality of life. Although this trend slowed during the recent recession, it is expected to continue as long as local home prices remain significantly lower than the coastal Southern California communities.



REGIONAL AND STATE HISTORICAL AND FORECAST POPULATION (2010-2060)						
Location	2010	2020	2030	2040	2050	2060
San Bernardino County	2,043,484	2,230,602	2,478,888	2,730,966	2,976,804	3,232,412
Riverside County	2,196,083	2,500,975	2,857,496	3,159,599	3,400,372	3,596,588
California	37,335,085	40,639,392	43,939,250	46,804,202	49,077,801	50,975,904

Source: California Department of Finance

According to the latest census data, the county had 640,090 households with an average of 3.3 persons per household and a median age of 33.6 years.

LARGEST EMPLOYERS IN SAN BERNARDINO COUNTY		
Employer	# Employees	% Employment
County of San Bernardino	>10,000	1.31%
Amazon	>10,000	1.31%
Loma Linda University Medical Center	>10,000	1.31%
Kaiser Permanente	>10,000	1.31%
State of California	>10,000	1.31%
Wal-Mart	5,000 - 9,999	0.66% - 1.31%
United Parcel Service	5,000 - 9,999	0.66% - 1.31%
Stater Brothers	5,000 - 9,999	0.66% - 1.31%
Federal Express	2,500 - 4,999	0.66% - 1.31%
San Manuel Tribe & Casino	2,500 - 4,999	0.66% - 1.31%

Source: 2020 San Bernardino County Comprehensive Financial Report

REGIONAL ECONOMY

Trends in employment are a key indicator of economic health and strongly correlate with real estate demand. As mentioned earlier, San Bernardino and Riverside Counties comprise the “Inland Empire,” which has a diversified employment base drawing on employment centers in Los Angeles, Orange, and San Diego

Counties. One of the fastest growing metro areas in the state and nation between 1997 and 2006, it was labeled “the epicenter” of the last recession. In late-2011, however, the region began experiencing more job growth than most other metropolitan areas in the state and is now transitioning to an expansionary cycle.

TOTAL EMPLOYMENT | UNEMPLOYMENT RATE

According to the California Employment Development Department, San Bernardino County had a labor force of 1,020,000 in August 2022. An estimated 977,500 were employed indicating a 4.2% unemployment rate. This compares to the statewide jobless rate of 4.1% and the national rate of 3.7%.

SAN BERNARDINO EMPLOYMENT		
Industry	# Employed	% of Total Wage & Salary Employment
Employed Labor Force	847,144	100.0%
Education/Healthcare/Social Services	189,104	22.3%
Retail Trade	111,714	13.2%
Manufacturing	80,843	9.5%
Professional/Scientific/Management	78,922	9.3%
Arts/Entertainment/Recreation/Food Service	75,404	8.9%
Transportation/Warehousing/Utilities	71,734	8.5%
Construction	60,592	7.2%
Public Administration	46,195	5.5%
Finance/Insurance/Real Estate	40,892	4.8%
Wholesale Trade	29,935	3.5%
Information	11,334	1.3%
Agricultural/Forestry/Hunting/Mining	6,136	0.7%

Source: U.S. Census / American Community Survey)

PERSONAL | MEDIAN HOUSEHOLD INCOME

Personal income is a significant factor in determining the real estate demand in a market. According to the latest census data, San Bernardino County had a median household income was \$65,761, compared to \$78,672 in California. Given the economic downturn in late 2008, with the Inland Empire being particularly hard hit, lower income figures are expected.

Census data indicate that a total of 15.2% of the county population lives below the poverty level, which is higher than the state (12.6%). A total of 60.1% of the population owned their own homes, significantly higher than the state (55.3%) due to a relatively strong employment base coupled with affordable home prices.

REAL ESTATE DEVELOPMENT

San Bernardino County has a wide range of real estate development and property types typical of a large metropolitan area, as well as an abundance of vacant and affordable land. After being hit hard by the recession, which caused a severe slowdown in new construction, sales, and leasing, the entire Inland Empire began to tentatively improve in 2012. This trend has continued, and the current consensus is that the region is transitioning into an expansionary phase.

RESIDENTIAL

Similar to the entire Southern California region, home prices in San Bernardino County peaked in 2007, and began to decline in 2008. Significant price reductions in both resale and new home product began to occur in 2008, as a result of the fall-out over the subprime lending and national financial crisis, with prices hitting bottom in 2009. This trend continued throughout most of 2011, with some improvement occurring as a direct result of government incentives. According to CoreLogic, the median price of an existing single-family home in San Bernardino County increased to \$500,000 in August 2022, a 7.5% increase over the same month a year earlier.



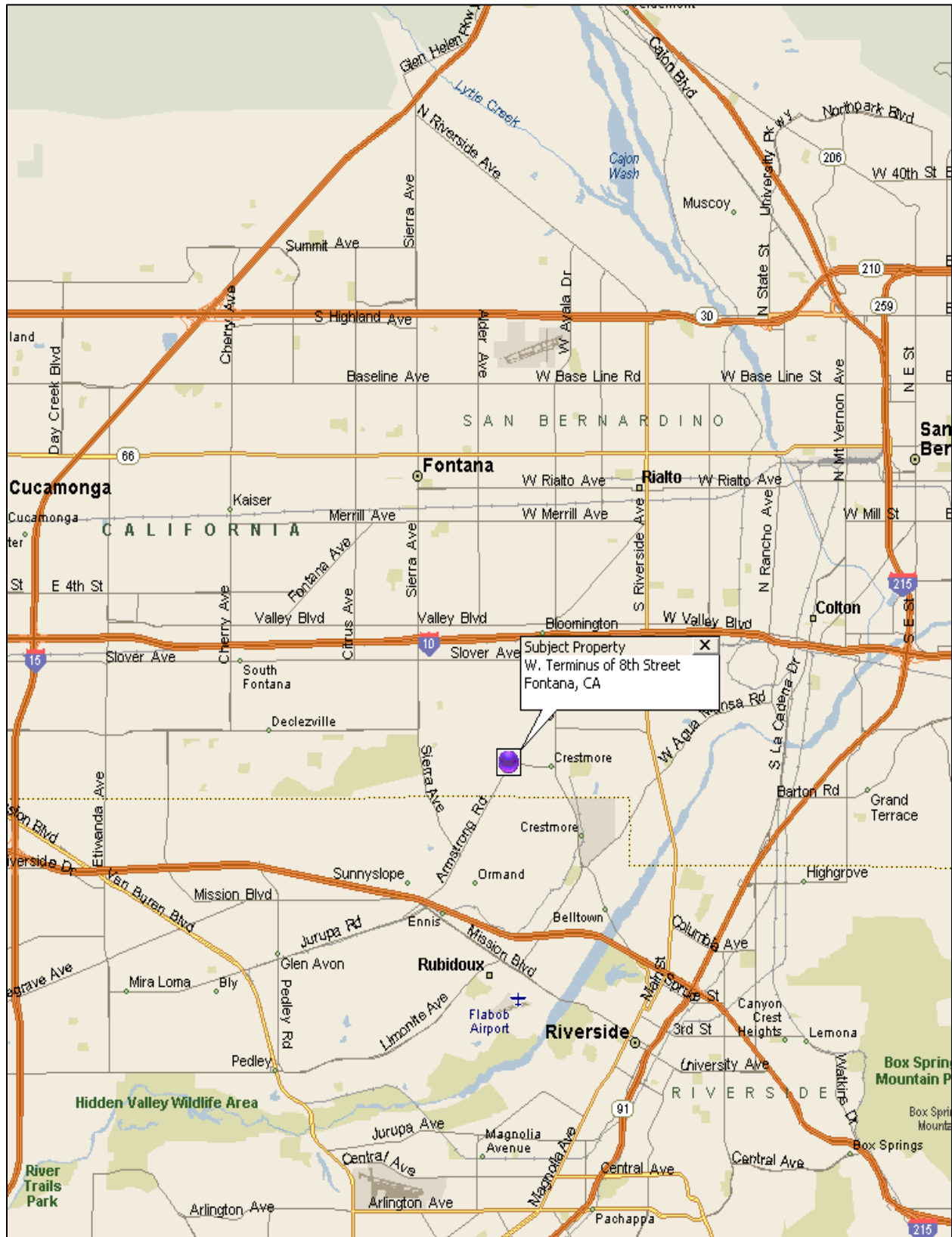
SOUTHERN CALIFORNIA HOME PRICING TRENDS				
CA County	Sales	Median Price		
	Aug-22	Aug-22	Aug-21	% Change
Los Angeles County	5,581	820,000	785,000	4.5%
Orange County	2,547	985,000	900,000	9.4%
Riverside County	3,310	582,000	525,000	10.9%
San Bernardino County	1,851	500,000	465,000	7.5%
San Diego County	3,115	799,000	725,000	10.2%
Ventura County	870	782,250	740,500	5.6%
SoCal	17,274	\$790,625	\$732,750	8.0%

Source: CoreLogic

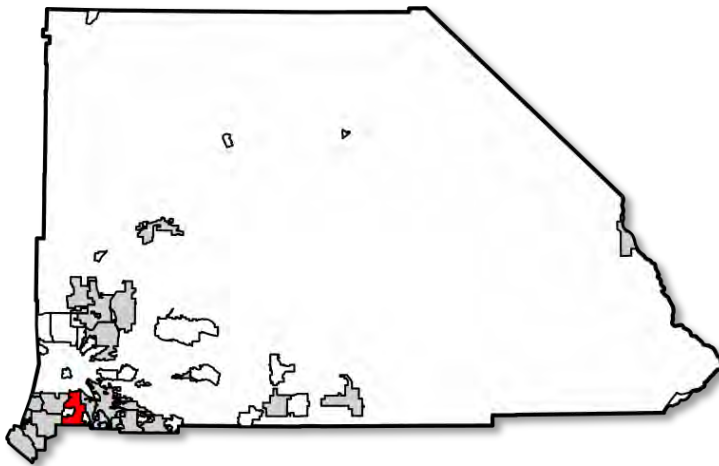
CONCLUSION

San Bernardino County has an established reputation and a stable economy, which is fueled by the region's relative affordability and well-developed distribution network. Inland Empire's relatively inexpensive land, proximity to the twin ports in L.A., and proximity to a massive consumer base throughout Southern California has made it the premier location for logistics firms to expand.

REGIONAL MAP



CITY DESCRIPTION – FONTANA



LOCATION | TRANSPORTATION

Fontana is in San Bernardino County, approximately 50 miles east of Los Angeles. Due to its geographic location, the city is identified as “...the crossroads of the Inland Empire”. Fontana shares borders with Rialto and San Bernardino and sits on the edge of the San Gabriel and Jurupa Mountain ranges, at an approx. 1,000 - 2,000-foot elevation. In one part of the city the elevation climbs to approximately 2,500 feet.

I-10 (CA) San Bernardino Freeway, I-15 (CA) Ontario Freeway, California Foothill Boulevard (Historic U.S. Route 66), US 99 (CA) Valley Boulevard (Historic U.S. Route 99) and California 210 Foothill Freeway provide access to Fontana.

The Metrolink rail service to the greater Los Angeles area has a station here and runs through the

center of town. The city of Fontana is ten minutes away from Ontario International Airport. The city is also served by Omnitrans bus service.

SURROUNDING CITY POPULATION ESTIMATES			
City	1-Jan-21	1-Jan-22	% change
Fontana	209,889	212,809	1.3
Highland	56,915	56,546	-0.7
Ontario	176,689	179,516	1.6
Rancho Cucamonga	174,484	174,476	0.0
Redlands	72,933	72,585	-0.5
San Bernardino County	2,182,343	2,187,665	0.2
Source: California Development Department			

POPULATION | DEMOGRAPHICS

As of January 2022, the city had an estimated population of 212,809, which is an increase (1.3%) from the prior year’s estimate.

According to the 2019 American Community Survey (US Census), Fontana had 54,558 households with

3.2 persons per household and a median age of 32.2 years.



SERVICES | RECREATION

The city has adequate services, facilities, and utilities. Services provided include police protection; contract for fire services; the construction and maintenance of highways, streets, and other infrastructure; wastewater and sanitation services; and recreational activities and cultural events. While most residents of the city attend schools within the Fontana Unified School District, some areas of the city are served by neighboring school districts. The Northwest area of the city is partly served by the Etiwanda School District (K thru 8 only) and the Chaffey Joint Union High School District (High Schools only). The Southeast area of the city is partly served by the Colton Joint Unified School District and the Northeast area of the city is partly served by the Rialto Unified School District. There are two Options for Youth Charter Schools in Fontana. These schools are chartered through the Victor Valley Union High School District and offer an independent study program and small group classes to obtain a high school diploma.

Fontana is home to a renovated historic theater, a municipal park, and the Auto Club Speedway on the site of the Kaiser Steel Mill. Fontana also hosts the Fontana Days Half Marathon and 5K run. This race is the fastest half-marathon course in the world. One of the more prominent and well-known landmarks of the city is the Lewis Library and Technology Center, which opened in April 2008. At an estimated cost of over \$60,000,000, this facility was made possible through a mixture of private and public funds. It is the largest library in the San Bernardino County Library System.

10 LARGEST EMPLOYERS IN FONTANA		
Employer	No. of Employees	% Of Total
Kaiser Hospital & Medical Group	6,246	6.37%
Fontana Unified School District	5,898	6.01%
Amazon.com Services LLC	3,008	3.07%
City of Fontana (included pt employees)	995	1.01%
Estes West	352	0.36%
Water of Life Community Church	300	0.31%
Saia Motor Freight Line LLC	289	0.29%
Schlosser Forge Company	287	0.29%
Walmart Store #1756	286	0.29%
Costco Wholesale #627	275	0.28%

Source: 2020 Fontana City Comprehensive Annual Financial Report

LOCAL ECONOMY | INCOME

Fontana's current economy is driven largely by industrial uses, particularly trucking-based industries. The city is home to several truck dealerships, and other industrial equipment sales centers, and, like its neighbors Ontario and Rancho Cucamonga,

many products distribution centers for such companies as Toyota, Target, Sears, Mercedes-Benz, Southern California Edison, Home Shopping Network, and Avery Dennison. The city is also home to numerous small manufacturers of building materials and other locally used products, and many small auto dealerships and salvage yards. Fontana's economy has also heavily encouraged, at least until such activities had been somewhat hampered by the Subprime mortgage crisis, the planning, developing and construction of new housing tracts. The city also has numerous local shopping centers, such as the Summit Heights Gateway/Falcon Ridge Town Center at the north end of the city, and Palm Court in the southern section. The city also features commercial strip zoning along several of its major avenues and boulevards, such as the "Miracle Mile" straddling

State Route 210 between Citrus and Sierra Avenues. The official Fontana Auto Center is part of that zone, with two major dealerships already in place.

EMPLOYMENT | UNEMPLOYMENT

According to the State of California's Employment Development Department, Fontana had a total civilian labor force of 105,200, and an unemployment rate of 3.8% in August of 2022. The majority of civilian jobs were in the following industries: 1) Educational Services, Healthcare, Social Services; 2) Transportation, Warehousing, and Utilities; 3) Manufacturing; 4) Construction; 5) Professional, Scientific, and Management.

PERSONAL INCOME

According to the 2019 American Community Survey, Fontana had a per capita income of \$24,015, which is significantly less than the state of California (\$36,955). A total of 13.0% of the population was living below the poverty level, as compared to 13.4% in the state.

REAL ESTATE DEVELOPMENT

Fontana is adequately served by a mix of commercial, industrial, and residential real estate.

RESIDENTIAL

Residential development in Fontana is typically of fair to average quality and condition and are characterized by one- to two-story improvements typically of stucco construction. Single- and multi-family developments are found throughout the city. CoreLogic reported a median home price in the city of \$615,000 in August 2022, up 12.8% from the previous year. There was a total of 122 sales during the month.

FONTANA & SURROUNDING CITIES HOME PRICING TRENDS				
City	# Sales	Median Price		
		Aug-22	Aug-21	% Change
Fontana	122	\$615,000	\$545,000	12.8%
Highland	43	\$525,000	\$439,000	19.6%
Ontario	115	\$628,750	\$596,000	5.5%
Rancho Cucamonga	117	\$710,000	\$630,000	12.7%
Redlands	64	\$580,000	\$550,000	5.5%
San Bernardino County	1,851	\$500,000	\$465,000	7.5%

Source: CoreLogic

CONCLUSION

The same positive factors affecting the region, including diversified employment, established transportation corridors, affordability, and the year-round mild climate, are the primary reasons why the city is expected to continue to thrive in the long-term.



CITY MAP



NEIGHBORHOOD AND MARKET AREA DESCRIPTION

The subject property is located west of Locust Avenue at the western terminus of 8th Street in the city of Fontana, San Bernardino County, California. Access to Fontana is by the I-10 Freeway to the north, the I-15 Freeway to the west and the CA-60 Freeway to the south.

The subject's immediate industrial neighborhood is generally bounded by Cedar Avenue to the east, the I-10 Freeway to the north, and Sierra Avenue to the west and south. Primary arterials for this area include Sierra Avenue, Jurupa Avenue, Santa Ana Avenue, Cedar Avenue, and Slover Avenue. There are also secondary streets which provide good access throughout the neighborhood.

Property types in the immediate area of the subject property are mostly industrial and residential in nature with commercial retail located nearby. The Union Pacific West Colton Rail Yard is located approximately 2.2 miles northeast of the subject property adjacent the I-10 Freeway. Major freeway junctions, including the I-15/CA/60, the I-10/I-15, the I-10/I-215, and the CA-60/I-215 intersections are all within 8 miles of the subject. The subject neighborhood and surrounding neighborhoods are in a growth stage of the economic life cycle with previous open space and rural residential properties being converted to industrial uses.

The subject is a narrow 20,416 square foot parcel that contains a water main that connects to the water distribution system to the west serving the communities of Bloomington and Rialto to the north and east. As previously discussed, the subject underlying land will be appraised via ATF methodology. The typical ATF parcel is industrial zoned land. An initial search for comparable industrial land sales was conducted within Los Angeles, Orange, Riverside, and San Bernardino Counties that sold within the past four years of the date of value. The wider radius search was necessary given the lack of large industrial sites in the general subject area and county. The search revealed several sales sufficient for use in valuing the subject property.

There is no published data on trends for industrial land sales. A review of sales activity and discussions with brokers and market participants indicate an upward trend in land values. Discussions with these market participants revealed strong demand for vacant industrial land. An investor reported that industrial real estate prices have appreciated significantly over the last two years, especially after the global COVID-19 pandemic, which accelerated the growth of e-commerce and the demand for warehousing space. We have considered the upward trend in our analysis of market conditions and an upward annual adjustment of 10% is applied to the land sales, up until March 31, 2022 when the federal reserve began a series of interest rate increases, to account for inflation in values subsequent to their dates of sale.



PROPERTY DESCRIPTION

LARGER PARCEL

There are three requirements a property must meet to be considered a “Larger Parcel”, unity of ownership, physical contiguity, and unity of use (common highest and best use).

In the subject’s case, there is one property owner (see Summary of Salient Facts and Conclusions section) multiple legal parcels with one common highest and best use. The subject property under appraisal is a segment of a corridor, which extends several parcels to the west and for miles to the east. However, for purposes of the appraisal report, we have considered Assessor’s Parcel Number 0256-131-10-0000 as the larger parcel, as this is the only parcel impacted by the project. Therefore, all three requirements are met.

SITE

LOCATION:	The subject property is located on the West Side of Locust Avenue at the Western Terminus of 8th Street, Fontana, San Bernardino County, CA	
LEGAL DESCRIPTION:	Reference in Addenda	
ASSESSOR PARCEL NUMBER(S):	0256-131-10-0000	
CURRENT USE:	Vacant land that contains an underground water transmission main	
SIZE:	±0.47 acres or 20,416 square feet, per Public Records	
SHAPE:	Very Narrow and Mostly Rectangular	
ZONING:	Zone:	West Valley Logistics Center Specific Plan – IL-Light Industrial
		Of note, the land is valued utilizing ATF methodology. The typical ATF parcel is also zoned West Valley Logistics Center Specific Plan – IL-Light Industrial, which will be utilized in this analysis.
	Description:	The subject is located within the West Valley Logistics Center Specific Plan and has a land use designation of IL-Light Industrial According to the specific plan: “The Light Industrial land use category will provide a suitable location for warehouse/ distribution



logistics uses in a business park setting by allowing for a wide range of suppliers and services. Additionally, it may attract both large primary users and smaller supporting uses. As the primary land use on the site, the Light Industrial land use category will allow buildings ranging in size from approximately 100,000 square feet to over 1,000,000 square feet, with a floor area ratio (FAR) not to exceed 0.55.”

The development standards for IL zone within the specific plan include a 40,000 square foot minimum lot size, a 75 foot setback from Locust Avenue, 40 foot setback from a specific plan boundary, and 20 feet from an industrial use, and primary building height of 75 feet.

Current Use: The subject property is currently vacant land with underlying water main infrastructure.

Legally Conforming: There are no building improvements.

Zoning Comments: None

FRONTAGE / ACCESS: The subject property’s frontage is as follows:
• Locust Avenue: 10± feet

ADJACENT USES:
North: Vacant Land
South: Vacant Land
East: Vacant Land / Water Storage Tanks
West: Locust Avenue / 8th Street

TOPOGRAPHY: The subject has a rolling topography from east to west with the last portion of the eastern segment sloping uphill.

SOIL CONDITIONS: The soil conditions observed at the subject appear to be typical of the region and adequate to support development.

HAZARDOUS SUBSTANCES: We did not observe any evidence of toxic or hazardous substances during inspection of the site. The subject is not listed as a hazardous site per the *Hazardous Waste and Substances Sites List* compiled by the California Environmental Protection Agency. Santolucito Doré Group Inc. was not provided with a *Phase I Environmental Assessment Report* or any other reports addressing potentially hazardous materials on or near the subject property.

UTILITIES:
Electricity: Not Connected - Southern California Edison
Sewer: Not Connected – City of Fontana



Water:	Not Connected – West Valley Water District
Natural Gas:	Not Connected – Southern California Gas Company
Underground Utilities:	Underground utilities are nearby but not to the subject site.
Adequacy:	Utilities are not connected to the subject property. However, access to public utilities is assumed to be typical and adequate for the market area.
FLOOD ZONE:	The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA) and has a flood zone designation of X which has minimal flood hazards.
	FEMA Map Number: 060274-06071C8666H
	FEMA Map Date: August 28, 2008
	The typical ATF parcel is also located in zone X, an area of minimal flood hazard.
WETLANDS / WATERSHED:	The subject property did not appear to be within a wetland or watershed area. It is assumed that it is not an environmentally sensitive area.
EARTHQUAKE HAZARD:	The subject land is not located in an Alquist-Priolo Special Study area. It is noted that all of California is subject to potentially destructive earthquakes, the subject site is not unusually risky in this regard.
ENVIRONMENTAL ISSUES:	There are no known adverse environmental conditions on the subject site. Please reference Limiting Conditions and Assumptions.
BIOLOGIC CONDITIONS:	We did not review a Biological Survey detailing possible biological species on the subject land. Without this, it could not be determined which species are actually on or frequent the property.
MINERAL RIGHTS	This area has a low potential for mining related activity. There were no observed operations and in Southern California mineral extraction is largely cost prohibitive.
GION-DIETZ DECISION – IMPLIED DEDICATION:	Based on the decision in Gion v. The City of Santa Cruz and Dietz v. King, consolidated in (1970) 2 Cal.3d 29, "Gion-Dietz", it did not appear there is an implied dedication by the public on the subject property.
SITE IMPROVEMENTS / PERSONAL PROPERTY:	The subject property is currently vacant land with no site improvements, although the eastern property boundary has chain-link fencing.

