

## COMPENSATION AGREEMENT (AREA A)

This **COMPENSATION AGREEMENT (AREA A)** (this "Compensation Agreement"), dated as of \_\_\_\_\_, 2017, is entered into by and between the CITY OF RIALTO (the "City") on the one hand, and the COUNTY OF SAN BERNARDINO (with respect to the County General Fund, Flood Control Zone 2, Flood Control Admin 1 & 2, and County Free Library), Education Revenue Augmentation Fund, Superintendent of Schools, City of Rialto, San Bernardino Community College, Rialto Unified School District, Inland Empire Joint Resource Conservation District, San Bernardino Valley Municipal Water, Inland Empire Utilities Agency, and the City of Rialto, as a taxing entity, on the other hand (each a "Taxing Entity" and collectively, the "Taxing Entities"). The Taxing Entities and the "City" are the "Parties," with each being a "Party".

### RECITALS:

A. Pursuant to AB X1 26 (enacted in June 2011), as modified by the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal.4th 231(2011) (*Matosantos*), the Redevelopment Agency of the City of Rialto (the "Former Agency") was dissolved as of February 1, 2012, the Successor Agency was established, and an oversight board to the Successor Agency (the "Oversight Board") was established.

B. Pursuant to Health and Safety Code Section 34175(b) and the California Supreme Court's decision in *Matosantos*, on February 1, 2012, properties of the Former Agency transferred to the control of the Successor Agency to the Redevelopment Agency of the City of Rialto (the "Successor Agency") by operation of law, including the property described in **Exhibit A** attached hereto and incorporated herein by reference (the "Area A Property").

C. Pursuant to Health and Safety Code Section 34191.5(b), the Successor Agency prepared an amended long-range property management plan (the "LRPMP") which addresses the disposition and use of the properties of the Former Agency, and by letter dated March 10, 2015, the Department of Finance (the "DOF") approved the Successor Agency's use or disposition of the properties listed in the LRPMP. The Area A Property, identified as Project 14 in the LRPMP, is designated as a City Disposition Property, as described in Recital D, below.

D. As a property that was initially subject to an enforceable obligation but which, pursuant to Section III.C of the LRPMP, became a City Disposition Property, the Area A Property was transferred by the Successor Agency from the Community Redevelopment Property Trust Fund ("Trust Fund") to the City. The LRPMP also provides that the City will enter into a compensation agreement with respect to all of the City Disposition Properties, including the Area A Property with all of the affected taxing entities, as defined in Health and Safety Code Section 34171(k). The County and other parties to this Agreement are affected taxing entities. The complete list of the Taxing Entities, including the address of each is shown on **Exhibit C** and the Applicable Tax Rate of each is shown on **Exhibit B**, each of which is attached hereto and incorporated herein by reference.

E. By grant deed dated March 13, 2017, the City transferred a portion of the Area A Property to Lewis-Hillwood Rialto Company, LLC (the "First LHR Transfer") pursuant to that certain Area A Contract of Sale dated January 10, 2017 ("Area A Contract"). The LHR Transfer occurred pursuant to an escrow with First American Title Company ("Escrow Agent") in accordance with the LRPMP. The purchase price for the First LHR Transfer under the Area A Contract was One Million Two Hundred Fifty-One Thousand Eight Hundred Twenty-Seven Dollars Fifty-Six Cents (\$1,251,827.56) of which [insert net sales proceeds being distributed] constitute the Applicable Net Purchase Price (defined in Section 2.A below) and are being held by the Escrow Agent for distribution pursuant to this Agreement.

F. The parties intend that this Agreement govern each subsequent transfer of Area A Property pursuant to Area A Contract.

G. To promote the public interest, the Taxing Entities and the City are entering into this Compensation Agreement to provide for the City to compensate the Taxing Entities with respect to the Area A Property in accordance with the terms of this Compensation Agreement.

**NOW THEREFORE, IN CONSIDERATION OF THE COMPENSATION, BOTH MONETARY AND NONMONETARY, AND THE COVENANTS PROVIDED HEREIN, THE PARTIES HERETO AGREE AS FOLLOWS:**

Section 1. Recitals. The above recitals are true and correct and are a substantive part of this Compensation Agreement.

Section 2. Transfer; Compensation. The Successor Agency has conveyed all of its interest in and to the Area A Property to the City and the City conveyed a portion of its interest in the Area A Property through the First LHR Transfer pursuant to the Area A Contract. In accordance with Health and Safety Code Sections 34179(h)(1)(D) and (E), and Section 34191.5(f), no further approval of the Oversight Board or the DOF are necessary. Each subsequent transfer of the Area A Property pursuant to the Area Contract shall be subject to the terms of this Agreement.