**PROPERTY TAX
INFO:**

Taxing Authority: San Bernardino
Year: 2022
Land Assessed Value: \$0.
Improved Assessed Value: \$0
Total Assessed Value: \$0
Total Taxes: \$0
Comments: The subject owner is a public agency and not subject to property tax.



AERIAL PHOTOGRAPH



Subject Property



Neighborhood

SUBJECT PHOTOGRAPHS



Street View of Locust Avenue facing north, ATF Parcel and Subject to Left (photo taken by M. Sunderland 10/13/2022)



Street View of Locust Avenue facing south, ATF Parcel and Subject to Right (photo taken by M. Sunderland 10/13/2022)

SUBJECT PHOTOGRAPHS (CONT.)



Terminus of 8th Street and eastern subject parcel boundary facing west
(photo taken by M. Sunderland 10/13/2022)



Western view of subject parcel from eastern boundary, ATF parcels to right and left
(photo taken by M. Sunderland 10/13/2022)

SUBJECT PHOTOGRAPHS (CONT.)

Western view of subject parcel from middle of subject, ATF parcels to right and left
(photo taken by M. Sunderland 10/13/2022)



Eastern view of subject parcel from middle of subject, ATF parcels to right and left
(photo taken by M. Sunderland 10/13/2022)

SUBJECT PHOTOGRAPHS (CONT.)



Eastern view of subject parcel near western boundary, ATF parcels to right and left (photo taken by M. Sunderland 10/13/2022))



Southern view of southern ATF parcel from subject parcel (photo taken by M. Sunderland 10/13/2022)

SUBJECT PHOTOGRAPHS (CONT.)



Northern view of northern ATF parcel from subject parcel
(photo taken by M. Sunderland 10/13/2022)

HIGHEST AND BEST USE

Highest and best use may be defined as:

*The reasonably probable use of property that results in the highest value.*⁷ To be reasonably probable, a use must be:

1. **Legally Permissible:** *What uses are permitted by zoning and other legal restrictions?*
2. **Physically Possible:** *To what use is the site physically adaptable?*
3. **Financially Feasible:** *Which possible and permissible use will produce any net return to the owner of the site?*
4. **Maximally Productive.** *Among the feasible uses, which use will produce the highest net return, (i.e., the highest present worth)?*

HIGHEST AND BEST USE AS VACANT

LEGALLY PERMISSIBLE / PHYSICALLY POSSIBLE

Since the property is a segment of an active utility corridor, we have valued the property via Across the Fence (ATF) Methodology. This approach considers the adjacent zoning/land uses as the basis for valuation of the subject.

As discussed in the Land Description section, the subject land is zoned West Valley Logistics Center Specific Plan – IL-Light Industrial but will be appraised via ATF methodology based on the typical ATF parcel, which has the same zoning as the subject. The underlying land value for the subject is based on the highest and best use of the typical ATF property, which is zoned for industrial uses.

FINANCIALLY FEASIBLE / MAXIMALLY PRODUCTIVE

As previously stated, the subject larger parcel was created by the owner for their water transmission main to transport water from storage tanks to the west serving the communities of Bloomington and Rialto to the north and east. This main line connects the water supply to an established community and it would be extremely difficult to reroute or change it to an area outside the immediate neighborhood. Its current use is important in maintaining public infrastructure and there is a trend to preserve this type of infrastructure, due to the difficulty in modifying it or relocating it. Given these factors, we have concluded that the maximally productive use of the subject is to maintain its current use.

In conclusion, the highest and best use of the subject “as vacant” is to remain as is while it contains the existing water main.

⁷ *The Appraisal of Real Estate* 14th Edition, Page 332, (Chicago: Appraisal Institute, 2013).



MOST PROBABLE BUYER

Taking into account all of the physical and investment characteristics of the subject property, the likely buyer is a public entity.

VALUATION METHODOLOGY

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Income Capitalization Approach
3. The Sales Comparison Approach

COST APPROACH

The cost approach is a breakdown of property into land and building components. It assumes that an informed buyer would pay no more for a property than the cost of acquiring land and reproducing improvements of similar utility, less the amount of any depreciation. This approach is most applicable when improvements are relatively new and represent the highest and best use of the land, or in the case of special-use properties, for which there are few comparable sales.

INCOME CAPITALIZATION APPROACH

The income capitalization approach reflects the present value of the future benefits of property ownership. It converts a property's net operating income into a lump-sum value via capitalization. The two methods of income capitalization are direct capitalization and yield capitalization (via a discounted cash flow analysis), with one or both applied, as applicable to the property being appraised. This approach is most applicable for income-producing properties.

SALES COMPARISON APPROACH

The sales comparison approach is the comparison of similar properties, that recently sold or are currently listed for sale, to the subject property. It assumes that an informed buyer would pay no more for a property than the cost of acquiring a substitute property of similar utility and desirability. This approach is most applicable when there are sufficient recent and reliable transactions of similar properties. It is most often relied upon in the valuation of owner-user properties or vacant land.

ACROSS THE FENCE (ATF)

In addition to the three basic approaches described above, the ATF method can be used in the appraisal of corridors, easements, and public facilities. This method is used to develop an opinion of value based on comparison to abutting land. An analysis of the typical abutting parcel is made to determine a value that can be applied to the property being appraised.

FINAL RECONCILIATION

The appraisal process concludes with the final reconciliation of the values derived from the approaches applied for a single estimate of market value (when multiple approaches are utilized). Different properties require different means of analysis and may lend themselves to one approach over the others.



METHODOLOGIES APPLIED

The cost and income approaches were considered but not developed, because the subject is vacant land. Thus, developing a value via these approaches is not warranted for vacant land. The sales comparison approach was considered and was developed for the typical ATF parcel because there is adequate data to develop a value estimate and this approach best reflects market behavior for this property type.

SALE COMPARISON APPROACH

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with similar utility and desirability, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities.

The following steps describe the applied process of the Sales Comparison Approach:

- The market in which the subject property competes is investigated; comparable sales, contracts for sale, and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and, where appropriate, adjusted to equate with the typical ATF property.
- Each comparable sale is analyzed and, where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

The subject parcel is a narrow strip of land that contains a water transmission main. For the purposes of our valuation, the larger parcel is valued by utilizing the ATF method.

Adjustments and/or comparisons of the sales are made relative to differences or similarities to the typical ATF parcel. A range of values results from this approach. We correlate the range into a final value by weighting the land comparables as to their overall similarity to the typical ATF parcel.

DESCRIPTION OF THE ACROSS THE FENCE PROPERTY

The ATF parcels consist of approximate 50-80 acres of land and are zoned for industrial uses. The ATF parcels were selected as they abut the subject to the north and south, are proposed for development by the adjacent parcel owner with two industrial buildings (Buildings 1 and 2 on the provided site plan) that will have 76.37 and 52.33 acre site sizes, respectively, when complete, and will incorporate the subject parcel upon completion of the proposed project.



LAND COMPARABLES

We have researched numerous land sales and have selected a total of five land comparables for this analysis; all sales were closed transactions. These land comparables are documented on the following pages by a summary table, location map, and an analysis grid.

All land comparables have been researched through multiple sources (including, but not limited to, the county recorder's office, market data services, published reports, and personal contacts), were verified with a party to the transaction, whenever possible, and were physically inspected from the public right of way.

LAND COMPARABLE SUMMARY TABLE

Comparable Land Sales									
Comp No.	Address	Date	Grantor	Financing	Price	Acres	Zoning	Comments	
	City	Tax ID	Grantee	Book/Page or Reference Doc	Price Per Land SF	Land SF	Current Use		
1	10750 Live Oak Ave	12/6/2021	Robert & Lillian Cantero Trust	Conventional	\$62,000,000	14.79	SW/IP	This is the sale of a 14.79 acre paved pad for \$62,000,000. There were no permits, approvals, or entitlements on the land at the time of sale. The buyer plans on entitling the property for an industrial development with a class A distribution center, that will be approximately +/- 300,000 square feet when constructed.	
	Fontana	0236-141-05, 0236-141-06, 0236-141-20	Live Oak Land, LLC	2021-544881	\$96.24	644,252	Vacant Land		
2	E/O Hammer Ave, N/O Ontario Ranch Rd.	11/10/2021	Rich Haven Marketplace LLC	Conventional	\$250,018,000	54.40	Rich Haven Specific Plan (PSP05-004)	This sale was confirmed by the buyer and is the sale of 54.40 acres of land in Ontario, Calif., which will be developed into a 1,003,348-square-foot industrial warehouse, expected to deliver in 2023. The development will be known as LogistiCenterSM at Ontario Ranch, and the site is located at Hammer Avenue and Ontario Ranch Road. The Rich Haven Specific Plan allows a Mixed-use overlay.	
	Ontario	0218-211-27	Dpif3 Ca 36 Ontario Ranch LLC	2021-511595	\$105.51	2,369,664	Vacant Land		
3	SWC E. Foothill Blvd & Irwindale Blvd	3/16/2021	CALMAT CO	Cash	\$190,000,000	86.79	RII	This was the sale of a former mining pit that was brought to steer level with fill dirt. The broker reports that it would take 18 to 24 months to settle before being ready for any new development. The buyers knew this and the price reflects the short-term lack of developability.	
	Irwindale	8604-019-001, 003, & 010	LIT Reliance II LP	2021-041671	\$50.25	3,780,773	Vacant Land		
4	SWC Remington & Archibald	12/4/2020	Orbis Real Estate Partners	Conventional	\$95,210,081	49.68	I-P	The price, acreage, and sale details were confirmed by the broker. This is the sale of 49.68 acres of industrial land for \$95,210,081 or \$44 per-square-foot. The land was purchased without entitlements, but the buyer went through the approvals and entitlement process during the escrow and due diligence period. The broker reported there have been significant increases in industrial land values in the IE and that this land sale would have sold for at least double one year later as entitled land. According to the seller's press release, the buyer will develop six class-A industrial warehouse buildings to total about 1.05 million square feet. The APN's have changed and the property now consists of Assessor Parcel Number's 144-010-081, 82. The grant deed was not available. Since purchase the property has been developed with industrial buildings.	
	Eastvale	144-010-015, 144-010-018, 144-010-020, 144-010-023, 144-010-024, 144-010-032	Dermody Properties, Inc.	N/AV	\$44.00	2,164,061	Vacant Land		
5	2001 E. Orangethorpe Ave	9/5/2019	Kimberly-Clark Worldwide, Inc	Cash	\$202,057,000	65.34	MP-200-ES	This is the sale of an existing industrial property to an industrial developer. The property sold while occupied and has since been redeveloped with a new industrial distribution building. The former industrial building was demolished in 2021.	
	Fullerton	073-120-31 & 073-120-33	GLC Fullerton LLC	2019-000335995	\$70.99	2,846,210	Industrial Building - Demolished 2021		



LAND COMPARABLE PHOTOGRAPHS



Land Comparable 1 (photo taken by N. Tucker 5/26/2022)



Land Comparable 2 (photo taken by N. Tucker 5/26/2022)



Land Comparable 3 (photo taken by M. Sunderland 10/17/2022)

LAND COMPARABLE PHOTOGRAPHS (CONT.)



Land Comparable 4 (photo taken by N. Tucker 5/26/2022)



Land Comparable 5 (photo taken by M. Sunderland 10/17/2022)

THE COMPARISON PROCESS

In the comparison process, we take into consideration the financial and physical differences between each land comparable and the subject. Categories of adjustment and/or comparison include: 1) property rights conveyed; 2) terms of sale; 3) conditions of sale; 4) buyer expenditures; 5) market conditions; and, 6) physical characteristics (including location, access and exposure, size/economies of scale, zoning, shape and topography, utilities, site improvements, and entitlements at time of sale). The land comparables were analyzed on a per square foot basis, which is the most applicable unit-of-comparison for vacant land within the subject market area. Each land comparables' size was obtained from public records, published sales information, and/or other reliable sources. Once the price per square foot value indicator was estimated, it was applied to subject larger parcel.

The comparison process is fairly subjective in nature primarily due to the many characteristics of value, variances in buyer/seller influences, imperfections in the market, etc. Adjustments and/or comparisons are an attempt to reflect value contributions of the various factors in the marketplace. Many of the comparisons of physical characteristics overlap and reflect overall desirability. The comparison grid following this section is an empirical format to simply lead the reader to a logical conclusion of the final estimated value. Please note, each item of comparability is not weighted equally. Items may outweigh each other resulting in an overall rating that may not "add up" based on the ratings of individual elements.

PROPERTY RIGHTS

The property right appraised was the fee simple estate. All of the land comparables transferred (or were marketing) the fee simple interest, thus, no adjustments were warranted.

FINANCING (TERMS OF SALE)

Financing (terms of sale) include below market rates, buy downs, atypical payback periods, or any financing situations that are not commonly accepted within the marketplace. In the subject market, land is typically purchased with all cash or the seller takes back a first trust deed with a large (20%-50%) down payment. In this case, all of the sales reflected were cash or market terms and financing and no adjustments were necessary.

CONDITIONS OF SALE

Conditions of sale include any distressed influences, less than arm's length transactions, or other related influences that are not attributable to financing/terms of sale, market conditions, or physical differences. All of the sales utilized appear to be arm's length transactions, and no conditions of sale adjustments were warranted for four of the five sales. Land Comparable 3 was the purchase of a former surface mine that had been raised with the addition of off-site fill dirt. The sale broker reports that it will be 18 to 24 months before the site can be considered for future development based on the settling of the fill dirt at the end of the 18 to 24 months. Unlike the subject or other Land Comparables, the price paid for this comparable was based on the potential developability of the site two years from the purchase date if the soil has appropriately settled. We applied a 20% upward adjustment (commensurate with the annual time adjustment) to this



comparable to reflect the risk to the potential development of this site and the delay in developability to this site.

BUYER EXPENDITURES

A knowledgeable buyer considers expenditures that will have to be made upon purchase of a property because these costs affect the price they agree to pay. Such expenditures may include the cost to demolish and remove buildings, petition for a zoning change, remediate environmental contamination, extend escrow, or pay broker fees, among others. No atypical buyer expenditures were discovered during the verification process; thus, no adjustments were warranted.

MARKET CONDITIONS

Market conditions (time of sale) adjustments take into consideration appreciation or depreciation that has occurred in the market. In this analysis, all of the land comparables occurred between September 2019 and December 2021.

There is no published data / market reports for industrial land sales. A review of market sales data and discussions with market participants all indicate upward trends for land values in the area prior to and after the COVID-19 outbreak at the end of March 2020. During the pandemic, land sales continued, and the market functioned, sales volume had declined but prices remained stable with an upward trend. Additionally, COVID-19 stay-at-home orders accelerated the growth of e-commerce and the demand for warehouse and distribution space. With the reopening of the economy and sustained low interest rates, demand for developable land has continued to increase. We ran a Trend Report through CoStar for all industrial land sales over the past five years ranging in size from 5 to 100 acres. The trend report revealed an increase in land sales prices of over 10% annually. We have considered the upward trends in land prices, along with the limited supply in our analysis of market conditions, and an upward annual adjustment of 10% is applied to the sales to account for inflation in values subsequent to their dates of sale. We note that this time adjustment is effective through March 31, 2022 when the Federal Reserve commenced its series of interest rate increases as these increases have resulted in a slowing of market activity in this sector.

PHYSICAL CHARACTERISTICS

After adjusting for the above non-physical characteristics, we compared the physical differences of the land comparables to the subject. There is myriad of physical features that can be reviewed by investors when purchasing vacant land. However, the features discussed below represent those that generally have the greatest effect on value or are most often a consideration. Note that location, size, access and exposure, and entitlements generally have a stronger impact on value than the remaining categories. Qualitative comments were made regarding any differences noted.

LOCATION

When looking at location, we take into consideration a property's orientation to the surrounding area including proximity to local services and perceived desirability/market demand. The subject parcel is centrally located within a predominantly industrial zoning



district, close to places of employment, with major retail / commercial corridors and support facilities in surrounding areas, and freeway access approximately 2.0 miles north and 2.5 miles to the south. Four of the five sales are considered similar being located within industrial districts, warranting no adjustments for this item. Land Comparable 5, located in Orange County is considered to be a slightly superior location to the subject.

ACCESS AND EXPOSURE

Access reflects the proximity to transportation facilities and ease of site access, while exposure reflects visibility from main thoroughfares. The subject property is located on Locust Avenue, considered to be somewhat rural at the subject's location, but primary arterial. There are also nearby secondary streets that connect the subject to surrounding industrial parks. It is approximately two miles south of I-10 freeway and approximately two and one half miles north of the CA-60. The typical ATF parcel is a site on a busy industrial arterial roadway, with adequate street frontage and visibility.

Land Comparables 1, 2, and 4 are located within the Inland Empire, Land Comparable 3 is located in Los Angeles County, and Land Comparable 5 is located in Orange County. Land Comparable 1 is located on a corner lot, with two secondary streets. It is considered similar to the typical ATF parcel in terms of access and exposure. Land Comparable 2 has a corner lot location on the intersection of two primary arterials. Its access and exposure are also considered similar to the typical parcel. Land Comparable 3 is a corner parcel adjacent to the CA-210 Freeway. Its access and exposure are slightly superior to the typical ATF parcel. Land Comparable 4 has a corner lot location on the intersection of two primary arterials. Its access and exposure are also considered similar. Land Comparable 5 occupies an entire industrial block with the exception of some minor parcels southeast of the comparable. It is considered slightly superior to the subject for access and exposure.

SIZE/ECONOMIES OF SCALE

Size/economies of scale reflects the fact that a larger parcel will typically sell for a lower price per acre, while a smaller parcel with similar location and utility will typically sell for a higher price per acre. However, for industrial acreage in the Inland Empire, the opposite is currently taking place. Over the past several years, due to the increase in e-commerce, there has been a high demand for sites approximately 20 acres or larger in order to accommodate large 500,000-plus square foot distribution facilities, some in the 1 million square foot range. Developers are paying premiums for larger parcels, which will allow for possible future expansion, larger project sizes, and larger outside storage areas, among other items of consideration.

The comparables range in size from 14.79 to 86.79 acres, bracketing the ± 50 to 80 acre typical ATF parcel size for the ATF method. Four of the five Land Comparables are considered similar in size and would attract similar buyers and investors. Land Comparable 1 was measurably smaller than the typical ATF parcel size and considered slightly inferior to the subject.



ZONING

Zoning reflects a property's allowed uses and usable area for development. The typical ATF parcels zoning allows for a wide variety of industrial uses. Land Comparables 1, 3, 4, and 5 are similar as they are zoned industrial or allow for similar industrial uses. Land Comparable 2 was in a specific plan with a mixed-use overlay, therefore making it slightly superior.

SHAPE AND TOPOGRAPHY

The shape and topography of land generally determines potential uses (i.e., the more level the land, the greater the utility). The subject has a rolling terrain with an upslope on its western end. The typical ATF parcel adjacent to the property is generally rectangular, usable land, that is mostly level at street grade, which has been utilized as the basis for valuation for this adjustment.

All of the Land Comparables are considered generally rectangular, and level at street grade. Of note, Land Comparable 4 is a large slightly irregular shaped parcel that is level at street grade. The site now improved with buildings, but was vacant land at the time of sale. It is considered similar to the subject as its irregular shape did not impact its development potential.

UTILITIES

This includes hook-up to utilities (phone, electric, gas, sewer and water), as well as both the costs to extend the lines to the site as well as the tap fees. The subject is assumed to have all available utilities within the adjacent roadway. All of the comparables utilized appear to have utilities available within the adjacent roadways, and, therefore, no adjustments are indicated.

SITE IMPROVEMENTS

Significant site improvements can be a major contributor to the value of vacant land. All of the land comparables were vacant land, with the exception of Land Comparables 3 and 5. Land Comparable 3 is a former mining site that has since been filled to street level with new fill dirt. The sale broker reports that the site cannot be developed for the next 18 to 24 months while the fill dirt settles. It is considered inferior to the subject. (We note that a condition of sale adjustment was also applied to this comparable based on the time delay necessary prior to potential development of the site. This adjustment addresses the condition of the soil that may or may not be ready for development in the future). Land Comparable 5 was improved with an industrial building as of the sale date. It has since been demolished (in 2021) with the costs of doing so borne by the buyer. This Land Comparable was considered inferior to the subject.



ENTITLEMENTS AT THE TIME OF SALE⁸

In the context of ownership, use, or development of real property, the right to receive governmental approvals for annexations, zoning, utility extensions, construction permits, and occupancy / use permits. Entitlements may be transferable, subject to covenants or government protocols, may constitute vested rights, and may represent an enhancement to a property's value.

The adjacent parcels "as is" have received approvals for a tentative tract map and design review for six proposed industrial buildings. While the final approvals have not been received, significant work has been completed to develop the ATF site with new buildings. As such, we have considered the typical ATF parcel to be partially entitled. Three of the five comparables sold with no entitlements and are considered slightly inferior. Land Comparable 5 sold as improved with an industrial building but was purchased for land value only and the building was demolished. Land Comparable 5 is considered slightly inferior to the subject.

SALES COMPARISON APPROACH CONCLUSION

A total of five land comparables were used in the land valuation. The land comparable data were sufficient in quality and quantity to estimate the subject's market value with many physical and non-physical characteristics analyzed in the valuation process.

The land comparables had an unadjusted price per square foot range from \$44.00 to \$105.51. Land sizes range from 14.79 to 86.79 acres, bracketing the typical ATF parcel size of 50-80 acres. Sale dates range from September 2019 to as recently as December 2021. There were no adjustments for property rights, financing, or conditions of sale. Land Comparable 3 received a condition of sale adjustment as it could not be developed for 18 to 24 months after sale. An annual market trend adjustment of 10% was applied to each comparable though March 31, 2022. The adjustments were made based on comparison to the typical ATF parcel, which is then applied to the subject parcel.

After qualitative adjustments the Land Comparables were in a \$49.81 to \$109.58 per square foot range. Land Comparable 3, at \$66.58 per square foot, was considered overall inferior to the subject and the subject value should be reconciled above this comparable. Land Comparables 1, 4 and 5, at \$99.27, \$49.81 and \$89.24 per square foot, respectively, are considered slightly inferior to the subject. Therefore, it was reasonable to reconcile the subject's value above this range. Land Comparable 2, at \$109.59 per square foot, is considered slightly superior and to the subject. Therefore, it is reasonable to reconcile the subject's value below this indicator.

Further, industrial brokers in the market area have reported there have been significant increases in industrial land values in the IE over the past couple years for large acreage sites. The broker for Land Comparable 4 stated that this land sale would have sold for at least double one year later as entitled land. Taking this information into account would reflect an adjusted sales price of

⁸ The Dictionary of Real Estate Appraisal, Fifth Edition.



\$95.44 per square foot ($\$44.00 / \text{SF} \times 2 = \$88.00 / \text{SF}$ in December 2021 + 2.50% for a 3 month time adjustment = $\$90.20 / \text{SF}$). This adjusted sales price reflects the significant increase in industrial land prices together with the value of the entitlements and supports the concluded land value for the subject.

The qualitative land analysis results are arrayed in the table below with the time adjusted price per square foot indicators from the closed sales, followed by the indicated fair market value, and adjustment grid (on a subsequent page).

VALUATION ADJUSTMENT ARRAY		
Land Comparable	Comparability to Subject	Adjusted Price per SF
2	Sl. Superior	\$109.58
Subject	--	\$100.00
1	Sl. Inferior	\$99.27
5	Sl. Inferior	\$89.24
3	Inferior	\$66.58
4	Sl. Inferior	\$49.81

INDICATED FAIR MARKET VALUE - LARGER PARCEL

INDICATED VALUE PER LAND SF: \$100.00
SUBJECT SIZE: 20,416 Square Feet (± 0.47 Acres)
INDICATED VALUE: **\$2,041,600**



LAND COMPARABLE ADJUSTMENT GRID

Land Sale Analysis Grid											
Land Analysis Grid	Subject	Comp 1		Comp 2		Comp 3		Comp 4		Comp 5	
Address	W. Side Locust Avenue at the Western Terminus of 8th Street	10750 Live Oak Ave		E/O Hammer Ave, N/O Ontario Ranch Rd.		SWC E. Foothill Blvd & Irwindale Blvd		SWC Remington & Archibald		2001 E. Orangethorpe Ave	
City	Fontana	Fontana		Ontario		Irwindale		Eastvale		Fullerton	
State	CA	CA		CA		CA		CA		CA	
Date	10/13/2022	12/6/2021		11/10/2021		3/16/2021		12/4/2020		9/5/2019	
Price	N/A	\$62,000,000		\$250,018,000		\$190,000,000		\$95,210,081		\$202,057,000	
Acres	0.47	14.79		54.40		17.84		49.68		49.68	
Land SF	20,416	644,252		2,369,664		3,780,773		2,164,061		2,846,210	
Land SF Unit Price	--	\$96.24		\$105.51		\$50.25		\$44.00		\$70.99	
Transaction Adjustments											
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	N/A	Conventional	0.0%	Conventional	0.0%	Cash	0.0%	Conventional	0.0%	Cash	0.0%
Conditions of Sale	N/A	None	0.0%	None	0.0%	None	20.0%	None	0.0%	None	0.0%
Expenditures After Sale		\$0		\$0		\$0		\$0		\$0	
Adjusted Land SF Unit Price		\$96.24		\$105.51		\$60.31		\$44.00		\$70.99	
Market Trends Through	3/31/2022 10.0%	3.15%		3.86%		10.41%		13.21%		25.70%	
Adjusted Land SF Unit Price		\$99.27		\$109.58		\$66.58		\$49.81		\$89.24	
Location	Industrial District	Industrial District		Industrial District		Industrial District		Industrial District		Orange County - Industrial District	
Comparison		Similar		Similar		Similar		Similar		Sl. Superior	
Access & Exposure	Interior Site Rural Arterial	Corner Lot - two secondary streets		Corner Lot - Intersection of two primary arterials		Corner Site near CA-210 Freeway		Corner Lot - Intersection of two primary arterials		Multiple Corner Lots	
Comparison	(Typical ATF Parcel)	Similar		Similar		Sl. Superior		Similar		Sl. Superior	
Acres	50-80 Acres	14.79		54.40		86.79		49.68		65.34	
Comparison	(Typical ATF Parcel)	Sl. Inferior		Similar		Similar		Similar		Similar	
Zoning	SP-IL, Light Industrial	SW/IP		Rich Haven Specific Plan (PSP05-004)		RII		I-P		MP-200-ES	
Comparison	(Typical ATF Parcel)	Similar		Sl. Superior		Similar		Similar		Similar	
Shape & Topography	Generally rectangular/Mostly level at street grade	Generally rectangular/Level at street grade		Rectangular/Level at street grade		Generally Rectangular/Level at street grade		Sl. Irregular/Level at street grade		Rectangular/Level at street grade	
Comparison	(Typical ATF Parcel)	Similar		Similar		Similar		Similar		Similar	
Utilities	Available at site	Available at site		Available at site		Available at site		Available at site		Available at site	
Comparison	(Typical ATF Parcel)	Similar		Similar		Similar		Similar		Similar	
Site Improvements	Vacant Land	Vacant Land		Vacant Land		Fill Dirt w/ 2-years to settle		Vacant Land		Industrial Building - Demolished 2021	
Comparison		Similar		Similar		Inferior		Similar		Inferior	
Entitlements at Time of Sale	Partially Entitled	No Entitlements		Entitlements		No Entitlements		No Entitlements		No Entitlements	
Comparison	(Typical ATF Parcel)	Sl. Inferior		Similar		Sl. Inferior		Sl. Inferior		Sl. Inferior	
Adjusted Land SF Unit Price		\$99.27		\$109.58		\$66.58		\$49.81		\$89.24	
Overall Comparability		Sl. Inferior		Sl. Superior		Inferior		Sl. Inferior		Sl. Inferior	

SUMMARY OF CONCLUSIONS

Per the preceding analyses, we have developed an opinion of fair market value of the subject larger parcel, which is summarized below.

SUMMARY OF VALUE CONCLUSIONS		
As of October 13, 2022	Indicated Value	Value of Property Rights to Be Acquired
Value of the Larger Parcel (Land Only)	\$2,041,600	
Value of the Part(s) Acquired		
Fee Acquisitions	<u>\$2,041,600</u>	
Total Value of the Part(s) Acquired	\$2,041,600	\$2,041,600
Total Fair Market Value of the Proposed Acquisitions		\$2,041,600
TOTAL COMPENSATION ROUNDED		\$2,042,000

** Slight differences may be due to rounding*



CERTIFICATION STATEMENT

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
- We have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- We certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- As of the date of this report, Lance W. Doré, MAI, FRICS has completed the continuing education program for Designated Members of the Appraisal Institute.
- As of the date of this report, Christine S. Santolucito, R/W-AC has completed the Standards and Ethics Education Requirement for Candidates of the Appraisal Institute.
- The appraisers have performed no services, as appraisers or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.



- Christine S. Santolucito made an inspection of the subject property from the public right of way and Matthew Sunderland made an inspection from the site. Lance W. Doré did not inspect the subject property.

Christine S. Santolucito, R/W-AC
President
California-AG043715
Expiration: February 14, 2024
christie@sdgroupinc.com

Lance W. Doré, MAI, FRICS
Vice President
California-AG002464
Expiration: October 1, 2024
lance@sdgroupinc.com

Matthew Sunderland, MPA
Senior Appraiser
California-AG039963
Expiration: April 4, 2024
matthew@sdgroupinc.com

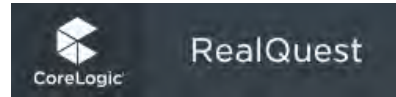


ADDENDA



Property Detail Report

For Property Located At :
 ,, CA



Owner Information			
Owner Name:	WEST SAN BERNARDINO CO WATER DIST		
Mailing Address:			
Vesting Codes:	// SO		
Location Information			
Legal Description:	PTN NW 1/4 AND SW 1/4 SEC 33 TP 1S R 5W DESC AS STRIP OF LAND 10 FT WIDE C/L BEING AS FOL COM AT SW COR NW 1/4 TH NLY ALG WLY LI SD NW 1/4 70 FT TH ELY PARALLEL TO SLY LI SD NW 1/4 540 FT TH SELY 45 DEG 00 MIN 00 SECONDS FROM LAST DESC COURSE 127 FT TO TRUE POB TH NELY TO PT 77 FT NLY OF SLY LI SD NW 1/4 MEASURED AT R/A AND 1938 FT WLY OF SE COR SD NW 1/4 MEASURED ALG SLY LI SD NW 1/4 TH ELY TO PT IN ELY LI SD NW 1/4 47 FT NLY OF SE COR SD NW 1/4 MEASURED ALG ELY LI SD NW 1/4 SD PT BEING TERMINATION OF SD STRIP OF LAND EX PTN LYING WITHIN LOCUST AVE		
County:	SAN BERNARDINO, CA	APN:	0256-131-10-0000
Census Tract / Block:	26.08 / 1	Alternate APN:	
Township-Range-Sect:	1S-5W-33	Subdivision:	
Legal Book/Page:	0256-131	Map Reference:	25-F4 /
Legal Lot:		Tract #:	
Legal Block:		School District:	COLTON
Market Area:	264	School District Name:	COLTON
Neighbor Code:	081	Munic/Township:	FONTANA
Owner Transfer Information			
Recording/Sale Date:	/	Deed Type:	
Sale Price:		1st Mtg Document #:	
Document #:			
Last Market Sale Information			
Recording/Sale Date:	/	1st Mtg Amount/Type:	/
Sale Price:		1st Mtg Int. Rate/Type:	/
Sale Type:		1st Mtg Document #:	
Document #:		2nd Mtg Amount/Type:	/
Deed Type:		2nd Mtg Int. Rate/Type:	/
Transfer Document #:		Price Per SqFt:	
New Construction:		Multi/Split Sale:	
Title Company:			
Lender:			
Seller Name:			
Prior Sale Information			
Prior Rec/Sale Date:	/	Prior Lender:	
Prior Sale Price:		Prior 1st Mtg Amt/Type:	/
Prior Doc Number:		Prior 1st Mtg Rate/Type:	/
Prior Deed Type:			
Property Characteristics			
Gross Area:		Parking Type:	
Living Area:		Garage Area:	
Tot Adj Area:		Garage Capacity:	
Above Grade:		Parking Spaces:	
Total Rooms:		Basement Area:	
Bedrooms:		Finish Bsmnt Area:	
Bath(F/H):	/	Basement Type:	
Year Built / Eff:	/	Roof Type:	
Fireplace:	/	Foundation:	
# of Stories:		Roof Material:	
Other Improvements:	Building Permit	Construction:	
Site Information			
Zoning:		Acres:	0.47
		County Use:	SINGLE FAMILY RES (0510)
Lot Area:	20,416	Lot Width/Depth:	x
Land Use:	SFR	Res/Comm Units:	/
Site Influence:		State Use:	
		Water Type:	
		Sewer Type:	
Tax Information			
Total Value:		Assessed Year:	2022
Land Value:		Improved %:	
Improvement Value:		Tax Year:	
Total Taxable Value:		Property Tax:	
		Tax Area:	10014
		Tax Exemption:	



October 25, 2022

SENT VIA PRIORITY MAIL

West San Bernardino County Water District
 c/o: David Guerra
 West Valley Water District
 Engineering Department
 855 W. Base Line Road
 Rialto, CA 92377

**RE: Notice of Decision to Appraise
 Located on the West Side of Locust Avenue at the Western Terminus of 8th Street,
 Fontana, San Bernardino County, CA
 Assessor's Parcel Number 0256-131-10-0000**

Dear Property Owner:

Our firm has been retained by IDI Logistics (IDI), to prepare an appraisal of the fair market value of your property, referenced above, in connection with the West Valley Logistics Project. IDI has deemed a portion of your property necessary, in order to accommodate the project. The appraisal will assist IDI in determining just compensation for the proposed acquisition. Upon completion of our appraisal, a representative from IDI will contact you to make an offer.

Access to your property is important to properly value the acquisition area. We would appreciate your cooperation in allowing us access to your property. Please contact Christie if you wish to attend the inspection, at 951-225-3500 x 101 or via email at christie@sdgroupinc.com.

It would be of great assistance in valuing your property if you could provide the following information prior to our inspection:

- Confirmation of the purchase price and terms regarding your acquisition of the property;
- Information regarding any offers to buy your property within the past five years; and
- Any other information you would like us to consider in our analysis.

Thank you in advance for your cooperation.

Sincerely,
Santolucito Doré Group, Inc.

A handwritten signature in blue ink that reads 'Christine S. Santolucito'.

Christine S. Santolucito, R/W-AC
 President
christie@sdgroupinc.com

A handwritten signature in blue ink that reads 'Lance W. Doré'.

Lance W. Doré, MAI, FRICS
 Vice President
lance@sdgroupinc.com



October 25, 2022

SENT VIA PRIORITY MAIL

West San Bernardino County Water District
 c/o: David Guerra
 West Valley Water District
 Engineering Department
 P.O. Box 920
 Rialto, CA 92377

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- Any other information you would like us to consider in our analysis.

Thank you in advance for your cooperation.

Sincerely,
Santolucito Doré Group, Inc.

A handwritten signature in blue ink that reads 'Christine S. Santolucito'.

Christine S. Santolucito, R/W-AC
 President
christie@sdgroupinc.com

A handwritten signature in blue ink that reads 'Lance W. Doré'.

Lance W. Doré, MAI, FRICS
 Vice President
lance@sdgroupinc.com

CHRISTINE S. SANTOLUCITO, R/W-AC

31600 Railroad Canyon Road, Suite 100-L, Canyon Lake, CA 92587
O 951-225-3500 x 101

Christie is the President of the Santolucito Doré Group. In this role, Christie directs all valuation assignments and is responsible for the day to day operations of the business. She is the lead appraiser and works closely with her partner, Lance W. Doré, MAI, FRICS, and team of appraisers on complex appraisal assignments.

Christie is a Certified General Real Estate Appraiser who holds the Right of Way Appraisal Certification (R/W-AC) through the IRWA. She is a Candidate for Designation through the Appraisal Institute (expected 2022). Christie has performed hundreds of full and partial acquisition appraisals and appraisal reviews for right of way projects for public agency clients and fee simple and leased fee valuations for private clients and financial institutions. Property types appraised and/or reviewed include single- and multi-tenant office buildings, industrial properties, research and development buildings, retail properties, auto-related properties, mixed-use properties, single- and multi-family residential properties, special-use properties, open space/environmentally sensitive land, agricultural land, and other types of vacant land.

Christie is also a California Licensed Real Estate Salesperson and is currently pursuing her Brokers license (expected 2022). Christie has been involved with various real estate tasks/transactions for multiple public and private entities, including BNSF and UPRR.

Her previous experience includes more than eight years of office management in various capacities including management of a commercial appraisal firm, prior to owning and operating SD Group.

EDUCATION

Bachelor of Arts, Business Administration and Leadership
Concordia University, Irvine, CA
Cum Laude Graduate, 2006
(GPA of 4.0 at Concordia)

LICENSES

Certified General RE Appraiser
State of California
Certificate No. AG043715
Expires 2/14/2024

Real Estate Salesperson
State of California
License No. 01820326
Expires: 12/29/2023 (Broker
License expected 2022)

PROFESSIONAL MEMBERSHIPS

Member, International Right of Way Association (Chapter 57
2018/19 President)

Candidate for Designation,
Appraisal Institute (SCCAI
IEMTS Committee Member)

INDUSTRY TENURE

16 Years

PROJECT EXPERIENCE

San Bernardino County Transportation Authority (SBCTA) as a sub to Overland Pacific & Cutler, LLC, Epic Land Solutions, Inc., and Bender Rosenthal, Inc., West Valley Connector Project, San Bernardino County, CA. Christie and her team appraised 45 properties and reviewed 19 appraisals within segments 1, 2, and 4 for this road widening transit project. Property types includes multi-family residential, mixed-use, commercial, and industrial properties subject to proposed partial acquisitions.

OCTA as a sub to Epic Land Solutions, Inc., SR-55 Widening Project, Orange County, CA. Christie and her team provided appraisals of two high-profile properties subject to complex partial acquisitions. An additional appraisal of a partial acquisition within an existing street was made.

Eastern Municipal Water District (EMWD), On-Call Appraisal Contract, Riverside County, CA. Appraiser. Christie and her team provide appraisals for various projects on an on-call basis including an appraisal of a landlocked residential parcel next to an EMWD facility for full fee acquisition, residential subdivision land subject to partial acquisition for a water line easement for the Dunlap Drive Project, two appraisals of vacant multi-family land, one being subject to full acquisition and the other subject to partial acquisition of a sewer easement and temporary

construction easement for the Sky Canyon Sewer Project, and two appraisals of vacant medium-to-high density residential acreage properties subject to partial acquisition for sewer and access easements for the Pala Lift Station Project.

County of San Bernardino / SBCTA, I-10 / Cedar Avenue Interchange Project, Bloomington, CA. Appraiser. Christie and her team completed 29 appraisals of single-family, commercial, and industrial property subject to partial acquisition for this interchange project.

City of San Jacinto as a sub to Overland Pacific & Cutler, LLC & Best, Best & Krieger LLP, San Jacinto, CA. Appraiser. Christie and her team completed eight appraisals of parcel impacted by the Esplanade Widening Project and two parcels impacted by the Shaver Street Signalization Project. These projects posed unique valuation challenges, since the majority of parcels slated for proposed acquisition were subject to dedication requirements.

SBCTA as a sub to Overland Pacific & Cutler, LLC, I-10 Corridor Express Lanes Project, County of San Bernardino, CA. Christie and her team appraised 50+ properties impacted by construction packages 1, 2, and 4. Property types include single-family and multi-family residential properties for proposed partial acquisitions associated with this fast-paced design-build project.

City of Riverside, Various Assignments, Riverside, CA. Appraiser. Christie and her team have appraised multiple residential and commercial surplus properties for disposition as well as a business park zoned property for partial acquisition of a transmission line easement.

City of Menifee, Fire Stations, Menifee, CA. Appraiser. Christie and her team provided and appraisal of a vacant commercial parcel for voluntary acquisition for the construction of a City maintenance building and appraisals of 5 fire stations and the future City Hall site for internal asset valuation and auditing purposes.

Riverside County Flood Control and Water Conservation District (RCFCWCD), Riverside County, CA. Appraiser. Christie and her team provided three appraisals of industrial and commercial land subject to partial acquisition of storm drain easements for the Wildomar MDP Lateral C, Stage 3 Project and two appraisals of vacant multi-family residential land and open space land subject to partial acquisition of underground storm drain easements for the Palm Springs MDP Line 4, Stage 4 Project.

City of Pomona, Various Assignments, Pomona, CA. Appraiser. Christie provided appraisals of various property types including vacant land, parking lots, and commercial buildings for potential acquisition or disposition purposes.

SBCTA as a sub to HDR, Inc., Redlands Passenger Rail Project (RPRP), San Bernardino and Redlands, CA. Appraiser. Christie and her team completed multiple appraisals of commercial and industrial property subject to partial acquisition as part of this 9-mile passenger rail project. During her tenure at HDR, Christie was part of the pre-acquisition planning stages for the RPRP and provided capital cost estimates for various alternatives. In addition to the RPRP project, Christie provided appraisals of 24 parcels and review of 54 appraisals for the E Street Corridor BRT Project, 8 appraisals reviews for the San Bernardino Passenger Rail Project, and 4 reviews for the San Bernardino Transit Center Project – all of which were interrelated projects.

California High Speed Rail Authority (CHSRA) as a sub to Continental Field Service, California High Speed Rail Project, Central Valley, CA. Review Appraiser. Christie is reviewing appraisals for this large-scale project. Property types include agricultural, residential, commercial, and industrial properties primarily impacted by complex partial acquisitions.



LANCE W. DORÉ, MAI, FRICS

31600 Railroad Canyon Road, Suite 100-L, Canyon Lake, CA 92587
O 951-225-3500 x 102

Lance is the Treasurer and CFO of the Santolucito Doré Group. In this role he is responsible for the co-management of the business operations. He works closely with his partner, Christie Santolucito R/W-AC, on complex appraisal assignments.

Lance is a Certified General Real Estate Appraiser who holds the MAI designation through the Appraisal Institute. He also holds the FRICS (Fellow of Royal Institute of Chartered Surveyors). Lance has performed hundreds of full and partial acquisition appraisals and appraised and reviewed thousands of real estate projects in Western United States, with specialize assignments in Mexico, Japan, Russia, and the Caribbean Islands. The appraisals have been predominately for public agency clients and fee simple and leased fee valuations for private clients and financial institutions. Property types appraised and/or reviewed include single- and multi-tenant office buildings, industrial properties, research and development buildings, retail properties, auto-related properties, mixed-use properties, single- and multi-family residential properties, special-use properties, open space/environmentally sensitive land, agricultural land, and other types of vacant land.

Lance is also a California Licensed Real Estate Broker and published *"The Secret of Real Estate Revealed"* a real estate primer. Additional published articles in *The Wall Street Journal*, *Appraisal Institute Journal* and *Energy Central*.

He has had executive level management for over 20 years in international real estate firms included Cushman & Wakefield and Colliers International.

EDUCATION

Bachelor of Science, Real Estate – Minor English – San Diego State University

LICENSES

Certified General RE Appraiser
State of California
Certificate No. AG002464
Expires 10/1/2024
Real Estate Broker
State of California
License No. 00976180
Expires: 12/16/2022 (Broker)

PROFESSIONAL MEMBERSHIPS

Member – Appraisal Institute
Member – IRWA
Member – Royal Institute of Chartered Surveyors (RICS)

INDUSTRY TENURE

37 Years

PROJECT EXPERIENCE

San Bernardino County Transportation Authority (SBCTA) as a sub to Overland Pacific & Cutler, LLC, I-10 Corridor Express Lanes Project, County of San Bernardino, CA. Appraisals of 50+ properties impacted by construction packages 1, 2, and 4. Property types include single-family and multi-family residential properties for proposed partial acquisitions associated with this fast-paced design-build project.

City of Pomona, Various Assignments, Pomona, CA. Appraisals of various property types including vacant land, parking lots, and commercial buildings for potential acquisition or disposition purposes.

City of Palmdale as a sub to Epic Land Solutions, Inc., Avenue R Widening, Palmdale, CA. Appraisals for 42 parcels subject to partial acquisition. Proposed improvements include installing sidewalks and dedicated bike lanes to increase pedestrian safety for the Safe Routes to School Project.



Eastern Municipal Water District (EMWD), On-Call Appraisal Contract, Riverside County, CA. Appraisals for various projects on an on-call basis including an appraisal of a landlocked residential parcel next to an EMWD facility for full fee acquisition, residential subdivision land subject to partial acquisition for a water line easement for the Dunlap Drive Project, two appraisals of vacant multi-family land, one being subject to full acquisition and the other subject to partial acquisition of a sewer easement and temporary construction easement for the Sky Canyon Sewer Project, and two appraisals of vacant medium-to-high density residential acreage properties subject to partial acquisition for sewer and access easements for the Pala Lift Station Project.

CHSRA, California High Speed Rail, Merced to Bakersfield, Central Valley, CA. Lance is a subconsultant appraiser for this large-scale project. Properties impacted include agricultural, residential, commercial, and industrial properties impacted by complex partial acquisitions.