The City has transferred a portion of the Area A Property to LHR and will transfer the remainder of the Area A Property to LHR, all pursuant to the Area A Contract, subject to the following agreement of the Parties as to compensation to be paid by the City with respect to the Area A Property:

- A. The Parties acknowledge that a valuation of the Property will be established, from time to time by formal appraisal and the appraised value, as so determined, will be used as the purchase price for the applicable parcels in the Area A Contract (the "Applicable Purchase Price"). The "Applicable Net Purchase Price" is the Applicable Purchase Price received by the City ("Net City Proceeds") less the City's actual and reasonable costs to pay third party vendors for appraisal, legal, real estate consultant and marketing, title company, title insurance, escrow, closing and, to the extent applicable, any other costs related to the preparation approval and/or implementation of the Area A Contract ("Area A Costs of Sale"). The City shall keep complete, accurate and appropriate books and records of the

Area A Costs of Sale and its calculation of the Net City Proceeds and the Applicable Net Purchase Price.

- B. The compensation to be paid by the City to each Taxing Entity with respect to the Area A Property is established by multiplying the Applicable Tax Rate by the Applicable Net Purchase Price for each parcel within Area A Property (the "Compensation Amount"). The Applicable Tax Rate" is the tax rate for each of the Taxing Entities as provided by the County Auditor-Controller. "Project Area" means the project area created by the Former Agency. Notwithstanding anything to the contrary herein, the City shall be allowed to retain \$\_\_\_\_\_ of the Applicable Net Purchase Price representing the share of Applicable Net Purchase Price proceeds payable to [insert educational districts that have waived share], which funds shall be used by the City for eligible capital improvements within the City.

ERAF is entitled to a distribution of Applicable Net Purchase Price proceeds under this Agreement. Pursuant to instruction and direction from the DOF and the Auditor-Controller, there is no need for a separate signatory to execute this Agreement on behalf of ERAF because the ultimate beneficiaries of any distribution of Disposition Proceeds to ERAF are themselves Taxing Entities that are signatories to this Agreement. With respect to ERAF distributions, the shares payable to [insert educational districts that have waived share], shall instead be divided among [[insert educational districts that have **not** waived share].

- C. Within five (5) business days following the approval of the Taxing Entities of the Compensation Amount, the Escrow Agent, on behalf of the City, shall remit the Compensation Amount to the Taxing Entities in accordance with **Exhibit C** (the "Payment Date"). The City hereby represents that it did not receive Temporary Rental Income prior to the City's transfer of the Property. For the purposes of this Agreement, the term "Temporary Rental Income" means any lease rental income, use fee income or other income, if any, that may be received by the City with respect to the Property minus the documented costs to the City of improvement, operation and maintenance of such Property for the temporary use prior to the transfer of such Property pursuant to the Area A Contract or other conveyance agreement with regards to all or any portion of Area A Property.
- D. Accounting Requirements. Prior to the distribution pursuant to subsection C, the City shall provide the Escrow Agent and the Taxing Entities an itemized statement of the Area A Costs of Sale (the "Initial Disposition Proceeds Statement"), along with evidence, reasonably satisfactory to the Taxing Entities, as to the Area A Costs of Sale and the City's calculation of the Net City Proceeds and the Applicable Net Purchase Price. For a period of not less than fourteen (14) business days from receipt of the Initial Disposition Proceeds Statement, each of the Taxing Entities shall have the right to request, in writing delivered to the City, the Escrow Agent, and the other Taxing Entities, a review of such books, records and documents and other relevant items in the possession of City, but only to the extent necessary for a proper determination of Applicable Net Purchase Price and

Area A Costs in the Initial Disposition Proceeds Statement. In the event that the parties agree, following such review, to revise the amounts set forth in the Initial Disposition Proceeds, the City shall forthwith prepare a revised Disposition Proceeds Statement reflecting the revised amounts (the "Revised Disposition Proceeds Statement"). If no written requests are received by the City, the Initial Disposition Proceeds Statement shall become final (the "Final Disposition Proceeds Statement"). Within seven (7) business days of receipt of the Final Disposition Proceeds Statement or the Revised Disposition Proceed Statement from the City, the Escrow Agent shall provide to the Taxing Entities and the Auditor-Controller a draft closing settlement statement reflecting the Applicable Purchase Price, the Net City Proceeds from the Final Disposition Proceeds Statement or Revised Disposition Proceeds Statement and setting forth the amounts to be distributed to each Taxing Entity (as applicable) (the "Closing Statement"). Following such review, if the parties cannot reach agreement as to the existence or amount of an alleged error or discrepancy, the aggrieved party may terminate its participation in this Agreement. The Escrow Agent shall have no liability for any distributions made pursuant to the Closing Statement or this Agreement.