County of Riverside, Iowa Avenue Grade Separation, Riverside, CA. Lance provided appraisals for six larger parcels. Interests appraised were full and partial acquisitions, surface and subsurface easements, and temporary construction easements. Lance has worked on multiple other appraisal assignments with the County.

Los Angeles County Metropolitan Transportation Authority, Crenshaw / Los Angeles International Airport Transit Corridor Project, Los Angeles, CA. Lance provided appraisals for commercial and residential properties. Interests appraised were full and partial acquisitions, surface and subsurface easements, and temporary construction easements.

City of San Diego, Multiple Assignments/Projects. Lance prepared appraisals to determine the Value in Use of multiple properties owned by the City of San Diego. Properties included three libraries and police headquarters. Subsequent appraisals were prepared to assist the City in evaluating the potential for collateralization and internal consultation to determine the market value of the ground lease for two hotels on City property, The Lodge at Torrey Pines and the Hilton Spa and Resort Mission Bay. All appraisals were completed for bond indebtedness.

City of Oakland. Fair Market Rental Study and valuation of Port Berths 20-24 for taxing authorities for internal due diligence regarding the Concession and Lease Agreement between City of Oakland (Lessor) and Ports America Out Harbor Terminal LLC (lessee). Rental issues include: a) Basic Rent, b) super profit fees, and c) additional basic rent. Berths 20-24 is an international container cargo transportation and distribution hub with deep water berth depths ranging from 42 to 50 feet. The total terminal area is approximately 166 acres.

County of Monterey. Fair Market Rental Study was provided to the County of Monterey with a Market Rent Analysis/Highest and Best Use Analysis for internal due diligence. Properties included in the analysis were the Monterey Jail (273,800 SF), Juvenile Detention Center (44,602 SF), Health Services building (43,776 SF), two Courthouses (380,000 SF), and two Administration buildings (134,478 SF).

City of Monterey. Multiple subject properties including Old Fisherman's Wharf No. 1, Monterey Municipal Wharf 2, Monterey Bay Boatworks, and Monterey Beach House. Fair Market Rental Studies were provided for the City of Monterey with a Market Rent Analysis for various concessions on Monterey Bay. The subject concessions included restaurant, retail fish market, specialty retail, charter boat tenants, commercial fish processing, boatyard, marina, retail, office, yacht club, and special event venue tenants.



MATTHEW SUNDERLAND, MPA
31600 Railroad Canyon Road Suite 100-L, Canyon Lake, CA 92587
O 951-225-3500 x 101 C 951-333-2910

Matthew is an Appraiser/Consultant at the Santolucito Doré Group. In this role, Matthew performs valuation and consulting assignments. He is a senior appraiser and works closely with Christine S. Santolucito and Lance W. Doré, MAI, FRICS, on appraisal assignments.

Matthew is a Certified General Real Estate Appraiser and has performed variety of fee simple, leased fee, and leasehold valuations for financial institutions, private clients, and public agencies. Property types appraised and/or reviewed include single and multi-tenant office and medical office buildings, industrial properties, research and development buildings, retail properties, auto-related properties, mixed-use properties, religious facilities, school facilities, special-use properties, mobile home and RV parks, agricultural land, and other types of vacant land in California, Nevada, Arizona, and Oregon.

His previous experience includes administrative analyst duties in various capacities including property management, affordable housing, labor negotiations, program facilitation, and event coordination for a mid-sized Southern California city.

EDUCATION

Bachelor of Science, Criminal Justice, Northern Arizona University, Flagstaff, AZ, 1999

Bachelor of Science, Political Science, Northern Arizona University, Flagstaff, AZ, 1999

Masters of Public Administration, San Diego State University, San Diego, CA 2003

Basic Appraisal Principals, Basic Appraisal Procedures, Residential Market Analysis and Highest and Best Use, Residential Site Valuation and Cost Approach, General Appraiser Income Approach I, General Appraiser Income Approach II, General Appraiser Sales Comparison Approach, General Appraiser Site Valuation and Cost Approach, General Appraiser Report Writing and Case Studies, Advanced Income Capitalization, National Uniform Standards of Professional Appraisal Practice

LICENSES

Certified General RE Appraiser
State of California
Certificate No. AG033963
Expires 4/4/2024

INDUSTRY

TENURE
18 Years

PROJECT EXPERIENCE

Overland Pacific & Cutler, LLC/SBCTA, I-10 Corridor Express Lanes Project, County of San Bernardino, CA. Matthew appraised properties impacted by construction packages 1, 2, and 4. Property types include single-family and multi-family residential properties for proposed partial acquisitions associated with this fast-paced design-build project.

County of San Bernardino (SBCTA), I-10 / Cedar Avenue Interchange Improvement Project, Bloomington, CA. Appraiser. Matthew appraised properties impacted the Cedar Avenue Interchange reconstruction to widen the I-10 overcrossing, replace the railroad bridge, upgrade roadway improvements including widening along Cedar Avenue from Bloomington Avenue to Orange Street, and adding lanes to the I-10 on- and off-ramps. Property types include mobile home and multi-family residential properties as well as industrial properties for proposed partial acquisitions to facilitate the project.

HDR/SBCTA, Redlands Passenger Rail Project, San Bernardino and Redlands, CA. Appraiser. Matthew appraised commercial and industrial properties subject to partial acquisition as part of this 9-mile passenger rail project.

Epic Land Solutions/City of Ontario, State Route 60: Archibald Avenue Improvement Project, Ontario, CA. Appraiser. Matthew appraised 4 parcels subject to partial acquisition for the widening of S. Archibald Avenue corresponding with CA-60 access improvements.

Bender Rosenthal, Inc. (BRI) and Southern California Edison (SCE), Valley-Ivyglen Subtransmission Project, Lake Elsinore, CA. Appraiser. Matthew appraised eight industrial zoned properties for partial acquisitions related to the construction of the 27-mile proposed electrical transmission tower project.

County of San Bernardino, Property Liquidation Appraisal of 43-acres of flood control land, Yucaipa, CA. Appraiser. Matthew appraised 43-acres of Institutional and Innovation zoned land within flood control channel areas for sale negotiation purposes.

City of Menifee, Fire Stations, Menifee, CA. Appraiser. Matthew appraised 5 fire stations within the City of Menifee for internal asset valuation and auditing purposes.

March Inland Port Airport Authority, March Inland Port Civilian Airport, Market Rent Surveys. Matthew appraised three proposed hangar sites to determine market ground rent for negotiation purposes.

City of Costa Mesa, Property Acquisition Appraisal for potential homeless shelter, Costa Mesa, CA. Appraiser. Matthew appraised two single tenant industrial properties within the City of Costa Mesa for acquisition purposes.

City of Riverside, Property Acquisition Appraisal for potential emergency services headquarters, Riverside, CA. Appraiser. Matthew appraised a single tenant office property within the City of Riverside for acquisition purposes.

County of San Bernardino, Property Liquidation Appraisal of 4.33-acres of residential land, Devore, CA. Matthew appraised 4.33-acres of residential zoned land for sale negotiation purposes.

Riverside County Flood Control & Water Conservation District, Property Acquisition Appraisal of three parcels of residential and open space land, Palm Springs, CA. Matthew appraised three land parcels subject to partial acquisition for flood control channel system extensions.

City of Murrieta, Vacant Land Appraisal for internal decision making purposes, Murrieta, CA. Appraiser. Matthew appraised a 0.48-acre parcel for internal decisions making purposes.

CURRENT AND PREVIOUS EMPLOYMENT

Santolucito Doré Group, Inc., Canyon Lake, CA

Senior Appraiser

2017 to Present

Connolly Commercial / WESTATES Appraisal Group

Staff Appraiser

2004 to Present

The Miller Company

Staff Appraiser

2014 to Present

Iron Peaks Valuation

Principal / Senior Appraiser

2019 to Present



**BOARD OF DIRECTORS
ENGINEERING, OPERATIONS AND PLANNING COMMITTEE
STAFF REPORT**

DATE: March 21, 2023
TO: Engineering, Operations and Planning Committee
FROM: Van Jew, Acting General Manager
SUBJECT: AMENDMENT NO. 1 OF THE ROCKETS, FIREWORKS AND FLARES
 SUPERFUND SITE REMEDIATION AGREEMENT BETWEEN
 GOODRICH CORPORATION AND WEST VALLEY WATER DISTRICT

BACKGROUND:

An agreement between the West Valley Water District (District) and the Goodrich Corporation (Goodrich) was executed on January 1, 2014, for Rockets, Fireworks and Flares Superfund (RFF) Site Remediation. Subject to the terms of this agreement, the District and Goodrich facilitate the Wellhead Treatment Project to clean up the perchlorate plume, provide a mechanism for Goodrich to meet its future remedial design/remedial obligations in accordance with the Record of Decision (ROD), provide for payments by Goodrich to the District, provide payments by Goodrich to the District for certain costs of constructing, and operating and maintaining the District's ion exchange systems and any additional treatment systems that Goodrich elects to utilize. See **Exhibit A** - RFF Site Agreement.

The District owns treatment systems that are designed to remove contaminants from extracted groundwater such that treated water meets applicable standards. One such system is a fluidized bed reactor system (FBR) and six ion exchange treatment systems, one of which is located at the District headquarters, and one of which is located at the Rialto High School. The FBR is part of the Wellhead Treatment Project that was constructed using a combination of grant funding from sources including the United States Department of Defense, California Department of Public Health (CDPH), State Water Resources Control Board and Department of Water Resources, and various other funding. Pursuant to certain grant conditions under the CDPH Grant Agreement, the District is required to operate the FBR for a period of 20 years, unless approval is granted by CDPH to terminate such operation earlier.

The FBR treats perchlorate contaminated water from City of Rialto Well No. 6 and District Well No. 11. Both of these wells are centrally located within the perchlorate plume within the Rialto-Colton (RC) groundwater basin. The District holds certain, limited water extraction rights within the RC groundwater basin.

DISCUSSION:

On September 2, 2022, the EPA issued a Record of Decision (ROD) establishing the final remedy for mid-basin operable unit of the RFF site. The groundwater contamination targeted for cleanup by the ROD is approximately 4 miles long, up to 1 mile wide, and ranges from about 250 to 800 feet below ground within the RC groundwater basin. In recognition of the remedy to be reflected in the ROD, Goodrich, as part of its groundwater cleanup obligations has exercised its option, in accordance with the RFF Site Agreement, to conduct additional activities and negotiated the First Amendment of the RFF Site Agreement with the District to implement additional activities in accordance with the ROD. See **Exhibit B** – Draft First Amendment of the RFF Site Agreement.

The purpose of the Amendment would allow both the District and Goodrich to meet the following objectives:

- Obtain any necessary approvals to discontinue use of the FBR system in a manner that does not impose financial penalties (e.g. grant repayment requirements) and reimburse the District for all reasonable project costs associated with the preparation of any necessary submissions.
- Utilize the District’s ion exchange systems at the District headquarters and Rialto high school. Minimize any disruption to the District’s operations during the transition from the FBR to the ion exchange systems.
- Employing use of one or more of the San Bernardino County Flood Control District’s basins for discharges, i.e., Cactus Basin, Randall Basin and Mill Basin.
- The operating and maintenance costs associated with any additional activities shall now also include pumping costs whenever such pumping is not for potable use.

District staff believe that the FBR system has served its intended purpose and is no longer the right treatment technology to treat source water. For these reasons, the State Water Resources Control Board’s Division of Drinking Water and the EPA have expressed their support for decommission the FBR system. See **Exhibit C** – Support Emails from DDW and EPA.

By approving the Amendment, the District agrees to discontinue use of the FBR system in a manner that does not impose financial penalties. In the event that the District is unsuccessful in obtaining the unconditional approval to discontinue use of the FBR system, the provisions of the Amendment shall be null and void except for certain Goodrich’s reimbursement obligations.

FISCAL IMPACT:

There is no immediate fiscal impact to the District, but the future impact of the amendment will allow the District recover a more proportional share of its operating costs.

STAFF RECOMMENDATION:

Forward this agenda item to the Board of Directors to approve Amendment No. 1 of the Rockets, Fireworks and Flares Superfund Site Remediation Agreement between the West Valley Water District (District) and the Goodrich Corporation.

Respectfully Submitted,

Van Jew

Van Jew, Acting General Manager

VJ:jc

ATTACHMENT(S):

1. Exhibit A - RFF Site Agreement
2. Exhibit B - Draft First Amendment of the RFF Site Agreement
3. Exhibit C - Statements of Support from DDW and EPA

EXHIBIT A

EXECUTION VERSION (JANUARY 2017)

**ROCKETS, FIREWORKS AND FLARES SUPERFUND
SITE REMEDIATION AGREEMENT
BETWEEN
GOODRICH CORPORATION AND WEST VALLEY WATER DISTRICT**

THIS ROCKETS, FIREWORKS AND FLARES SUPERFUND SITE REMEDIATION AGREEMENT (the "Agreement") is effective as of January 1, 2014 ("Effective Date") by and between GOODRICH CORPORATION, a Delaware corporation with a place of business at 2730 West Tyvola Road, Charlotte, North Carolina 28208 ("Goodrich"), and the WEST VALLEY WATER DISTRICT, a California public water district, with a place of business at 855 Baseline Road, Rialto, California ("WVWD") (Goodrich and WVWD each individually referred to as a "Party", and collectively referred to as the "Parties").

RECITALS

- A. Goodrich is party to an "Administrative Settlement Agreement and Order on Consent for Performance of a Remedial Investigation and Feasibility Study" effective as of February 26, 2013 (see definition of "ASAOC") and a Consent Decree entered on July 2, 2013 (the "Goodrich Consent Decree") pertaining to the Rockets, Fireworks and Flares Superfund Site (see definition of "RFF Site").
- B. Pursuant to the ASAOC and Goodrich Consent Decree, Goodrich, among other things, is required to conduct a Remedial Investigation/Feasibility Study (see definition of "RI/FS") and Remedial Design/Remedial Action (see definition of "RD/RA") for Operable Unit 2 (see definition of "OU2") of the RFF Site. OU2 is affected by Basin Contaminants (see definition of "Basin Contaminants") from the RFF Site in groundwater downgradient of the "Target Area" (as defined in the Goodrich Consent Decree) that is the subject of a 2010 Record of Decision (see definition of "2010 ROD") for the RFF Site. The remedy for OU2 will be defined in an OU2 Record of Decision (see definition of "OU2 ROD") to be issued by United States Environmental Protection Agency (see definition of "US EPA") for the RFF Site. The OU2 area lies within the Rialto-Colton Groundwater Basin (see definition of "Basin").
- C. Based on RI/FS activities to date, Goodrich and US EPA believe that a portion of the Basin Contaminants detected in the OU2 area originated from the RFF Site. Goodrich and US EPA therefore agree that pending issuance by USEPA of the OU2 ROD, removing Basin Contaminant mass, in particular perchlorate, from OU2 area groundwater will achieve benefits in terms of improving groundwater quality in the OU2 area.
- D. Pursuant to the 1961 Decree (see definition of "1961 Decree"), WVWD holds certain, limited water extraction rights (see definition of "Available Water Rights") within the Basin, and has the right to exercise these rights by extracting groundwater from various locations within such Basin. Such extraction points currently include but are not limited to Well 6 and Well 11 (see definitions of "Well 6" and "Well 11") that are located in the OU2 area. Perchlorate is present in varying concentrations in groundwater extracted by both Well 6 and Well 11.

- E.** WWWD owns a number of treatment systems that are designed to remove Contaminants from extracted groundwater such that treated water meets Applicable Standards (see definition of "Applicable Standards"). One such system is a new fluidized bed reactor system (see definition of "FBR System") located at WWWD's headquarters. WWWD also owns four ion exchange treatment systems, one of which is located at the WWWD headquarters (855 Baseline Road, Rialto, California), and three of which are located at the Rialto High School (595 S. Eucalyptus Avenue, Rialto, California) (see definition of "WWWD IX Systems"). The FBR System is part of the Wellhead Treatment Project (see definition of "Wellhead Treatment Project") that was constructed using a combination of grant funding from sources including the United States Department of Defense, California Department of Public Health (see definition of "CDPH"), State Water Resources Control Board (see definition of "State Board") and California Department of Water Resources (see definition of "CDWR"), and various other funding. Pursuant to certain grant conditions under the CDPH Grant Agreement (see definition of "CDPH Grant Agreement"), WWWD is required to operate the FBR System for a period of 20 years with no minimum flow requirements, unless approval is granted by CDPH (now succeeded by the California Environmental Protection Agency, State Water Resources Control Board, Division of Drinking Water, see definition of "DDW") to terminate such operation earlier. WWWD has leased Well 6 from the City of Rialto to provide source groundwater for treatment by the FBR System (see definition of "Rialto Lease Agreement").
- F.** As of approximately January 1, 2014, WWWD began operating the Wellhead Treatment Project to extract groundwater from Well 6 and Well 11 and treat such groundwater using the FBR System. Treated groundwater from the Wellhead Treatment Project was discharged to the Cactus Basins located adjacent to the WWWD headquarters until the DDW approved use of treated water for potable use. Beginning in approximately January, 2014, WWWD began a CDPH Demonstration Period (see definition of "CDPH Demonstration Period") that lead to full permitting of the Wellhead Treatment Project in 2016. Now that the Wellhead Treatment Project is fully permitted by DDW, treated water used by WWWD as part of its potable water supply for its customer base. Accordingly, the Wellhead Treatment Project is removing Basin Contaminant mass from groundwater in the OU2 area for the period prior to the issuance by US EPA of the OU2 ROD, to the benefit of WWWD, US EPA, the Settling Federal Agencies, and Goodrich.
- G.** The Parties are entering into this Agreement in order to (i) facilitate the Wellhead Treatment Project to remove Basin Contaminant mass from the OU2 area, (ii) provide a mechanism for Goodrich to meet its future Remedial Design/Remedial Action or "RD/RA" (see definition of "RD/RA") obligations under the Goodrich Consent Decree in accordance with the OU2 ROD, (iii) provide for payments by Goodrich to WWWD, as provided in this Agreement, for certain costs of operating and maintaining the Wellhead Treatment Project, and (iv) provide payments by Goodrich to WWWD for certain potential costs of constructing, operating and maintaining the WWWD IX Systems (see definition of "WWWD IX Systems") and any additional treatment systems that Goodrich elects to utilize to meet its RD/RA obligations under the Goodrich Consent Decree in accordance with the OU2 ROD. In addition, subject to the terms of this Agreement, WWWD reserves and makes available to Goodrich its Available Water Rights (see definition of "Available Water Rights") to extract and treat OU2 groundwater impacted by Basin Contaminants, and provides access to Goodrich to WWWD's treatment systems for this

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purpose. Further, subject to the terms of this Agreement, Goodrich pays WVWD for the operation and maintenance costs or "O&M Costs" (see definition of "O&M Costs") of the Wellhead Treatment Project, as well as certain other costs associated with Goodrich's potential use of WVWD's IX Systems, or other new wells, infrastructure and/or treatment systems that Goodrich elects to construct as part of Additional Activities (see definition of "Additional Activities"), that are necessary for Goodrich to comply with the Goodrich Consent Decree and OU2 ROD. The details of these arrangements are set forth in this Agreement.

- H. US EPA and the Settling Federal Agencies (see definition of "Settling Federal Agencies") have consented to the terms of this Agreement pursuant to the requirements set forth in Paragraph 11 of the Goodrich Consent Decree. In recognition of their obligations under the Goodrich Consent Decree, and the terms of this Agreement as they relate to such obligations, the Settling Federal Agencies and United Technologies Corporation ("UTC") are third party beneficiaries under this Agreement for purposes of the WVWD indemnification and release provisions set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

ARTICLE 1. DEFINITIONS

1. "1961 Decree" shall mean that certain Decree dated December 22, 1961, filed on December 22, 1961, in Lytle Creek Water and Improvement Company, a corporation, Plaintiff vs. Fontana Ranchos Water Company, a corporation, et al., Defendants, Action no. 81264 in the Superior Court of the State of California, County of San Bernardino.
2. "2010 ROD" shall mean the document entitled "USEPA Superfund Interim Action Record of Decision", EPA ID: CAN000905945, dated September 30, 2010.
3. "Additional Activities" shall have the meaning set forth in Paragraph 3.1.2(g) hereof.
4. "Applicable Law" shall mean all federal, state and local laws, statutes, codes, moratoria, initiatives, referenda, ordinances, rules, regulations, policies, guidelines, standards, orders, judicial decisions, rulings, common law and other governmental and quasi-governmental requirements applicable to the activities and obligations that are the subject of this Agreement.
5. "Applicable Standards" shall mean (a) the remediation standards applicable to the RD/RA to be set forth by US EPA in the OU2 ROD; (b) the water treatment requirements, regulatory advisories and regulatory recommendations applicable to WVWD operations under federal, state and local Applicable Law; and (c) any permit requirements that are applicable to water production, treatment, disinfection, distribution and use of treated water.

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6. "ASAOC" shall mean the Administrative Settlement Agreement and Order on Consent for Performance of a Remedial Investigation and Feasibility Study" between Goodrich and US EPA effective as of February 26, 2013.
7. "Available Water Rights" shall mean the WVWD water rights defined in, and subject to limitations set forth in, Paragraph 2.1.0 hereof.
8. "Basin" shall mean the Rialto-Colton Groundwater Basin as defined in the 1961 Decree.
9. "Basin Contaminants" shall mean, consistent with the Goodrich Consent Decree, any type of perchlorate; trichloroethylene ("TCE"); carbon tetrachloride; chloroform; or methylene chloride; including any breakdown or "daughter" products of the foregoing (e.g.: trihalomethanes; haloacetic acids; cis-1,2 DCE; trans-1,2 DCE; and, vinyl chloride), from the RFF Site.
10. "CDPH" shall mean the California Department of Public Health.
11. "CDPH Demonstration Period" shall mean the period of time necessary for WVWD to obtain all necessary permits and approvals to direct groundwater extracted and treated by the Wellhead Treatment Project into its potable water system.
12. "CDPH Grant Agreement" shall mean the document entitled, "Funding Agreement Between the State of California Department of Public Health and West Valley Water District: Project Number P84-3610004-801, Funding Agreement No. 84-10C15", dated October 14, 2010.
13. "CDWR" shall mean California Department of Water Resources.
14. "CEQA" shall mean the California Environmental Quality Act.
15. "DDW" shall mean the California Environmental Protection Agency, State Water Resources Control Board, Division of Drinking Water, which is the successor agency to CDPH.
16. "ESTCP" shall mean the United States Department of Defense's Environmental Security Technology Certification Program.
17. "Extraction & Treatment Activities" shall mean the Extraction & Treatment Activities as described in Paragraph 3.1.1(b) hereof.
18. "FBR System" shall mean the existing fluidized bed reactor treatment system and all associated equipment (e.g., filters, aeration tanks, dissolved air filtration units), monitoring and controls, piping and connections located at WVWD's headquarters necessary to treat water to Applicable Standards for potable use.
19. "FXB System" shall mean a fixed bed reactor treatment system which may be constructed and operated by WVWD at the WVWD headquarters, and all associated equipment dedicated to the FXB System.