Section 3. Effective Date. The effective date of this Compensation Agreement (the "Effective Date") shall be the date that each of the Taxing Entities governing boards have approved this Agreement and directed each of the Taxing Entities (respectively) to execute this Agreement Promptly following the effectiveness of this Agreement, the City shall transmit notice to all the other Parties that the Agreement is effective and specifying the date the Agreement became effective (the "Effective Date"), along with a fully executed copy of the Agreement.

Section 4. Term. The term of this Agreement shall commence on the Effective Date and, unless sooner terminated as otherwise provided in this Agreement, shall expire upon the distribution by the Escrow Holder of all amounts payable to the Taxing Entities under this Agreement, if any. Notwithstanding anything to the contrary, if the events necessary to cause the Effective Date to occur have not all occurred within sixty (60) months from the date this Compensation Agreement is entered into, then, at the conclusion of that sixty (60) month period, this Compensation Agreement shall be terminated in its entirety, and shall be of no further force or effect whatsoever.

Section 5. Authorization. Each Party warrants that the individuals who have signed this Compensation Agreement have the legal power, right, and authority to make this Compensation Agreement and to bind each respective Party.

Section 6. No Personal Liability. No official, agent, or employee of any Party shall be individually or personally liable for any amount which may become due under this Compensation Agreement or on any obligations under the terms of this Compensation Agreement.

Section 7. Assignment. This Compensation Agreement shall not be assignable by any Party without the prior written consent of the other Party.

Section 8. Counterparts. This Compensation Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute but one and the same Compensation Agreement. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon, provided such signature page is attached to any other counterpart identical thereto having additional signature pages executed by the other Parties. Any executed counterpart of this Agreement may be delivered to the other Parties by facsimile and shall be deemed as binding as if an originally signed counterpart was delivered.

Section 9. Further Assurances. The Parties agree to take all appropriate steps and execute any documents which may reasonably be necessary or convenient to implement the intent of this Compensation Agreement.

Section 10. Notices. All notices and other communications shall be given or made in writing by certified mail, postage prepaid, return receipt requested, or by personal delivery. Notices shall be considered given upon (i) personal delivery, (ii) one business day following timely deposit with a nationally recognized overnight courier service, charges prepaid, or (iii) three business days after deposit in the United States mail, postage prepaid, certified or registered, return receipt requested. Notices shall be addressed as provided in the attached **Exhibit C** for the respective Party; provided that if a Party gives notice of a change of name or address, notices to such Party shall thereafter be given as specified in that notice.

Section 11. Amendment. This Compensation Agreement may be amended at any time, and from time to time, in writing by the Parties.

Section 12. Severability. If one or more of the covenants or agreements provided in this Compensation Agreement on the part of the County or the City to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Compensation Agreement.

Section 13. Construction. The Parties agree that each Party and its counsel have reviewed this Compensation Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not apply in the interpretation of this Compensation Agreement or any amendments or exhibits thereto. This Compensation Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties.

Section 14. Binding on Successors and Assigns. All the covenants, promises and agreements in this Compensation Agreement contained by or on behalf of the County or the City shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 15. No Third Party Beneficiaries. This Compensation Agreement is made and entered into for the sole protection and benefit of the Parties and their successors and assigns.

No other person shall have any right of action based upon any provision of this Compensation Agreement.

(a) Governing Law. This Compensation Agreement is made in the State of California under the Constitution and laws of the State of California, and is to be so construed. Any action to enforce or interpret this Agreement shall be filed and heard in the Superior Court of San Bernardino County, California or in the Federal District Court for the Central District of California.

Section 16. Third Party Litigation Regarding Agreement. In the event litigation is initiated by any third party attacking the validity of this Agreement or its implementation, each Party shall in good faith defend and seek to uphold the Agreement and, except as provided in Section 17, each shall bear its own costs in connection with any such litigation.

Section 17. Indemnification. The City hereby agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to the Taxing Entities) each Taxing Entity, its council members, governing board members, directors, officers, agents, employees, consultants, contractors, and representatives (collectively, including Seller, the "Indemnitees") from all suits, actions, claims, causes of action, costs, demands, judgments and liens brought by a third party and arising out of or relating to distribution of the Compensation Amount pursuant to this Agreement to any Taxing Entity other than itself, except as caused or arising out of the willful misconduct or gross negligence of any Indemnitees. The provisions of this Section shall survive expiration of the Term or other termination of this Agreement, and shall remain in full force and effect.

Section 18. Attorneys' Fees. In any action which a Party brings to enforce its rights hereunder, the unsuccessful Party or Parties shall pay all costs incurred by the prevailing party, including reasonable attorneys' fees.