20. "Goodrich Consent Decree" means the Consent Decree (Case No. ED CV 09-01864 (SSx)) by and between the United States Environmental Protection Agency, United States of America, Goodrich Corporation, United Technologies Corporation, County of San Bernardino, City of Rialto, and City of Colton entered as a judgment by the United States District Court for the Central District of California – Western Division on July 2, 2013.

21. "IX" shall mean ion exchange.

22. "Non-Routine O&M Costs" shall mean those costs associated with the irregular and infrequent repair and replacement of significant components of the Wellhead Treatment Project. Such costs shall not include costs associated with O&M such as routine, scheduled, predictable maintenance costs; the cost of consumables; small value repairs (less than \$1,000 in total cost); or operator labor and similar costs which have been included in WVWD estimates of total annual O&M Costs.

23. "O&M Costs" shall mean the operation and maintenance costs as set forth in Paragraph 3.1.2 hereof and are comprised of Fixed O&M Costs and Variable O&M Costs as defined in Paragraph 2.2.5, and exclude Non-Routine O&M Costs.

24. "Operation and Maintenance" or "O&M" shall mean the reasonable and necessary activities associated with routine operation and maintenance, operator labor, and post-warranty equipment repair and replacement in connection with the Wellhead Treatment Project and Additional Activities. O&M shall include the following routine activities, materials and services: associated vendor service contracts; electric power; materials, chemicals and supplies; spare parts; WVWD labor directly attributable to the operation, maintenance and monitoring of the Wellhead Treatment Project and Additional Activities; sampling, outside laboratory expenses, and permit fees; and reporting of sentinel and production wells, and any groundwater modeling activities related to 97-005 compliance; and associated outside consultants including environmental, engineering, hydrogeology, and legal necessary to obtain and maintain permits. O&M shall not include materials and services associated with the following activities in connection with the Wellhead Treatment Project or Additional Activities: the lifting of groundwater to ground surface, the transport of extracted untreated groundwater to the selected treatment facilities (to the extent the lift of untreated groundwater is one pressure zone or less in elevation, subject to the FXB-related lifting exclusion in Section 3.1.2(h) hereof, and the disinfection of such extracted groundwater.

25. "OU2" shall mean "Operable Unit No. 2" at the RFF Site that addresses groundwater contaminated by Basin Contaminants or other contaminants of concern that are identified in the OU2 ROD at the RFF Site downgradient of the Target Area. OU2 does not include groundwater within the Target Area.

26. "OU2 ROD" shall mean the Record of Decision that will be issued by the US EPA to establish a remedy for the OU2 area of the RFF Site, as such Record of Decision may be modified or amended.

27. "Parties" shall mean WVWD and Goodrich.

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28. "Project Costs" shall mean all costs to be paid by Goodrich to WVWD during the Pre-OU2 ROD Period and Post-OU2 ROD Period as set forth in Paragraphs 2.2.2, 2.2.3, 2.2.4, 3.1.2, 3.3 and 4.1.4 of this Agreement.

29. "RD/RA" shall mean the remedial design/remedial action required pursuant to the Goodrich Consent Decree.

30. "RFF Site" shall mean the Rockets, Fireworks and Flares Superfund Site as defined by US EPA, which Site is the subject of the Goodrich Consent Decree.

31. "Rialto-Colton Basin" shall mean the basin that underlies a portion of the upper Santa Ana Valley in southwestern San Bernardino County and northwestern Riverside County. This basin is bounded by the San Gabriel mountains on the north, the San Jacinto fault on the east, the Box Spring Mountains on the south, and the Rialto-Colton fault on the west.

32. "Rialto Lease Agreement" shall mean the document entitled, "Agreement between the City of Rialto and Rialto Utility Authority and the West Valley Water District", dated July 13, 2010.

33. "RI/FS" shall mean the remedial investigation/feasibility study required pursuant to the Goodrich Consent Decree.

34. "SCADA" shall mean supervisory control and data acquisition is a system operating with coded signals over communication channels so as to provide control of remote equipment.

35. "Settling Federal Agencies" shall mean the "Settling Federal Agencies" as defined in Paragraph 4 of the Goodrich Consent Decree.

36. "State Board" shall mean the California State Water Resources Control Board.

37. "System Upgrade" shall mean any reasonable modifications, including any periodic repair or replacement activities (as determined by WVWD in consultation with Goodrich) to the Wellhead Treatment Project or any WVWD assets associated with any Additional Activities, reasonably necessary in order to implement the Wellhead Treatment Project and any Additional Activities. System Upgrades shall include modifications, repairs and replacement activities reasonably necessary to expand the Wellhead Treatment Project and/or perform any Additional Activities and other upgrades to reduce O&M Costs and optimize operations and operation efficiencies to the extent reasonably practicable. System Upgrades shall not include modifications, repairs, and replacement activities required as part of WVWD's Performance Guarantee as set forth in Paragraph 3.1.1(d) hereof.

38. "TCE" shall mean trichloroethylene.

39. "US EPA" shall mean the United States Environmental Protection Agency

40. "US EPA Approval Date" shall be the date that US EPA (in consultation with DDW) approves discontinuation of OU2 ROD activities pursuant to the Goodrich Consent Decree through

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the issuance of a Certification of Completion of Remedial Action as defined in Paragraph 51 of the Goodrich Consent Decree.

41. "Valley District" shall mean the San Bernardino Valley Municipal Water District.

42. "Well 6" shall mean Rialto Well No. 6 and the land and all pump, control, well piping and/or other equipment necessary to operate such well, which Well 6 is the subject of the Rialto Lease Agreement.

43. "Well 11" shall mean WWWD Well No. 11 and the land and all pump, control, well piping and/or other equipment necessary to operate such well.

44. Wellhead Treatment Project shall mean: (i) Well 6 and Well 11; (ii) the FBR System; (iii) pipelines to convey contaminated water from Well 6 and Well 11 to the FBR System; (v) monitoring and control systems (including SCADA) for Well 6 and Well 11.

45. "WWWD IX Systems" shall mean WWWD's four (4) existing WWWD IX Treatment Systems, three of which are located at the Rialto High School and one of which (the ESTCP IX unit) is located at the WWWD headquarters.

46. "WWWD Systems" shall mean all WWWD water production equipment, including the Wellhead Treatment Project and any Additional Activities implemented on behalf of Goodrich.

ARTICLE 2. THE PROJECT

2.1 General Project Description

2.1.0 WWWD Available Water Rights. WWWD's water rights which are available pursuant to the terms of this Agreement are defined by, and limited by reference to, the following:

(a) Applicable Law;

(b) the rights of WWWD set forth in the 1961 Decree, as such 1961 Decree may be modified;

(c) any agreement, contract, or other document to which WWWD is a party as of the Effective Date, including but not limited to, the Rialto Lease Agreement, and the CDPH Grant Agreement;

(d) excluding an average of 620 gallons per minute ("gpm") (1,000 acre feet annually) extracted from Well 54 (or any replacement well) necessary to meet WWWD's export offset obligations with respect to the delivery of water outside of the Valley District service area, which water rights are reserved by WWWD and thus are not available to apply to activities addressed under this Agreement; and

(e) any judicial or other decision or ruling binding on WVWD with respect to water rights or the use of water in the Rialto-Colton Basin.

Subparagraphs (a) – (e) are collectively referred to as WVWD's "Available Water Rights". The Parties acknowledge and agree that the Available Water Rights that are available for the Wellhead Treatment Project and any Additional Activities are limited and that the applicable limitations are subject to adjustment on an annual basis in accordance with the 1961 Decree. As an example, based on (i) the reservation by WVWD of an average flowrate of 1,500 gpm (2420 acre-feet) for the Wellhead Treatment Project and FXB System (if constructed), (ii) the reservation by WVWD of an average flowrate of 620 gpm for WVWD Well 54 (1,000 acre-feet), and (iii) the 2014/2015 reduction of 32% due to Basin water elevations, the total Available Water Rights as of the Effective Date that are available for any Additional Activities are equal to an average flowrate of 453 gpm (731 acre-feet). For illustration purposes, further information regarding estimated Available Water Rights (32% reduction scenario) and under a maximum 50% reduction scenario are set forth in Appendix A hereto. The Parties further acknowledge and agree that the amount of such Available Water Rights is subject to adjustment on an annual basis in June each year based on the then current Basin water elevation calculations for the Basin. Available Water Rights shall not include any WVWD water rights from outside the Basin.

2.1.1 System Operation: WVWD Assets. As provided in Paragraph 3.1.1 hereof, and subject to Available Water Rights, WVWD shall:

(a) continuously extract groundwater utilizing the Wellhead Treatment Project to remove Basin Contaminants from the OU2 area, and treat such Basin Contaminants to meet Applicable Standards, except for such temporary periods of time necessary for WVWD to repair, replace, maintain the Wellhead Treatment Project, or during force majeure events pursuant to Article 5 hereof;

(b) reserve and make available to Goodrich WVWD's Available Water Rights to the extent necessary for Goodrich to fulfill its obligations under the Goodrich Consent Decree to by performing the requirements established in the OU2 ROD;

(c) reserve and make available to Goodrich for a decision-making period not to exceed ten (10) years after the Effective Date the WVWD IX Systems and any additional treatment system that may be constructed by WVWD for use by Goodrich, at Goodrich's election, to utilize in pursuing Additional Activities to the extent Goodrich elects to utilize such WVWD assets to fulfill its obligations under the Goodrich Consent Decree in performing the requirements established in the OU2 ROD. However, at Goodrich's request and with the concurrence of WVWD, the flow rate through the Wellhead Treatment Project may be reduced, but shall not be reduced to a flow rate less than the minimum flow requirements set forth in this Agreement. In the event that Goodrich desires to use the any or all of the WVWD IX Systems or any new treatment system that is constructed by WVWD, Goodrich shall provide WVWD with prior written notice that Goodrich exercises its rights to use such system(s); provided that:

- (i) WVWD shall provide access to such system(s) no earlier than sixty (60) days after receipt of such notice;
- (ii) Goodrich shall pay all costs and expenses of rehabilitating and placing such system or systems in such working order as determined by WVWD or as required by Applicable Law; and
- (iii) Goodrich shall accept the WVWD IX Systems (or any of them) in an "AS IS-WHERE IS" condition, with all faults. This Agreement shall not require WVWD to make available to Goodrich any treatment system or other assets located outside of the Basin.

(d) in the event that Goodrich's use of the Available Water Rights requires WVWD to deliver water to other WVWD service area zones higher in elevation than those it would otherwise deliver to and/or at volumes materially greater than those it would otherwise be, in the absence of any Additional Activities within its service area, Goodrich shall pay the reasonable costs associated with providing the infrastructure (e.g., booster pumps) needed by WVWD to deliver water to such higher elevation service area zones to the extent the lift of treated water is greater than one pressure zone. WVWD agrees to use commercially reasonable efforts to minimize the need for and extent of any such actions and the associated costs.

2.1.2 Pre-OU2 ROD Payment Period Costs: The Parties acknowledge and agree that WVWD shall use commercially reasonable efforts to cause the permitting of the Wellhead Treatment Project through the CDPH Demonstration Period prior to the issuance by US EPA of the OU2 ROD. As provided in Paragraph 3.1.2 hereof, Goodrich shall pay WVWD for certain specified O&M Costs associated with the Wellhead Treatment Project during the "Pre-OU2 ROD Period" which shall run from the Effective Date of this Agreement through the date of issuance by US EPA of the OU2 ROD or December 31, 2017, whichever of these dates is earlier. The Pre-OU2 ROD Period will provide baseline cost data for actual Wellhead Treatment Project O&M Costs for use by the Parties in determining projected future O&M Costs after the Pre-OU2 ROD Period.

2.1.3 Full Payment Period Costs: Following the expiration of the Pre-OU2 ROD Period, in accordance with Paragraph 3.1.2 hereof, Goodrich shall pay WVWD for the actual O&M Costs associated with the Wellhead Treatment Project.

2.1.4 Additional Activities and Associated Cost Payments. The Parties acknowledge that US EPA, as part of the OU2 ROD, may require Goodrich to perform additional extraction and treatment activities beyond or instead of those associated with the Wellhead Treatment Project, and that Goodrich shall have rights to utilize certain WVWD assets to perform such additional activities as "Additional Activities" in accordance with Paragraph 3.1.2(g) hereof. Goodrich shall pay WVWD as Project Costs for the actual costs associated with such Additional Activities in accordance with Paragraph 3.1.2(g) hereof.

2.1.5 Role of Settling Federal Agencies: The Settling Federal Agencies are parties to the Goodrich Consent Decree. Pursuant to Paragraph 11 of the Goodrich Consent Decree, the Settling Federal Agencies have approval rights in connection with matters addressed in this Agreement. Pursuant to such Paragraph 11, the Settling Federal Agencies have consented to the terms of this Agreement.

2.1.6 Role of US EPA: US EPA is a party to the Goodrich Consent Decree. Pursuant to Paragraph 11 of the Goodrich Consent Decree, US EPA has approval rights in connection with matters addressed in this Agreement. Pursuant to such Paragraph 11, US EPA has consented to the terms of this Agreement. US EPA also has regulatory jurisdiction over the RFF Site, and will issue the OU2 ROD establishing a remedy for the OU2 area of the RFF Site.

2.1.7 Role of DDW: DDW regulates and permits potable water use by the WWWD and directly controls the permit conditions for water sources, treatment and distribution.

2.2 Modification or Changes to the Project

2.2.1 US EPA Modifications (ROD Amendments, Modified Orders, New Orders and Directives): Except as otherwise provided in this Agreement in terms of Goodrich's rights to conduct the Wellhead Treatment Project and Additional Activities so long as it pays Projects Costs associated with such activities, no modification to, or amendment of, the OU2 ROD or any subsequent ROD, or any new US EPA order or modified ASAOC creates any obligation upon WWWD pursuant to this Agreement without the prior written approval of WWWD, which approval may be withheld in WWWD's sole and absolute discretion.

2.2.2 Changes in Concentration of Basin Contaminants or Basin Contaminants That Were Not Previously Tested for: Any reasonable costs associated with addressing concentration changes of any Basin Contaminant that affects the Wellhead Treatment Project or Additional Activities or any Basin Contaminant that was not tested for as of the Effective Date that affects the Wellhead Treatment Project or Additional Activities shall be a Project Cost.

2.2.3 Emerging Chemicals or Basin Contaminants Not Part of OU2 ROD:

- (a) Any reasonable cost associated with addressing any emerging, currently unregulated chemical or contaminant that is not a Basin Contaminant and that originates (in whole or in part) from the RFF site that (a) results in a directive from a regulatory agency to modify the Wellhead Treatment Project or any Additional Activities, or (b) causes WWWD to voluntarily modify the Wellhead Treatment Project or any Additional Activities due to recognized health risks to its customers, shall be a Project Cost to the extent that such costs are attributable to the RFF Site (i.e., if 50% of such costs are attributable to the RFF Site, then 50% of such costs shall constitute Project Costs). In the event that a non-Basin Contaminant is detected above the laboratory method detection limit in source water being treated by WWWD on behalf of Goodrich, and such non-Basin Contaminant is not attributable to the RFF Site, whether such contaminant is currently regulated or not, any cost associated with addressing regulatory directives or requirements associated with such contaminant (through

treatment, blending or otherwise), shall be the responsibility of WWWD; provided, that if such contaminant either cannot be treated using reasonably available technology, or the costs associated with such treatment are materially unreasonable, then the emergence of such contaminant shall be treated as a force majeure event in accordance with Article 5 hereof. This burden for any non-Basin Contaminant shall only be borne by WWWD if the contaminant is detected in at least 10 percent of the production or monitoring wells located elsewhere in the Basin and is thus not exclusive to any OU2 ROD-implementation source well(s). For purposes of this subparagraph, a "materially unreasonable" cost shall be a capital cost that is more than \$500,000, or an additional annual operation and maintenance cost that exceeds more than one-quarter of the then projected annual O&M Costs for the Wellhead Treatment Project.

- (b) In the event of a dispute between the Parties as to whether a contaminant is a Basin Contaminant, the Parties agree that such dispute shall be resolved in accordance with the dispute resolution provisions of Article 6 hereof, and that during the pendency of such dispute the Parties shall share equally the costs of addressing such chemical or contaminant and cooperate in good faith to address such chemical or contaminant expeditiously in a manner that minimizes costs to the maximum extent practicable.
- (c) In the event of a dispute between the Parties as to whether any emerging, currently unregulated chemical or contaminant that is not a Basin Contaminant originates from the RFF Site in whole or in part, or the extent to which such chemical or contaminant originates from the RFF Site or another source, the Parties agree that such dispute shall be resolved in accordance with the dispute resolution provisions of Article 6 hereof, and that during the pendency of such dispute the Parties shall share equally the costs of addressing such chemical or contaminant and cooperate in good faith to address such chemical or contaminant expeditiously in a manner that minimizes costs to the maximum extent practicable.

2.2.4 Changing Standards:

- (a) Any increase in O&M Costs that results from any change in Applicable Standards for any Basin Contaminant shall be a Project Cost.
- (b) In the event of a dispute between the Parties as to whether any increase in O&M costs results from any change in Applicable Standards for any Basin Contaminant, the Parties shall resolve such dispute in the same manner as specified in Paragraph 2.2.3(b) above.

2.2.5 Cooperation by the Parties

The Parties acknowledge and agree that to the extent modifications or repairs to the Wellhead Treatment Project or any Additional Activities are necessary for any reason, including but not limited to the reasons pursuant to this Paragraph 2.2, with the exception of WWWD's failure to meet the Standard of Care or Performance Guarantee pursuant to Paragraph 3.1.1(d) hereof, the Parties shall

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cooperate to the maximum extent practicable to reasonably minimize both the costs necessary to address such modifications or repairs and the timeframe for implementing such modifications or repairs, regardless of which Party is required to pay such costs. The Parties specifically acknowledge that implementation of any necessary modifications or repairs could result in a temporary suspension of the operation of the Wellhead Treatment Project and any Additional Activities, and agree that they shall cooperate to the maximum extent practicable to reasonably minimize the duration of any such temporary suspension. The Parties further agree that WVWD shall be relieved of its obligation to operate any affected portion or portions of the Wellhead Treatment Project or Additional Activities, and Goodrich shall be relieved of its obligation to pay the "Variable O&M Costs" associated with such affected portion or portions, during any such period of temporary suspension. "Variable O&M Costs" shall include power and chemicals except the power and chemicals necessary to maintain the facilities that are unable to be suspended; WVWD labor that is not required to maintain the affected facilities; vendor service contracts that can be deferred; and sampling, laboratory services and reporting that are not required regulatory agencies to be performed. During any such period of temporary suspension, Goodrich shall be obligated to continue to pay Fixed O&M Costs and Non-Routine O&M Costs. "Fixed O&M Costs" shall include the power and chemicals necessary to maintain the facilities that are unable to be suspended; WVWD labor that is required to maintain the affected facilities; vendor service contracts that cannot be deferred; and sampling, laboratory services and reporting that are required by regulatory agencies to be performed. WVWD, in consultation with Goodrich, shall use commercially reasonable efforts to reasonably minimize the amount of any remaining O&M Costs beyond the Variable O&M Costs.

ARTICLE 3. PROJECT MANAGEMENT

3.1. Responsibilities of the Parties

3.1.1 WVWD Responsibilities

(a) *Water Rights:*

- (i) As of the Effective Date, WVWD reserves and makes available to Goodrich its Available Water Rights in order for the Parties to conduct the Wellhead Treatment Project and Additional Activities, if any, in accordance with this Agreement.
- (ii) WVWD hereby represents that it has full legal rights to access and use Well 6 and Well 11 as of the Effective Date of this Agreement, and for the duration of this Agreement, subject to WVWD's Available Water Rights.
- (iii) WVWD, on an annual basis as of June 30, shall provide to Goodrich a report detailing WVWD's Available Water Rights for the then current operating year, as such rights may be adjusted based on the then current water elevations in the Basin.
- (iv) If Goodrich requires less than the full Available Water Rights on an annual basis to conduct the Wellhead Treatment Project and Additional Activities

(pursuant to Section 3.1.2(a)), if any, then WVWD may utilize any remaining Available Water Rights for any purposes whatsoever; provided, that any such remaining Available Water Rights shall not be irrevocably committed to other purposes for the water year at issue and shall remain available to the Parties to conduct the Wellhead Treatment Project and Additional Activities in future water years.

(b) *Extraction and Treatment of OU2 Area Groundwater:*

As of the Effective Date, subject to Applicable Law and Available Water Rights, WVWD shall implement the Wellhead Treatment Project by conducting the following activities which shall be defined as the "Extraction & Treatment Activities":

(i) Operate the Wellhead Treatment Project in accordance with the extraction and treatment protocol attached as Appendix B hereto (the "Extraction and Treatment Protocol");

(ii) Diligently pursue all activities required during the CDPH Demonstration Period and, following the termination of the CDPH Demonstration Period, treat Basin Contaminants in extracted groundwater using the Wellhead Treatment Project such that extracted water meets all Applicable Standards;

(iii) After the CDPH Demonstration Period is completed, WVWD shall accept such treated water into its water distribution system at locations selected by WVWD (with the exception of any temporary Wellhead Treatment Project maintenance projects, Wellhead Treatment Project re-starts, and/or temporary periods of discharge to any approved surface waters); and,

(iv) WVWD shall operate the Wellhead Treatment Project until the US EPA Approval Date.

(c) *Use of WVWD's System to Meet OU2 ROD Requirements:*

The Parties acknowledge that the OU2 ROD to be issued by US EPA may require Goodrich to perform extraction and treatment requirements instead of or beyond those associated with the Wellhead Treatment Project. Consistent with Goodrich's rights and responsibilities set forth in Paragraph 3.1.2(g) below with respect to Additional Activities, WVWD reserves and shall make available to Goodrich its FBR System (and any of the WVWD IX Systems or any new treatment system that is constructed by WVWD, as necessary) for the implementation of any such extraction and treatment activities required by the OU2 ROD; provided, that (i) Goodrich's use of the FBR System or any other treatment system for purposes other than treating water extracted from Well 6 and Well 11, or Goodrich's use of other extraction wells (existing wells or new wells that might be used in addition to or instead of Well 6 and Well 11), shall not

cause material, unreasonable interference with WVWD's ability to meet the performance requirements set forth in this Agreement; and, (ii) that while the Parties acknowledge and agree that the WVWD IX Systems are available for use by Goodrich as of the Effective Date of this Agreement, such systems shall only be reserved and made available to Goodrich for the ten (10) year decision-making period specified in Paragraph 2.1.1(c) hereof, and WVWD shall not be required to agree to make these and other components of its water system available for use by Goodrich if WVWD can demonstrate that such an action would cause material, unreasonable interference with the operation of its overall water system in a manner that cannot be reasonably remedied in accordance with the terms of this Agreement.

(d) *Standard of Care; Performance Guarantee:*

Subject to the terms and conditions in this Agreement, WVWD hereby (i) agrees to perform its obligations under this Agreement in accordance with Applicable Law and the standard of care applicable to local water purveyors, (ii) guarantees the performance of the FBR System and any Additional Activities designed and constructed by WVWD, including but not limited to the treatment of extracted groundwater to currently Applicable Standards for the FBR, and any Applicable Standards at the time of construction of any Additional Activities; and (iii) guarantees that the performance of any Additional Activities designed and constructed by WVWD achieves the treatment objectives reviewed and approved by Goodrich within the design criteria and operating conditions specified at the time of design for the limited period of time set forth below. The physical equipment and facilities of the FBR System and any Additional Activities designed and constructed by WVWD are guaranteed only to the extent that they are covered by WVWD's customary warranty obtained from equipment providers. WVWD's performance guarantee as set forth in Paragraph 3.1.1(d)(ii) above shall include a guarantee that the FBR System will remove perchlorate to meet current Applicable Standards based upon the feed water quality of up to 2700 ppb of perchlorate, 45 ppm of nitrate (NO₃), and 10 ppm of dissolved oxygen, at a maximum flow rate of up to 2,000 gpm (1,000 gpm per FBR). WVWD will not add additional treatment equipment to the FBR System for TCE and its daughter products, unless required by DDW. Notwithstanding the above, WVWD does not guarantee: (a) the extraction capacity of Well 6 or Well 11 or any future extraction wells; (b) or that the extraction of groundwater from Well 6 or Well 11, or any future extraction wells, will establish certain degrees of hydraulic capture of Basin Contaminants in the OU2 area. The performance guarantee set forth above as it applies to the FBR System and any Additional Activities designed and constructed by WVWD shall expire on the date that is two (2) years after the date of issuance of the amendment to WVWD's water supply permit for the FBR System and two (2) years after the completion of construction of any such Additional Activities. The portion of the FBR performance guarantee in Paragraph 3.1.1(d)(ii) that applies to the treatment of perchlorate and nitrate to

concentrations below current Applicable Standards shall survive for the term of this Agreement.

3.1.2 Goodrich Responsibilities

- (a) As of August 31 each year, Goodrich shall provide to WVWD an estimate of the amount of Available Water Rights that Goodrich will require for the following water year (October 1 through September 30) to be reserved and made available by WVWD for the Wellhead Treatment Project and any Additional Activities.
- (b) Goodrich shall pay to WVWD as "Project Costs" the (i) operation and maintenance costs associated with O&M ("O&M Costs") and System Upgrade Costs described in subsections (c) through (h) below, and (ii) Non-Routine O&M Costs, through the US EPA Approval Date; provided, that while Goodrich shall continue to be responsible for paying such O&M Costs for the duration of any force majeure event pursuant to Article 5 hereof, Goodrich shall be relieved of its obligation to pay "Variable O&M Costs" as defined in Paragraph 2.2.5 hereof for the duration of any such force majeure event.
- (c) *Pre-OU2 ROD Period Payments:*
- (i) From the Effective Date through the date of issuance by US EPA of the OU2 ROD, or December 31, 2017, whichever date is earlier (the "Pre-OU2 ROD Period"), Goodrich shall make payments for 100% of actual O&M Costs associated with the Extraction & Treatment Activities, up to an annual O&M Costs cap of \$700,000, in accordance with Appendix C hereto. O&M Costs shall include costs associated with O&M. During the Pre-OU2 Rod Period, O&M Costs shall not include (A) any operation and maintenance costs of the Wellhead Treatment Project or Additional Activities to the extent such costs are associated with treatment of groundwater extracted by WVWD or third parties from areas other than the OU2 area, or (B) third party FBR-treatment related consultant fees in excess of \$50,000 per year, exclusive of any fees that constitute Non-Routine O&M Costs.
- (ii) Goodrich's Pre-OU2 ROD Period Project Costs shall include the costs of any System Upgrade to the Wellhead Treatment Project.
- (d) *Post-OU2 ROD Period Payments:*
- (i) Beginning as of the termination of the Pre-OU2 ROD Period, and continuing through the US EPA Approval Date (the "Post-OU2 ROD Period"), Goodrich shall pay the actual O&M Costs defined above for the Extraction & Treatment Activities in accordance with Appendix C hereto. During the Post-OU2 ROD Period, O&M Costs shall not include (A) any operation and maintenance costs of the Wellhead Treatment Project or Additional Activities to the extent such costs are associated with treatment of groundwater extracted by WVWD or

third parties from areas other than the OU2 area, (B) FBR System operator labor costs over 96 hours per week, or (C) third party FBR-treatment related consultant fees, except for any fees that constitute Non-Routine O&M Costs.

(ii) Goodrich's Post-OU2 ROD Period Project Costs shall include the costs of any System Upgrade to the Wellhead Treatment Project.

(e) **FXB System Costs**

(i) The Parties acknowledge that WVWD plans to construct the FXB System at the WVWD HQ location. In the event that WVWD elects to construct such FXB System, WVWD shall fund the capital costs of the FXB System from its own funds or funds that it receives from third party grant making entities, and shall be responsible for ensuring that such FXB System is properly permitted in accordance with Applicable Law.

(ii) In the event that WVWD constructs the FXB System, and such FXB System is utilized by WVWD to treat Basin Contaminants, Goodrich shall pay the O&M Costs associated with such FXB System in accordance with Appendix C hereto as of the date that such FXB System becomes fully permitted for use; provided, that for the duration of this Agreement Goodrich shall not be responsible for (a) any O&M Costs associated with the FXB System that are above and beyond the actual FBR System O&M Cost baseline (calculated using the average of the annual O&M Costs for the FBR System for the two calendar years (as adjusted for variations in chemical dosages based on changes in influent quality) preceding startup of the FXB System), (b) any Non-Routine O&M Costs associated with the FXB System, (c) any costs associated with any System Upgrade to the FXB System, or (d) any costs associated with the idling or demobilization of the FXB System.

(iii) In the event that WVWD constructs the FXB System, the 750 gpm minimum flow requirement set forth in Paragraph 3.1.2(g)(i) hereof shall be adjusted to 1,500 gpm.

(f) ***Goodrich Option to Terminate Post-OU2 ROD Period Payments:***

(i) In the event that US EPA issues an OU2 ROD that does not incorporate all or any portion of the Wellhead Treatment Project as part of the OU2 ROD for the RFF Site, Goodrich may, within one hundred and twenty (120) days of the date of issuance of the OU2 ROD, exercise its option to discontinue paying the Project Costs (as of the date of issuance of the OU2 ROD) for all or any portion of the Wellhead Treatment Project that Goodrich determines is not required by the OU2 ROD.

(ii) In the event that Goodrich exercises its option to discontinue payment of all Project Costs as specified in Paragraph 3.1.2(f)(i) above, the Parties' respective releases and indemnities set forth in Paragraph 4.2 and Paragraph 4.3 hereof shall, at WVWD's election, be modified as set forth in such referenced Paragraphs. Further, in the event that Goodrich exercises its option to discontinue payment of all Project Costs as set forth in Paragraph 3.1.2(f)(i) above, all provisions of this Agreement relating to the reservation of Available Water Rights by WVWD for Goodrich, and access to the Wellhead Treatment Project and WVWD IX Systems by WVWD for Goodrich, are voidable by WVWD.

(g) *Goodrich Option to Conduct Additional Activities.*

(i) So long as Goodrich does not exercise its option pursuant to Paragraph 3.1.2(f) above, and subject to Applicable Law and Available Water Rights, Goodrich shall have the right to (1) exercise its option to utilize WVWD's Wellhead Treatment Project (provided, that Goodrich shall be required to use the Wellhead Treatment Project for a minimum flow of 750 gpm), and (2) exercise its option to utilize WVWD's IX Systems or any other new treatment system constructed by WVWD or Goodrich, to conduct the Additional Activities defined in Paragraph 3.1.2(g)(ii) below. WVWD shall reasonably cooperate with Goodrich in the event that Goodrich exercises one or more of these options to, among other things, implement such options in a manner that minimizes costs to the extent reasonably practicable.

(ii) In exercising its option set forth in this Paragraph 3.1.2(g), within one hundred and twenty (120) days of the date of issuance of the OU2 ROD by US EPA, upon Goodrich's request and in consultation with WVWD, Goodrich may elect to design, construct and operate (note: Goodrich may not operate any elements of a potable water supply system), or request that WVWD design, construct and operate, at Goodrich's sole cost and expense, additional extraction wells and treat extracted groundwater from such wells utilizing the Wellhead Treatment Project, WVWD's IX Systems, or any new treatment system(s) to meet any additional extraction and treatment requirements imposed by US EPA through the OU2 ROD beyond the extraction and treatment activities associated with the Wellhead Treatment Project (the "Additional Activities"). WVWD may elect or decline to design and construct any Additional Activity as requested by Goodrich, in its sole and absolute discretion; provided, that should WVWD so elect or decline, such action shall not affect Goodrich's rights to design and construct any such Additional Activities or WVWD's obligation to operate any such Additional Activities on Goodrich's behalf pursuant to the terms of this Agreement. Any such new equipment or assets shall be owned by WVWD. Such Additional Activities to be conducted by the Parties may include but are not necessarily limited to:

- (A) installing additional extraction wells within the OU2 area of the Basin, including any new monitoring and control systems (including SCADA) for the wellhead and treatment facilities;
- (B) installing piping associated with such new extraction wells in order to transport untreated extracted groundwater;
- (C) treating extracted groundwater from such new extraction wells at either the FBR System, the WVWD IX Systems (at their current locations or at potential new locations) or any new treatment systems, such that extracted water meets Applicable Standards;
- (D) distributing such treated water into WVWD's water distribution system at locations approved by WVWD and by DDW;
- (E) installing new monitoring and sentinel wells associated with any new extraction wells;
- (F) installing any necessary new pipelines or infrastructure to convey the treated water to WVWD's water distribution system;
- (G) Feasibility evaluation, conceptual design, engineering design, CEQA Compliance and permitting to support the development of the Additional Activities; and
- (H) Except as otherwise set forth herein, any necessary activities to discontinue use of, or idle, existing WVWD equipment and infrastructure.

(iii) Any Additional Activities that are to become part of WVWD's water extraction, treatment and water supply system shall not create material adverse impacts to, or unreasonable interference with, the Wellhead Treatment Project or WVWD's operation of its water extraction, treatment and water supply system, and must be reviewed and approved in writing and in advance by WVWD, which approval shall not be unreasonably withheld. Goodrich shall provide WVWD a minimum of thirty (30) calendar days to review Goodrich submittals. In the event that WVWD does not design and construct the Additional Activity(ies), approval of WVWD must be obtained for initiation of the Additional Activity(ies), project objectives and design criteria, design, acceptance of the constructed facility, and recommended operating procedures. All permits for the Additional Activity(ies), including CEQA compliance, will be obtained by and in the name of WVWD. Goodrich shall pay the cost of obtaining all necessary permits and approvals. WVWD shall be named as an additional insured on all construction contracts executed by Goodrich. WVWD and Goodrich agree that any Additional Activities shall be designed and implemented to the maximum extent practical to take

advantage of WVWD's existing assets in order to reasonably minimize impacts to WVWD's operations and the costs of any such Additional Activities.

(h) ***Payment by Goodrich for Costs of Additional Activities:***

Project Costs to be paid by Goodrich to WVWD shall include any and all reasonable costs associated with such Additional Activities, including but not limited to: capital, operation and maintenance, consultants and accounting time associated with the Additional Activities described in Paragraph 3.1.2(g) hereof. Project Costs associated with Additional Activities shall include but not be limited to:

- (i) design, planning and feasibility studies;
- (ii) engineering;
- (iii) environmental compliance;
- (iv) permitting (including DDW permitting);
- (v) installation of any new extraction wells;
- (vi) installation of new piping required to transport extracted groundwater to the Wellhead Treatment Project treatment building (or WVWD's IX Systems or new system(s), as applicable);
- (vii) land acquisition and purchase;
- (viii) System Upgrades, and
- (ix) discontinued use or idling costs relating to any existing WVWD equipment or infrastructure, as well as O&M Costs associated with such activities. Project Costs also shall include reasonable and necessary costs incurred by WVWD for third party consulting and legal services, subject to pre-approval by Goodrich prior to the time that such costs are incurred. As is the case with O&M Costs associated with the Wellhead Treatment Project, O&M Costs associated with any Additional Activities shall not include the costs of lifting groundwater to ground surface, transporting untreated groundwater (to the extent the lift of untreated groundwater is one pressure zone or less in elevation or is not necessitated by the need to treat 750 gpm of water at the FXB, subject to Section 3.1.2(e)(iii)) to the selected treatment facilities, or disinfecting extracted groundwater.

3.2. WVWD Not Party to Goodrich Consent Decree:

No term or provision of this Agreement, or any action by the US EPA, shall subject WVWD to the provisions of the Goodrich Consent Decree or the OU2 ROD or any other order or agreement to which WVWD is not a signatory; provided, however, that WVWD acknowledges and agrees that the terms of this Agreement are subject to the approval by the US EPA and the Settling Federal Agencies, and that such parties have approved this Agreement pursuant to Paragraph 11 of the Goodrich Consent Decree; and further acknowledges that the terms of the OU2 ROD to be issued by US EPA will have a direct bearing on the manner, extent and degree to which the Wellhead Treatment Project and any Additional Activities need to be implemented by Goodrich in accordance with the Goodrich Consent Decree.

3.2.1 WVWD Partner in Negotiations with US EPA:

(i) The Parties acknowledge and agree that Goodrich is the responsible party under the terms of the Goodrich Consent Decree. Accordingly, during the term of this Agreement, if and only to the extent requested by Goodrich, WVWD shall use commercially reasonable efforts to assist Goodrich in discussions with US EPA concerning remedy selection and implementation issues as part of the development and implementation of the OU2 ROD. In providing such assistance, WVWD shall participate in such discussions in a manner coordinated and directed by Goodrich, and shall otherwise refrain from engaging in discussions with US EPA regarding the subject matter of the remedy selection and implementation issues as part of the development of the OU2 ROD. Notwithstanding WVWD's agreement to assist in such discussions, any reasonable costs set forth in Section 3.1.2(g) and 3.1.2(h) incurred by WVWD in connection with such assistance efforts shall be included as Project Costs, subject to pre-approval by Goodrich before such costs are incurred. Any assistance rendered by WVWD in accordance with this Paragraph 3.2.1 shall not require WVWD to undertake any obligation or incur any liability, except as otherwise provided in this Agreement. In pursuing discussions with US EPA, the Parties acknowledge and agree that the remedy selected by US EPA pursuant to the OU2 ROD should consist of a remedy that appropriately and efficiently addresses OU2 area Basin Contaminants to address any health or environmental risks posed by such contaminants while minimizing the costs of such remedy, all in accordance with Applicable Law. The Parties further acknowledge and agree that WVWD's Available Water Rights and FBR System and IX Systems existing as of the Effective Date of this Agreement are critical factors to consider in selecting and implementing a remedy that is capable of being implemented for the OU2 area of the RFF site.

(ii) During any such discussions with US EPA, WVWD shall not request or advocate the inclusion of additional groundwater extraction, treatment systems or technologies, or other requirements in the OU2 ROD for Basin Contaminants in excess of any extraction and treatment activities proposed by Goodrich or proposed or required by US EPA. Nothing in this subparagraph precludes WVWD from advocating positions related to any other remedy that is being performed in the Basin by third parties.

3.3 Procurement of Grant Funds:

Upon request of Goodrich, WVWD agrees to use commercially reasonable efforts to procure or assist in procuring additional grant funds (i.e., from the California agencies, US EPA, the United States Department of Defense, or other local agencies or programs) to apply for possible construction, expansion, upgrade and/or relocation of the FBR System, the WVWD IX Systems, any monitoring wells, or treatment system(s) associated with the Wellhead Treatment Project or Additional Activities. Upon any such request, Goodrich agrees that any costs incurred by WVWD in connection with its grant activities shall constitute Project Costs, provided that such costs are pre-approved by Goodrich prior to being incurred.

3.4 RESERVED

3.5 Budget Management:

(a) *Cost Estimate and Cost Control:* WVWD and Goodrich shall consult to establish cost estimate and cost control protocols for the Projects Costs, including but not limited to costs that are within WVWD's control incurred related to:

- (i) energy usage and related costs,
- (ii) administrative and supervisory costs, both relating to the operation and management of the applicable treatment systems and/or infrastructure, or pumping re-alignments,
- (iii) third party (e.g., consultant, engineering, and support services) costs. Such protocols shall include cost estimating, tracking and reporting procedures to ensure WVWD and Goodrich are fully informed of any costs incurred or to be incurred and that costs are reasonably minimized within the context of optimal and efficient treatment system performance. Without limiting the generality of the foregoing, consultations between WVWD and Goodrich also shall include ongoing efforts to minimize the level of operator labor required for O&M of the FBR System.

(b) *Budget Committee:*

- (i) A budget committee ("Budget Committee") will be formed to share budget information and to review anticipated costs proposals and updates of the operation of any of the facilities pursuant to this agreement. The budget committee shall be composed of representatives of WVWD and Goodrich.
- (ii) Budget Committee meetings shall be quarterly by telephone or in person (at the WVWD Headquarters), as requested, and may be held at other intervals as deemed to be appropriate by WVWD and Goodrich. Goodrich may call a meeting of the Budget Committee at any time provided it gives at least three (3)

days working advance notice in writing together with an agenda of items to be discussed. Any documents to be discussed during regular meetings shall be shared in advance.

(iii) Budget Committee meetings shall also be utilized to discuss deliverables that may be due to public agencies' requests and to review directives, deadlines or requests relating to the Goodrich Consent Decree or other related requirements.

(iv) On an annual basis, the Budget Committee shall review the status of the project relating to contaminant migration control needs, OU2 ROD objectives/performance criteria, WVWD and DDW considerations in relation to water quality, distribution and reporting requirements, general updates of project progress and any need for recommendations or modifications to the project. There shall also be a review of Project Costs and anticipated future budget items.

(v) Throughout the term of this Agreement, WVWD shall keep Goodrich fully informed of the status of the Wellhead Treatment Project and any Additional Activities and provide Goodrich with a quarterly report summarizing the Wellhead Treatment Project and any Additional Activities detailing the Project Costs such that Goodrich may verify and conduct periodic financial audits of such costs. WVWD shall provide quarterly invoices to Goodrich with detailed and verifiable information documenting all quarterly costs.

**ARTICLE 4: RISK MANAGEMENT
(INSURANCE / RELEASES / INDEMNITIES / RESERVATION OF RIGHTS AND TOLLING)**

4.1 Insurance

4.1.1 WVWD represents that as of the Effective Date, it is a member of the Association of California Water Agencies Joint Powers Insurance Authority ("JPIA"), and that the JPIA is a partnership of water agencies which provides risk sharing pools to meet the needs of its member agencies for property and liability purposes. WVWD further represents that its insurance coverage as a member of the JPIA includes the following:

- (a) commercial general liability insurance with respect to WVWD's operations, including, but not limited to, personal injury, blanket contractual and products/completed operations liability coverage, which coverage exceeds Ten Million Dollars (\$10,000,000) combined single limit bodily injury, death and property damage per occurrence, and
- (b) automobile liability insurance with respect to WVWD's operations, including, owned, non-owned and hired vehicles with coverage exceeds Ten Million Dollars (\$10,000,000) combined single limit bodily injury, death and property damage per occurrence.

The foregoing limits may be satisfied by a combination of primary coverage by the JPIA and an excess or umbrella policy.

4.1.2 As of the Effective Date, and for the term of this Agreement, WVWD shall include this Agreement in its policies through the JPIA, include Goodrich as an additional insured party on such JPIA policies, and provide to Goodrich copies of the JPIA policies and evidence that it has been named as an additional insured on such policies.

4.1.3 In the event WVWD's membership with JPIA is terminated, WVWD shall use commercially reasonable efforts to obtain and maintain replacement insurance policies of the types specified in Paragraph 4.1.1 above naming Goodrich as an additional insured party. Said replacement policies shall each provide coverage in the minimum liability limits of Ten Million Dollars (\$10,000,000). Such replacement insurance may, however, be in the form of a single limit policy in the amount of Ten Million Dollars (\$10,000,000) covering all such risks. All such policies shall provide that Goodrich shall be given thirty (30) days notice before cancellation thereof and ten (10) days notice before expiration of the coverage provided thereby.

4.1.4 In the event that Goodrich elects to procure additional insurance beyond that set forth in Paragraph 4.1.1 above, WVWD shall cooperate with Goodrich in such procurement, and Goodrich shall be responsible for paying the cost of such additional insurance as a Project Cost.

4.2. WVWD Release and Indemnity

4.2.1 WVWD hereby (a) releases Goodrich, UTC and the Settling Federal Agencies from any costs, fees, losses, claims, suits, fines, penalties or other liabilities (together, the "Losses"), including but not limited to direct and indirect costs (and reasonable attorneys' fees), arising from Basin Contaminants from the RFF Site, and (b) releases, indemnifies, defends and holds harmless

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Goodrich, UTC and the Settling Federal Agencies from any Losses, including but not limited to direct and indirect costs (and reasonable attorneys fees), arising from or in connection with WVWD's breach of any obligation in this Agreement including but not limited to any negligent and/or willful misconduct by WVWD which causes failure of the Wellhead Treatment Project and/or any Additional Activities. The foregoing indemnity shall not relate to Losses arising from or in connection with the negligence, intentional acts, or willful misconduct of Goodrich, UTC and/or the Settling Federal Agencies or their respective employees, officers, agents, contractors, and/or representatives. Such release set forth in clause (a) above shall not affect WVWD's right to implead Goodrich, UTC or the Settling Federal Agencies into any action by any independent third party against WVWD within the scope of any such third party action, except to the extent to which Losses within the scope of such third party action are governed by clause (b) above. Such release, indemnification and hold harmless set forth in clause (b) above shall include but not be limited to any Losses associated with any action by a third party. In the event that Goodrich, UTC or the Settling Federal Agencies allege that they have incurred Losses in connection with any alleged WVWD breach of this Agreement or alleged negligent and/or misconduct by WVWD, Goodrich's payment obligations set forth in this Agreement, as well as WVWD's performance obligations set forth in this Agreement, shall continue during the course of any applicable dispute resolution process conducted pursuant to the terms of this Agreement. Goodrich shall provide to WVWD prompt written notice of any claim for indemnification after Goodrich obtains knowledge of any such claim.

4.2.2 The release and indemnity set forth in Paragraph 4.2.1 above shall inure to the benefit of (a) Goodrich and UTC, and their respective Board members, management staff, attorneys and representatives, and (b) the Settling Federal Agencies. UTC and the Settling Federal Agencies shall be third party beneficiaries of this Agreement.

4.2.3 In the event that Goodrich exercises its option in accordance with Paragraph 3.1.2(f) hereof to terminate payment of the Project Costs, at WVWD's election, the release and indemnity provided in Paragraph 4.2.1 above shall become null and void, except as such release and indemnity applies and shall continue to apply to the Wellhead Treatment Project or Additional Activities conducted, and associated Project Costs paid by Goodrich, through the termination date. In the event that such release and indemnity becomes null and void as set forth herein, any applicable statutes of limitation pertaining to any potential claims by and between the Parties shall be tolled until the date that is one year after such termination date, and the Parties shall retain their respective rights in connection with any such claims. Any modification of the release and indemnity provisions pursuant to this Paragraph 4.2.3 shall be reflected by identical modifications to the release and indemnity provisions of Paragraph 4.3 below.

4.3 Goodrich Release and Indemnity

4.3.1 Goodrich hereby (a) releases WVWD from any costs, fees, losses, claims, suits, fines, penalties or other liabilities (together, the "Losses"), including but not limited to direct and indirect costs (and reasonable attorneys' fees), arising from or in connection with the RFF Site or Basin Contaminants, and (b) releases, indemnifies, defends and holds harmless WVWD from any Losses, including but not limited to direct and indirect costs (including reasonable attorneys fees), arising from or in connection with Goodrich's breach of any obligation in this Agreement including but not limited to any negligent and/or willful misconduct by Goodrich which causes WVWD to incur costs, damages or

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expenses. The foregoing indemnity shall not relate to Losses arising from or in connection with the negligence, intentional acts, or willful misconduct of WVWD or its employees, officers, agents, contractors, and/or representatives. Such release set forth in clause (a) above shall not affect Goodrich's right to implead WVWD into any action by any independent third party against Goodrich within the scope of any such third party action, except to the extent to which Losses within the scope of such third party action are governed by clause (b) above. Such release, indemnification and hold harmless set forth in clause (b) above shall include but not be limited to any Losses associated with any action by a third party. In the event that WVWD alleges that it has incurred Losses in connection with any alleged Goodrich breach of this Agreement or alleged negligence and/or misconduct by Goodrich, Goodrich's payment obligations set forth in this Agreement, as well as WVWD's performance obligations set forth in this Agreement, shall continue during the course of any applicable dispute resolution process conducted pursuant to the terms of this Agreement. WVWD shall provide to Goodrich prompt written notice of any claim for indemnification after WVWD obtains knowledge of any such claim.

4.3.2 The release and indemnity set forth in Paragraph 4.3.1 above shall inure to the benefit of WVWD and its Board members, management, staff, attorneys and representatives.

4.3.3 In the event that Goodrich exercises its option in accordance with Paragraph 3.1.2(f) hereof to terminate payment of the Project Costs, at WVWD's election, the release and indemnity provided in Paragraph 4.3.1 above shall become null and void, except as such release and indemnity applies and shall continue to apply to the Wellhead Treatment Project or Additional Activities conducted, and associated Project Costs paid by Goodrich, through the termination date. In the event that such release and indemnity becomes null and void as set forth herein, any applicable statutes of limitation pertaining to any potential claims by and between the Parties shall be tolled until the date that is one hundred and eighty (180) days after such termination date, and the Parties shall retain their respective rights in connection with any such claims. Any modification of the release and indemnity provisions pursuant to this Paragraph 4.3.3 shall be reflected by identical modifications to the release and indemnity provisions of Paragraph 4.2.3 above.

4.4 Reservation of Rights Against Non-Parties

Except as otherwise set forth herein, the Parties each reserve all rights against any entity that is not a party to this Agreement.

ARTICLE 5. FORCE MAJEURE**5.1 Definition****5.1.1**

(a) "Force Majeure" for purposes of this Agreement is defined as any event arising from causes beyond the control of the Parties which delays or prevents the performance of any obligation under this Agreement despite reasonable best efforts of the Parties to fulfill such obligations. The requirement that the Parties exercise reasonable best efforts to fulfill the obligations includes efforts to anticipate any potential force majeure and efforts to address the effects of any potential force majeure (i) as it is occurring, and (ii) following the potential force majeure, such that the delay and any adverse effects of the delay are minimized to commercially reasonable standards.

(b) Force Majeure shall include any of the following:

- (i) actual delays due to strikes, lockouts or other labor disturbance, delays or inaction by any governmental agency;
- (ii) civil disturbance;
- (iii) war, riot, sabotage, blockage, stampedes, lack of transportation facilities, or embargo;
- (iv) inability to secure materials, supplies or labor through ordinary sources by reason of regulation or order of any government or regulatory body;
- (v) severe or unusual shortages of material, supplies or labor;
- (vi) any Act of God, including lightning, rain, earthquake, fire, storm, hurricane, tornado, flood, washout, explosion, terrorist act, which results in destruction or damage to any applicable facility of WVWD including the FBR System, WVWD IX Systems or treatment facilities/infrastructure installed as part of Additional Activities;
- (vii) moratoriums and referendums;
- (viii) emergency equipment failure;
- (ix) any other cause outside of either Party's reasonable control similar to the foregoing.

5.1.2 If any event occurs or has occurred that may delay the performance of any obligation under this Agreement for which a Party intends or may intend to assert a claim of force majeure, such Party (the "asserting Party") shall notify orally the other Party (the "affected Party") as soon as reasonably practical when the asserting Party first knew that the event might cause a delay. Thereafter, and as soon as reasonably practical, that asserting Party shall provide in writing to the affected Party an explanation and description of the reasons for the delay; the anticipated duration of the delay; potential actions taken or to be taken to prevent or minimize the delay; a schedule for implementation of any measures to be taken to prevent or mitigate the delay or the effect of the delay; the rationale for attributing such delay to a force majeure; and a statement as to whether, in the opinion of the asserting Party, such event may cause or contribute to an endangerment to public health or welfare, or the environment. The asserting Party shall endeavor to include with any notice

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all available documentation in its possession or control supporting its claim that the delay was attributable to a force majeure. The asserting Party asserting the force majeure event shall be deemed to know of any circumstance of which that Party, any entity controlled by that Party, or that Party's contractors knew or should have known. Failure to comply with the above requirements regarding an event shall preclude the asserting Party from asserting any claim of force majeure regarding that event. Notwithstanding this Paragraph, if the affected Party – despite late notice – is able to assess to its reasonable satisfaction whether the event is a force majeure under this Paragraph and whether the asserting Party has exercised its commercially reasonable best effort under this Paragraph, the affected Party may, in its discretion, excuse in writing the asserting Party's failure to submit timely notices under this Paragraph.

5.1.3 If the affected Party agrees that the delay or anticipated delay is attributable to a force majeure, the time for performance of the obligations under this Agreement that are affected by the force majeure will be extended by the affected Party for such time as is necessary to complete those obligations. An extension of the time for performance of the obligations affected by the force majeure shall not, of itself, extend the time for performance of any other obligation. If the affected Party does not agree that the delay or anticipated delay has been or will be caused by a force majeure, the affected Party shall notify the asserting Party in writing of its decision.

5.1.4 If either Party elects to invoke the dispute resolution procedures set forth in this Agreement, such Party shall do so no later than fifteen (15) days after issuance of the notice provided for in Paragraph 5.1.3 above.

ARTICLE 6. DISPUTE RESOLUTION

Any disputes between WWD and Goodrich concerning any matter relating to this Agreement, including but not limited to any matters that require consultations between the Parties or the approval of a Party pursuant to this Agreement, shall be resolved in the following manner:

6.1 The Parties agree to meet and confer to resolve any dispute during the thirty (30) day period following written notice of a dispute from one Party to the other Party;

6.2 If the dispute is not resolved through the meet and confer process, either Party may propose that such dispute be submitted to mediation by a mediator selected by the Parties. If the other Party consents to the proposal for mediation, such mediation shall be conducted as soon as possible following the conclusion of the meet and confer process, and in any event shall be concluded within the ninety (90) day period following the conclusion of the meet and confer process unless both Parties agree to extend such period.

6.3 In the event that the dispute is not resolved through the meet and confer or mediation processes, the Parties or either Party may submit such dispute for resolution through binding arbitration in accordance with the Commercial Arbitration Rules of American Arbitration Association ("AAA"). The arbitration shall be conducted before a single, neutral arbitrator. Within ten (10) days of the commencement of arbitration, each Party shall select one person to act as arbitrator and the two selected arbitrators shall in turn select a third, neutral arbitrator within ten

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(10) days of their appointment. If the arbitrators selected by the Parties are unable to select a third, neutral arbitrator, the third, neutral arbitrator shall be promptly selected by the AAA. Unless such period is extended by written agreement between the Parties, the arbitration shall be conducted in an expedited fashion such that the award shall be made within one hundred and twenty (120) days of the original notice of intention to arbitrate, and the selected neutral arbitrator shall agree to this time limitation at the time he or she is appointed. The Parties agree that the prevailing party shall be entitled to reasonable attorneys fees and costs.

6.4 During the pendency of any dispute, both Parties agree to continue to fulfill their responsibilities pursuant to this Agreement (including but not limited to Goodrich's payment responsibilities and WWWD's obligations to conduct the Wellhead Treatment Project and any Additional Activities) and to take reasonable steps to mitigate any adverse impacts of such dispute on the conduct of the Wellhead Treatment Project or any Additional Activities, such that the overriding goals of removing Basin Contaminants from the OU2 area of the RFF Site and enabling WWWD to supply treated water to its customers continue to be met.

*****INSERT*****

ARTICLE 7_RESERVED TITLE

ARTICLE 8. END OF PROJECT DEMOBILIZATION COSTS

The Parties agree that the costs of demobilizing the physical equipment associated with the Wellhead Treatment Project or any Additional Activities during the term of this Agreement shall be shared equally by the Parties; provided, that Goodrich shall be responsible for all demobilization costs in connection with any new systems or new equipment constructed as part of Additional Activities, unless WVWD elects to continue to use any such systems or equipment that have not reached the end of their useful lives as of the USEPA Approval Date.

For the purposes of determining when demobilization may begin, the Parties agree that the trigger date upon which WVWD may initiate demobilization is the earlier of (a) the USEPA Approval Date, or (b) the date upon which Goodrich notifies WVWD that Goodrich has received written notice from US EPA that pumping activities at the Wellhead Treatment Project or Additional Activities are no longer required, whichever date comes first.

ARTICLE 9. DEFAULT / PAST DUE AMOUNTS

9.1 Default, Remedies of the Parties

- (a) The following events shall be deemed to be acts of default ("Acts of Default") by either Party under this Agreement regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency, or other proceeding which has or might have the effect of preventing such Party from complying with the terms of this Agreement:
- (i) Failure to pay any sums to be paid hereunder within ten (10) days after written notice of such failure has been given to the defaulting Party;
 - (ii) Failure to comply in any material respect with any material term of this Agreement, other than the payment of sums to be paid hereunder, without curing such failure within ten (10) days after written notice thereof if such failure can reasonably be cured within said ten (10) day period; or if such failure cannot reasonably be cured within the ten (10) day period, and such Party shall not have commenced to cure such failure within said period and shall not thereafter with reasonable diligence and good faith proceed to cure such failure;
 - (iii) Filing, or consent to the filing of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy by a Party, for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction; or a Party shall make an assignment for the benefit of creditors; or a Party shall consent to the appointment of a custodian, receiver, trustee, or other officer with similar powers, for substantially all of a Party's property, or be adjudicated insolvent; or an order for relief shall be entered against a Party in any case or proceeding for liquidation or reorganization or otherwise to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding up or liquidation of all or any part of a Party's property; or any petition for any such

relief shall be filed against a Party and shall not be dismissed within forty-five (45) days.

- (b) Upon the occurrence of any Act of Default, the non-defaulting Party may, at its option, and in addition to any other rights the non-defaulting Party may have at law or in equity, enforce, by all proper and legal suits and other means, its rights hereunder, including, without limitation, the collection of sums due hereunder, and should it be necessary for such Party to take any legal action in connection with such enforcement, the defaulting Party shall pay such Party all costs, including reasonable attorneys' fees so incurred, all without prejudice to any remedies that might otherwise be used by either Party for recovery of arrearage of sums due hereunder, damages as herein provided, or breach of covenant.
- (c) Upon the occurrence of any Act of Default by Goodrich which results in a material failure by Goodrich to meet its payment and reimbursement obligations set forth in this Agreement, WWD may, at its election, within ten (10) days after written notice of such Act of Default has been given to Goodrich, cease operation of the Wellhead Treatment Project or Additional Activities until such Act of Default is cured.

9.2 Past Due Amounts

Except as expressly provided herein to the contrary, any amounts due hereunder, if not timely paid by the Party from whom they are due, shall: (i) be subject to a late payment of two and one half percent (2.5 %) the amount due.

ARTICLE 10. MISCELLANEOUS (GOVERNING LAW, AMENDMENTS, NO SEVERABILITY, NOTICE)

10.1 No Severability

If any provision of this Agreement shall be ruled invalid, illegal or unenforceable, the Parties shall: (1) promptly negotiate a substitute for the provision which shall, to the greatest extent legally permissible, effect the intent of the Parties in the invalid, illegal or unenforceable provision and (2) negotiate such changes in, substitutions for or additions to the remaining provisions of this Agreement as may be necessary in addition and in conjunction with Section (1) above to give effect to the original intent of the Parties without the invalid, illegal or unenforceable provision.

10.2 Sole Agreement

It is expressly understood and agreed that this Agreement (including the appendices attached hereto and any documents referred to in this Agreement) contains all of the terms and conditions of the settlement between the Parties and that there are no other agreements between the Parties, either written or oral, pertaining to the matters addressed in this Agreement.

10.3 Power To Execute

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Each Party represents and warrants that it has complete authority, right and power to enter into and execute this Agreement.

10.4 Partial Invalidity

If any of the terms, covenants or conditions contained in this Agreement are held to be invalid, then any such invalidity shall not affect any other term, covenant or condition contained herein, which shall remain in full force and effect.

10.5 Jurisdiction And Venue

This Agreement shall be governed by the laws of the State of California, and is entered into and made to be performed and shall be enforced for all purposes within Riverside County, State of California.

10.6 Waiver, Modification and Amendment

No provision hereof may be waived unless in writing and signed by the Parties giving the waiver and by the Parties benefited by the waiver. Waiver of any one provision herein shall not be deemed to be a waiver of any other provisions herein. This Agreement may be modified or amended only by written agreement executed by all of the Parties.

10.7 Confidentiality

All terms and conditions of the Agreement shall remain confidential, to the extent permitted by law. For example, as permitted by law, discussions by WWD's Board of Directors concerning this matter will be held in closed session, with public notices and agendas for such meetings not disclosing the specific terms and conditions of the Agreement.

10.8 Counterparts

This Agreement may be executed in counterparts with each counterpart being deemed one and the same original document.

10.9 Paragraph Headings

Paragraph headings are for the convenience of the Parties only and shall not be considered in construing or interpreting this Agreement.

10.10 Further Assurances

Each of the Parties hereto agrees to execute such other and further agreements and writings as may be necessary to effectuate the intent of this Agreement.

10.11 Consultation With Counsel

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EACH OF THE PARTIES TO THIS AGREEMENT WARRANTS AND REPRESENTS AND AFFIRMATIVELY STATES THAT SUCH PARTY HAS CAREFULLY READ AND UNDERSTANDS THE TERMS OF THIS AGREEMENT AND THAT IT HAS NOT RELIED UPON THE REPRESENTATIONS OR ADVICE OF ANY OTHER PARTIES HERETO OR ATTORNEY NOT THEIR OWN, EXCEPT AS OTHERWISE PROVIDED HEREIN. THIS AGREEMENT AND THE TERMS AND CONDITIONS THEREOF WERE DETERMINED BY ARMS LENGTH NEGOTIATIONS BY, BETWEEN AND AMONG THE PARTIES TO THIS AGREEMENT AND EACH PARTY HERETO ACKNOWLEDGES THAT IT HAS BEEN FULLY ADVISED BY ITS RESPECTIVE COUNSEL.

10.12 Facsimile/E-mail Signature Same Force And Effect As Original Signature

The Parties agree that, in the interest of time, this Agreement may be signed in faxed or emailed counterparts, which shall have the same force and effect as an original signature.

10.13 Notices

Any notice, demand or request required hereunder shall be given in writing at the addresses set forth below by any of the following means: (a) personal service; (b) telephonic facsimile; (c) nationally recognized overnight commercial courier regularly providing proof of delivery; or (d) registered or certified, first class U.S. mail, return receipt requested:

If to Goodrich/UTC:

United Technologies Corporation
10 Farm Springs Road, MS 10FS-2
Farmington, CT 06032
Attention: David Platt, Associate General Counsel
Phone: (860) 728-7839
eFax: (860) 660-8849
Email: david.platt@utc.com

With a copy to:

Donald Bilder, UTC Project Manager
P.O. Box 3065
West Palm Beach, FL 33402
Phone: (561) 651-4147
eFax: (860) 353-5875
Email: donald.bilder@utc.com

If to WVWD:

West Valley Water District
855 West Baseline Road

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Rialto, CA 92337
Phone: (909) 875-1804
Attention: Matthew H. Litchfield, P.E.
Phone: 909-820-3701
Email: mlitchfield@wwwd.com

With a copy to:

Tafoya & Garcia, LLP
316 West 2nd Street, Suite 1000
Los Angeles, CA 90012
Phone: (213) 617-0800
Facsimile: (213) 617-2226
Attention: David J. Olivas

Such address(es) may be changed by notice to the other Party given in the same manner as above provided. Any notice, demand or request shall be deemed to be delivered (whether delivery was accepted or refused by the addressee Party) as follows: If sent pursuant to either clause (a) or (b), above, upon such personal service or upon dispatch by facsimile (provided that in the case of transmission by telephonic facsimile, the sender shall have obtained reliable written confirmation of such transmission), if such personal service or dispatch is made before or during business hours of a business day, and if not, upon the next succeeding business day; if sent pursuant to clause (c), above, upon the business day indicated by such courier's proof of delivery; and if sent pursuant to clause (d), upon the date of delivery as evidenced by the return receipt.

10.14. Terms of Agreement Prevail:

If there are any conflicts between the terms of this Agreement and any terms or conditions provided in the attached Appendices, the terms of the Agreement shall prevail.

10.15. Assignment

The respective rights and obligations of the Parties under this Agreement may not be assigned by either Party without the consent of the other Party, which consent may be withheld in such Party's sole and absolute discretion.

10.16. Applicable Law

The Parties agree and acknowledge that the obligations of the Parties are subject to Applicable Law.

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

WEST VALLEY WATER DISTRICT

By: _____
Name: _____
Title: _____
Date: _____
Hereunto Duly Authorized

GOODRICH CORPORATION

By: Christopher Feddesen
Name: Christopher Feddesen
Title: Vice President & General Counsel
Date: Feb. 2, 2017
Hereunto Duly Authorized

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10.16. Applicable Law

The Parties agree and acknowledge that the obligations of the Parties are subject to Applicable Law.

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

WEST VALLEY WATER DISTRICT

By: *Clifford J. Jones*
Name: Clifford JONES
Title: President
Date: 1/22/2016
Hereunto Duly Authorized

GOODRICH CORPORATION

By: _____
Name: _____
Title: _____
Date: _____
Hereunto Duly Authorized

**APPENDIX A
REMEDY RIGHTS ESTIMATE**

Category	Full Acre Feet (100%)	~Continuous GPM	2014/2015 Acre Feet (-32%)	~Continuous GPM	Minimum Acre Feet (-50%)	~Continuous GPM
West Valley Water District Base Restricted Right	6,104	3,784	4,415	2,573	3,052	1,892
Reserve: Well 54 (1,000 AF)	-1,000	-620	-1,000	-620	-1,000	-620
Reserve: WHT Project and FXB (1,500 gpm)	-2,420	-1,500	-2,420	-1,500	-2,420	-1,500
Available for Remedy, Beyond Reserves	2,684	1,664	731	453	-368	-228

Appendix B**Extraction and Treatment Protocol**

- 1) Subject to the Operating Parameters and Permissible Variances below, WVWD shall:
 - a) Extract groundwater from Well 6 and Well 11; or Wells 6 and 11 and other existing or new wells; or other existing or new wells (instead of Wells 6 and 11) at the rates, volumes, and hours detailed below;
 - b) During the Pre-ROD period, treat extracted groundwater at the WTP and, in the event it is constructed by WVWD, the FXB System. During the Post-ROD period, treat extracted groundwater at the WTP and, in the event it is constructed by WVWD, the FXB System, or WVWD IX Systems, or any other systems that may be constructed in the future, subject to Section 3.1.2(f) of the Agreement, such that extracted water meets Applicable Standards; and
 - c) Accept such treated water into its drinking water supply system and/or discharge the treated water into the Cactus Basin.

- 2) The following Operating Parameters shall govern the extraction and treatment of groundwater by WVWD:
 - a) The extraction of groundwater from Well 6 and Well 11: or Wells 6 and 11 and other existing or new wells; or other existing or new wells (instead of Wells 6 and 11) shall be balanced to optimize the removal and containment of Basin Contaminants
 - b) The District shall use commercially reasonable efforts to extract water 24 hours per day, 7 days per week, subject to the variances in operation set forth in Paragraph 3 of this Appendix.
 - c) The combined extraction rate from the wells shall be established by Goodrich, in consultation with WVWD, based on the objectives of the overall groundwater remedy being implemented for OU2.
 - d) At Goodrich's request, WVWD shall within a reasonable timeframe following notification, adjust the combined extraction rate with a minimum flow required for operation of the WTP (750 gpm adjusted to 1,500 gpm total in the event WVWD constructs the FXB System).
 - e) Further, if Goodrich determines it to be technically or financially beneficial, and subject to Available Water Rights, WVWD shall at Goodrich's request allow water from Well 6 and Well 11, or Wells 6 and 11 and other existing or new wells, or other existing or new wells (instead of Wells 6 and 11), in excess of the minimum flow required for operation of the WTP (750 gpm adjusted to 1,500 gpm total in

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- the event WVWD constructs the FXB System), to be treated using the WVWD IX Systems or any other treatment systems that may be constructed in the future. Similarly, if Goodrich wants to allow water from other extraction wells to be treated at the WTP it shall submit its request to WVWD, subject to the approval process provided for in Section 3.1.1(c)(i).
- f) **Regular Meetings of the Parties:** Goodrich and WVWD shall meet by phone once a month (or as necessary) to exchange information and to discuss the operations of the WTP and any operating issues related thereto.
 - g) Goodrich shall submit all requests for changes in system operations to WVWD in writing to a designated technical point of contact. WVWD shall review and approve such proposed changes, and such approval shall not be unreasonably withheld so long as such changes do not result in material, unreasonable interference with WVWD's operations. In the event that WVWD objects to any requested changes, such objections shall be provided in writing within ten (14) days to a designated technical point of contact. The Parties are obligated to meet and confer regarding the dispute, and if the Parties cannot resolve the issue, the matter shall be submitted to the Dispute Resolution process as set forth in the Agreement. Following completion of any requested changes to system operation, WVWD shall provide written confirmation to Goodrich to a designated technical point of contact.
 - h) Payment of O&M Costs incurred by WVWD is discussed in Appendix C.
- 3) **Permissible Variances to the Operating Parameters for Extraction and Treatment are set forth below:**
- a) The above criteria are not intended to prohibit WVWD from performing routine and non-routine maintenance, including repair and replacement.
 - b) WVWD can make any necessary short-term adjustments to the rates, volumes, and hours of system-wide operational activities that are necessary for the safe and reliable operation of its water supply system and protection of public health or employee safety. Short-term shall be defined as fifteen (15) days or less in continuous duration and such adjustments shall not exceed thirty (30) days in any calendar quarter. WVWD shall notify Goodrich within five (5) business days regarding any deviations in rates, volumes and/or hours of operation in excess of the above.
 - c) WVWD must notify Goodrich seven (7) calendar days in advance of any longer term adjustments that are believed to be required for the safe and reliable operation of its water supply system, and shall work in good faith to minimize the impacts of such adjustments to Goodrich's goals of contaminant mass removal and groundwater plume containment.

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- 4) If there are any conflicts between this Appendix and the Agreement, the terms of the Agreement shall prevail.
- 5) When submitting any notice or requests for response pursuant to any section in this Appendix, the requesting party must include the specific section of this Appendix that it is referring to and the required response time.

APPENDIX C**Reimbursement Payments by Goodrich to WVWD****Pre-ROD Period O&M Cost Payments by Goodrich**

By November 1st of each year, WVWD shall provide Goodrich with an estimate of O&M Costs for the upcoming calendar year.

WVWD shall advise in writing the bank and account information to which Goodrich is to make electronic payments for O&M Costs.

Goodrich shall make quarterly deposits of one-quarter of the estimated annual O&M Costs (up to a maximum of \$175,000 quarterly) in the Pre-ROD Period. Deposits shall be made 15 days prior to the start of each quarter (January 1st, April 1st, July 1st and October 1st).

Any interest earned on monies deposited in the account shall be credited to Goodrich and may be used to offset future quarterly payments.

WVWD shall debit the account monthly.

WVWD shall provide itemized quarterly statements no later than 45 days after the end of each quarter. Backup must include: 1) Employee Names, 2) Labor Rates, 3) Labor Hours, 4) Unit Rates, 5) Unit Quantities 6) Copies of third party supplier and vendor invoices, and other pertinent information such that the statement can be reconciled.

WVWD shall provide an annual statement no later than 45 days after the end of each calendar year. If the proceeding years total O&M Costs (up to a maximum of \$700,000) exceeded the total of the quarterly payments, Goodrich shall deposit into the account the unpaid balance within 45 days. If the proceeding years total O&M Costs were less than the total of the quarterly payments, Goodrich may utilize the balance as a credit against the next quarterly O&M payment.

Goodrich can challenge any payments deducted by WVWD within thirty (30) days from receipt of WVWD quarterly statements, and if Goodrich prevails, Goodrich receives the full amount back plus ten percent (10%) interest. Such disputes are handled through the procedures set for in Article 6.

Full Reimbursement Period O&M Cost Payments by Goodrich

By November 1st of each year, WVWD shall prepare a water budget and a reimbursement budget, utilizing the prior year's baseline costs.

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Goodrich shall make quarterly deposits of one-quarter of the estimated annual O&M Costs in the Full Reimbursement Period into a mutually agreed upon account. Deposits shall be made 15 days prior to the start of each quarter (January 1st, April 1st, July 1st and October 1st).

Any interest earned on monies deposited in the account shall be credited to Goodrich and may be used to offset future quarterly payments. WVWD shall debit the account monthly.

WVWD shall provide itemized quarterly statements to Goodrich no later than 45 days after the end of each quarter. Backup must include: 1) Employee Names, 2) Labor Rates, 3) Labor Hours, 4) Unit Rates, 5) Unit Quantities 6) Copies of third party supplier and vendor invoices, and other pertinent information such that the statement can be reconciled.

WVWD shall provide an annual statement no later than 45 days after the end of each calendar year. If the proceeding years total O&M Costs exceeded the total of the quarterly payments, Goodrich shall deposit into the account the unpaid balance within 45 days. If the proceeding years total O&M Costs were less than the total of the quarterly payments, Goodrich may utilize the balance as a credit against the next quarterly O&M payment.

Goodrich can challenge any payments deducted by WVWD within thirty (30) days from receipt of WVWD quarterly statements, and if Goodrich prevails, Goodrich receives the full amount back plus ten percent (10%) interest. Such disputes are handled through the procedures set for in Article 6.

Non-Routine O&M Costs

WVWD shall advise in writing the bank and account information to which Goodrich is to make electronic payments for Non-Routine O&M Costs.

Goodrich shall make an initial payment of \$50,000 into this account within 45 days of execution of this agreement.

WVWD shall submit an itemized statement to Goodrich for any Non-Routine O&M Costs for which reimbursement is requested. Backup must include: 1) Employee Names, 2) Labor Rates, 3) Labor Hours, 4) Unit Rates, 5) Unit Quantities 6) Copies of third party supplier and vendor invoices, and other pertinent information such that the requested invoice amount can be reconciled.

Within 30 days of receipt of a statement for Non-Routine O&M Costs, Goodrich shall in writing either authorize WVWD to debit the Non-Routine O&M account for the requested amount or a provide written statement as to why the costs are not believed to constitute Non-Routine O&M Costs. Such disputed costs shall be handled through the procedures set for in Article 6.

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Whenever the balance in the Non-Routine O&M account falls below \$10,000, Goodrich shall within 45 days make a deposit to restore the balance of the account to a minimum of \$50,000.

Whenever the amount of an authorized Non-Routine O&M Cost is greater than the balance in the Non-Routine O&M account, Goodrich shall within 45 days make a deposit sufficient to cover the cost of the Non-Routine O&M Cost and to restore the post payment balance of the account to a minimum of \$50,000.

EXHIBIT B

DRAFT DRAFT DRAFT DRAFT DRAFT

**FIRST AMENDMENT TO
ROCKETS, FIREWORKS AND FLARES SUPERFUND
SITE REMEDIATION AGREEMENT
BETWEEN
GOODRICH CORPORATION AND WEST VALLEY WATER DISTRICT**

THIS FIRST AMENDMENT TO ROCKETS, FIREWORKS AND FLARES SITE REMEDIATION AGREEMENT (the "Amendment")_ is effective as of January 1, 2023 (the "Amendment Effective Date") by and between GOODRICH COPORATION, a Delaware corporation with a place of business at 2730 West Tyvola Road, Charlotte, North Carolina ("Goodrich") and the WEST VALLEY WATER DISTRICT, a California public water district, with a place of business at 855 Baseline Road, Rialto, California ("WVWD")(Goodrich and WVWD each individually referred to as a "Party", and collectively referred to as the "Parties").

RECITALS

WHEREAS, the Parties entered into the Rockets, Fireworks and Flares Site Remediation Agreement effective as of January 1, 2014 (the "Agreement");

WHEREAS, Paragraph 3.1.2(g) of the Agreement provides Goodrich the option to pursue Additional Activities, and Goodrich has elected to pursue such option;

WHEREAS, Goodrich's currently anticipates that its Additional Activities will generally involve modifying certain of WVWD's infrastructure to extract and treat groundwater, including discontinuing the use of the FBR System without repayment of grant funds, replacing the FBR) System with WVWD's Ion Exchange (IX) Systems, and employing use of one or more of the Cactus Basin, Randall Basin and Mill Basin for certain discharges;

WHEREAS, the Parties believe that pursuit of Goodrich's Additional Activities merits certain minor modifications to, and clarifications of, the terms of the Agreement;

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. All capitalized defined terms used in this Amendment, unless defined herein, shall have the meanings and definitions set forth in the Agreement.
2. The Parties acknowledge and agree that the terms of this Amendment are intended to modify and clarify the Agreement as specified herein, and that all other terms of the Agreement shall remain unchanged and in full force and effect.

3. The Parties hereby acknowledge and agree that the US EPA issued the OU2 ROD on September 2, 2022, and that as a result of the terms of such OU2 ROD, and to address such OU2 ROD requirements, Goodrich has provided notice to WWWD that it has exercised its option to conduct Additional Activities. Such Additional Activities, which are subject to USEPA's approval and modification in the first instance and over the course of Goodrich's OU2 ROD implementation activities, are anticipated to include (1) utilization of WWWD's IX Systems located at the WWWD headquarters and adjacent to the Rialto high school to address groundwater extraction and treatment activities mandated by the OU2 ROD, and (2) employing use of one or more of the Cactus Basin, Randall Basin and Mill Basin for certain discharges. In the event that other or modified Additional Activities are later identified, the Parties shall cooperate in implementing such Additional Activities, and as necessary shall negotiate in good faith any subsequent amendment to the Agreement. The O&M Costs associated with any Additional Activities shall now also include pumping costs whenever such pumping does not result in potable water entering WWWD's potable system.

4. (a) In order to facilitate Goodrich's Additional Activities, WWWD has sought and obtained necessary approvals to discontinue the FXB System, and has agreed to use its reasonable best efforts to seek and obtain necessary approvals to discontinue the FBR System. The Parties shall coordinate and cooperate to prepare any agency or other submissions necessary to obtain any necessary approvals to discontinue use of the FBR System in a manner that does not impose financial penalties (e.g. grant repayment requirements) in connection with such discontinuation. The Parties acknowledge and agree that the provisions of the Agreement relating to the FXB System are no longer applicable, and that once approval to discontinue the use of the FBR System has been obtained, and transition to the WWWD IX Systems has been completed, the provisions in the Agreement relating to the FBR System, including the requirement for a minimum flow of 750 gallons per minute to the Wellhead Treatment Project, shall be applied to WWWD's IX System located at WWWD headquarters for such period as Goodrich is required by USEPA to extract and treat groundwater from Rialto-6.

(b) As part of the implementation of the specified Additional Activities, the Parties shall engage in the following activities:
 - (1) In order to obtain any necessary approvals to discontinue the FBR System, WWWD shall prepare and submit any necessary requests, reports and related materials to any relevant agencies. No later than fifteen (15) days prior to any submission, WWWD shall share drafts of such materials with Goodrich for review, and shall reasonably consider any Goodrich comments concerning such materials.
 - (2) Goodrich shall provide technical assistance to WWWD in preparing any necessary submissions.

- (3) Goodrich shall reimburse WWWD for all reasonable Project Costs associated with the preparation of any necessary submissions, including third party consulting services subject to advance notification to Goodrich,
 - (4) Goodrich shall make its reasonable best efforts to assist WWWD in reasonably minimizing any disruption to WWWD's operations in connection with the transition from the FBR System to the IX Systems, including minimizing the transition time associated with such process.
 - (5) The Parties acknowledge that Goodrich's Additional Activities are subject to review and approval by US EPA, and agree to reasonably cooperate in terms of coordinating actions necessary to obtain such approvals. WWWD agrees to participate in any filings or submissions necessary to implement the Additional Activities that involve activities or processes integral to the WWWD water system, including as an example the execution of applications for permits or other approvals from relevant stakeholders.
5. Upon shutdown of the FBR and concurrent startup of WWWD's headquarters IX system and the IX system adjacent to Rialto High School for use by Goodrich, Paragraph 3.1.2(d)(i)(B) of the Agreement shall be deleted.
 6. Upon shutdown of the FBR and concurrent startup of WWWD's headquarters IX system and the IX system adjacent to Rialto High School for use by Goodrich, Appendix C, Full Reimbursement Period O&M Cost Payments by Goodrich, shall be modified by addition of the following to the end of the Section:

"O&M labor costs to be reimbursed by Goodrich shall be calculated as follows:

The total amount of documented labor costs (salary and benefits) associated with O&M of WWWD production wells, IX systems used to treat perchlorate, booster pump stations, valve stations, reservoirs, and associated SCADA systems shall be multiplied by a ratio of the number of WWWD production wells used by Goodrich divided by the total number of permitted and operational wells available to WWWD. The resulting amount shall then be reduced by 10% and shall constitute the amount to be reimbursed by Goodrich; provided, however, that in no case shall Goodrich be required to reimburse WWWD more than ~~126%~~ of total O&M labor costs if one production well is used by Goodrich, 10.5% if two production wells are used, or 16% if three production wells are used during a year."
 7. In the event that WWWD is unsuccessful in obtaining the unconditional approval to discontinue use of the FBR System, the provisions of this Amendment shall be null and void except for Goodrich's reimbursement obligation set forth in Section 4.(b)(3), which shall remain in full force and effect for all costs incurred by WWWD until Goodrich provides written notice to WWWD to cease work as described in Section 4.(b); provided, that in the event that conditions are imposed by third

parties on the discontinuation of the FBR System, Goodrich shall have the right but not the obligation to satisfy such conditions on WWWD's behalf, in which case the terms of this Amendment shall continue to be valid and in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Amendment to be effective as of the Amendment Effective Date.

WEST VALLEY WATER DISTRICT

By: _____

Van Jew
Acting General Manager
Date: _____
Hereunto Duly Authorized

REVIEWED AND APPROVED

By: _____
Vincent C. Ewing
Interim General Counsel
Date: _____

GOODRICH CORPORATION

By: _____
Name: _____
Title: _____
Date: _____
Hereunto Duly Authorized

EXHIBIT C

From: [Chang, Wei@Waterboards](mailto:Chang.We@Waterboards)
To: [Rangi, Aparjeet@Waterboards](mailto:Rangi.Aparjeet@Waterboards); [Joanne Chan](mailto:Joanne.Chan)
Subject: DDW supports FBR decommissioning
Date: Tuesday, February 14, 2023 6:14:11 PM
Attachments: [FBR Decommissioning.pdf](#)
[CDPH FBR Funding Agreement No. 84-10C15.pdf](#)

Aparjeet Rangi and Joanne Chan,

State Water Resources Control Board (SWRCB, formerly California Department of Public Health) awarded a \$10 million grant to West Valley Water District (WVWD) for the construction and installation of a fluidized bed biological reactor (FBR) water treatment system. The funding agreement is attached. SWRCB, Division of Drinking Water (DDW) permitted the FBR in 2016 and WVWD has been operating the FBR since then.

In a letter dated September 26, 2022 (attached), WVWD requests SWRCB consider approving the decommissioning of FBR. Reasons for this request can be found in the attached letter. SWRCB, Division of Financial Assistance (DFA) expressed interest in a statement of support from DDW for WVWD's request to decommission the FBR.

This email is inform DFA that DDW supports the request from WVWD to decommission the fluidized bed biological reactor (FBR) water treatment system.

Based on the experience working with WVWD on the operations of FBR, DDW understands the challenges and obstacles from operating the FBR, which is a very unique treatment system that utilizes biological treatment technology. The FBR is the first biological treatment system permitted in California and DDW understands that FBR decommissioning is a difficult decision that WVWD had to make. DDW has no objection to FBR decommissioning.

As the average perchlorate in Rialto Well 6 still exceeds 10 times of the Maximum Contaminant Level of 6 microgram per liter, treatment for perchlorate removal is required should WVWD need to operate Rialto Well 6. WVWD should consider repurposing FBR and utilizing other treatment (ex: ion exchange) to remove perchlorate from drinking water wells.

Please contact me with any questions or if you would like me to put this email in letter form. Thank you.

Wei H. Chang, P.E.

San Bernardino District Engineer

Division of Drinking Water

464 W 4th St. Ste 437, San Bernardino, CA 92401

Tel: (909) 383-6029 / Fax: (909) 383-4745

Wei.Chang@waterboards.ca.gov

PLEASE NOTE that for the foreseeable future our office staff will be teleworking. The most effective way of reaching me for the time being is through email; I will however be checking my voicemail daily.



Do you need to print this e-mail? Think twice and if yes, please print double sided or use recycled papers.

From: [Rangi, Aparjeet@Waterboards](mailto:Rangi.Aparjeet@Waterboards)
To: [Joanne Chan](mailto:Joanne.Chan)
Subject: FW: Rockets Fireworks and Flares Site - Rialto CA
Date: Tuesday, February 7, 2023 1:24:50 PM
Attachments: [image001.jpg](#)

Thanks
Aparjeet

From: Praskins, Wayne <Praskins.Wayne@epa.gov>
Sent: Monday, January 30, 2023 12:22 PM
To: Rangi, Aparjeet@Waterboards <Aparjeet.Rangi@Waterboards.ca.gov>
Subject: RE: Rockets Fireworks and Flares Site - Rialto CA

EXTERNAL:

Aparjeet -

In a letter dated September 26, 2022, West Valley Water District (WVWD) wrote to you requesting that the State Water Resources Control Board (SWRCB) approve the decommissioning of WVWD's fluidized bed biological reactor (FBR) water treatment system. We understand that the SWRCB supported the construction of the FBR with a \$10 million grant awarded in 2010, construction began in 2011, and the project began operation in 2016. The FBR system is complex, incorporating a de-aeration tank, two FBR tanks, two re-aeration units, two clarification/ filtration units, and a solids handling system.

You expressed interest in a statement of support from EPA for WVWD's request to decommission the FBR.

In a September 2, 2022, Record of Decision (ROD), EPA adopted a cleanup plan for the mid-basin operable unit at the Rockets, Fireworks, and Flares Superfund Site in the Rialto-Colton area in southern California. The ROD identifies the WVWD Headquarters location, where the FBR is located, as one of several possible sites for treatment of perchlorate-contaminated groundwater extracted from the "leading edge" of the cleanup. The ROD also identifies a second WVWD site near Rialto High School, where existing ion exchange systems are located, as a possible water treatment site.

As stated in the ROD, EPA supports the use of the existing ion exchange systems at Rialto High School for treatment of water from the leading edge area of the RFF Site, rather than the FBR. Our reasons are: i) the shorter distance from the planned groundwater extraction area to the Rialto High School location; ii) opposition expressed by the City of Rialto to a pipeline transporting contaminated water through the city; and iii) concerns about the long-term use of the FBR given its complexity and lower reliability compared to ion exchange.

Considering the above, we have no objections to decommissioning of the FBR. Please contact me

with any questions or if you would like me to put this email in letter form.

Wayne Praskins

U.S. Environmental Protection Agency Region 9

75 Hawthorne St.

San Francisco, CA 94105

415-972-3181



**BOARD OF DIRECTORS
ENGINEERING, OPERATIONS AND PLANNING COMMITTEE
STAFF REPORT**

DATE: March 21, 2023
TO: Engineering, Operations and Planning Committee
FROM: Van Jew, Acting General Manager
SUBJECT: PS4-1, WELL 8A AND 3A-1 BOOSTER FENCING PROJECT FUND TRANSFER, DOCUMENT EXECUTION, AND AWARD OF CONTRACT FOR FENCING TO WESTBROOK FENCE, INC FOR \$66,434.75

BACKGROUND:

West Valley Water District (“District”) is currently in the process of constructing Energy Storage Battery Systems (“ESBS”) at four (4) locations in our service area to maximize energy savings at our water facilities. During construction, it was noted that three (3) of the locations, Pump Station 4-1, Well 8A, and 3A-1 Booster, were particularly vulnerable to theft and vandalism due to their remote locations and proximity to Lytle Creek.

In an effort to protect our new assets, it is recommended that wrought iron fencing be installed around each of the three (3) ESBS sites to ensure their continued operation and minimize the potential repair and replacement costs at our facilities.

DISCUSSION:

The District reached out to five (5) different fencing contractors to provide quotes for wrought iron fencing around the ESBS sites. Below is a summary of the bid results from each contractor.

Contractor	Bid
Westbrook Fence	\$66,434.75
Redhawk Fence	\$94,738.75
Ferreira	\$152,800.00
Motive Energy	\$179,547.00
Quality Fence	\$222,290.00

Staff has reviewed the bid information and confirmed that Westbrook Fence, Inc. is the lowest responsible and responsive bidder. Given the time sensitive nature of the project and exposure of our facilities, Westbrook Fence, Inc can obtain materials and mobilize within 3-4 weeks of approval.

FISCAL IMPACT:

The ESBS project had a fencing budget of \$55,000 allocated in the Fiscal Year 2022-23 Mid-Year Capital Budget. As the initial allocation was based on an estimate, additional funds will be needed to cover the actual cost of the project based on the received bids. The District's contingency budget for Capital Improvement Projects has funds available to transfer. A summary of the requested budget transfer is as follows:

FY 2022-23 Mid-Year Capital Budget	Current Budget	Construction Cost	Transfer Amount
ESBS Fencing Project	\$55,000.00	\$66,434.75	(\$11,434.75)

STAFF RECOMMENDATION:

Forward a recommendation to the Board of Directors to:

1. Transfer the requested funds from Contingency to the Energy Storage Battery Systems Project.
2. Award the Contract for Wrought Iron Fencing to Westbrook Fence, Inc. in the amount of \$66,434.75.
3. Authorize the Acting General Manager to execute all necessary documents.

Respectfully Submitted,

Van Jew

Van Jew, Acting General Manager

dg:LJ

ATTACHMENT(S):

1. Exhibit A - Westbrook Fence, Inc Proposal

EXHIBIT A

Westbrook Fence Inc
P.O. Box 90310
SAN BERNARDINO, CA
92427 US
(909)887-2638
dale.westbrookfence@live.c
om

**ADDRESS**

West Valley Water District
855 W. Baseline Rd.
Rialto, CA 92376

SHIP TO

Rialto - Pepper Ave.

Estimate 6280

DATE 03/03/2023

ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
service	Provide and install 8' high Iron fence with arched top pickets. Panels are 1 1/2" sq x 11g top and bottom rails with 1" sq x 14g pickets spaced 6" on center. Posts are 2 1/2" x 1/4" and set in 36" concrete footings. Panels are welded complete to the posts. All material is pre-galvanized and powder coated black. Note: 1 cage 46 1/2' x 32'	337	125.00	42,125.00
service	Provide and install 8' x 8' single swing Iron gate with arched top pickets. Includes 4" sq hinge post. Gates will match fence.	2	1,250.00	2,500.00
service	Performance and Payment Bonds All prices include prevailing wages.	1	1,338.75	1,338.75

TOTAL

\$45,963.75

Accepted By

Accepted Date

Westbrook Fence Inc
P.O. Box 90310
SAN BERNARDINO, CA
92427 US
(909)887-2638
dale.westbrookfence@live.c
om

**ADDRESS**

West Valley Water District
855 W. Baseline Rd.
Rialto, CA 92376

SHIP TO

San Bernardino - University
Parkway

Estimate 6279**DATE 03/03/2023**

ACTIVITY	DESCRIPTION	QTY	RATE	AMOUNT
service	Provide and install 8' high Iron fence with arched top pickets. Panels are 1 1/2" sq x 11g top and bottom rails with 1" sq x 14g pickets spaced 6" on center. Posts are 2 1/2" x 1/4" and set in 36" concrete footings. Panels are welded complete to the posts. All material is pre-galvanized and powder coated black. Note: 1 cage 46 1/2' x 32'	149	125.00	18,625.00
service	Provide and install 8' x 8' single swing Iron gate with arched top pickets. Includes 4" sq hinge post. Gates will match fence.	1	1,250.00	1,250.00
Sales	Performance and payment bonds			596.00
service	Price includes prevailing wages and	1	0.00	0.00

TOTAL**\$20,471.00**

Accepted By

Accepted Date