Section 19. Entire Agreement; Amendment. This Agreement constitutes the entire and integrated agreement of the Parties and supersedes all prior negotiations, representations, or agreements, either written or oral, relating to the subject matter of this Agreement. This Agreement may be modified only in writing and only if approved and signed by all of the Parties.

Section 20. Non-Waiver. No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement will be effective unless it is in writing and signed by the waiving Parties.

Section 21. No Partnership. Nothing contained in this Agreement shall be construed to constitute any Party as a partner, employee, joint venturer, or agent of any other Party.

Section 22. Ambiguities. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party does not apply in interpreting this Agreement.

Section 23. Action or Approval. Whenever action and/or approval by the City is required under this Agreement, the City Administrator or the City Administrator's designee may act on and/or approve such matter unless specifically provided otherwise, or unless the City Administrator determines in the City Administrator's discretion that such action or approval requires referral to the City Council for consideration.

Section 24. County Taxing Entities. The County of San Bernardino administers funds for the following special districts and funds, and, in addition to entering into this Agreement for itself, is authorized to, and has entered into this Agreement on behalf of the following:

- (1) San Bernardino County Free Library;
- (2) Flood Control District;
- (3) Flood Control Zone 2; and
- (4) Flood Control Administration 1 & 2.

Section 25. Notice of Compensation Agreement Related to Real Property and Release. A Notice of Compensation Agreement Related to Real Property, in the form attached hereto as **Exhibit D** and incorporated herein by reference shall be recorded by the City against the portion of the Area A Property remaining after the First LHR Transfer (the "Remainder Property") immediately following the Payment Date. The Release of the Notice of Compensation Agreement Relating to Real Property shall be granted by the City pursuant to the Form of Release Agreement attached hereto as **Exhibit E** and incorporated herein by reference with respect to the Remaining Properties concurrently with the closing of each portion of the Remaining Properties pursuant to the Area A Contract.

This **AGREEMENT** shall inure to the benefit of and be binding upon the successors and assigns of all **PARTIES**.

**IN WITNESS WHEREOF**, this **AGREEMENT** has been fully executed on behalf of the **COUNTY** by its duly authorized representative and the **CITY** has caused the same to be executed in its name and on its behalf by its duly authorized representative.

This **AGREEMENT** shall inure to the benefit of and be binding upon the successors and assigns of all **PARTIES**.

**COUNTY OF SAN BERNARDINO**

**CITY OF RIALTO**

► \_\_\_\_\_

By: ► \_\_\_\_\_  
(Authorized signature - sign in blue ink)

Dated: \_\_\_\_\_

Title \_\_\_\_\_

SIGNED AND CERTIFIED THAT A COPY  
OF THIS DOCUMENT HAS BEEN  
DELIVERED TO THE CHAIR OF THE  
BOARD

Bob Dutton, Clerk

Dated: \_\_\_\_\_, 2017

Rialto Civic Center  
150 S. Palm Avenue  
Rialto, CA 92376

By: ► \_\_\_\_\_

Address: Rialto Civic Center  
150 S. Palm Avenue  
Rialto, CA 92376  
Attn: Robb Steel

**Approved as to Legal Form**

► \_\_\_\_\_  
Thomas P. Clark, Jr. of Stradling Yocca  
Carlson & Rauth, Special Counsel to  
City of Rialto

Date: \_\_\_\_\_

**Attested by City Clerk**

► \_\_\_\_\_  
City Clerk

Date: \_\_\_\_\_



**RIALTO UNIFIED SCHOOL DISTRICT**

By: *[Signature]*

Its: Superintendent

**INLAND EMPIRE JOINT RESOURCE  
CORRECT DISTRICT**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**SAN BERNARDINO VALLEY  
MUNICIPAL WATER**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT A**  
**LEGAL DESCRIPTION**

The land is situated in the State of California, City of Rialto, and is described as follows:

APN: \_\_\_\_\_

**EXHIBIT B****CITY OF RIALTO COMPENSATION AGREEMENT APPLICABLE TAX RATES**

	<b>Allocation Percentages</b>
<b>Taxing Entity</b>	
COUNTY GENERAL FUND	0.153626218
EDUCATION REVENUE AUGMENTATION FUND	0.232627033
FLOOD CONTROL ZONE 2	0.027267749
FLOOD CONTROL ADMIN 1 & 2	0.001917218
COUNTY FREE LIBRARY	0.014875094
SUPERINTENDENT OF SCHOOLS	0.005271598
SUPERINTENDENT OF SCHOOLS	0.000903736
SUPERINTENDENT OF SCHOOLS	0.002073474
SUPERINTENDENT OF SCHOOLS	0.001664781
SUPERINTENDENT OF SCHOOLS	0.000506881
CITY OF RIALTO	0.140798743
CHAFFEY COMMUNITY COLLEGE	0.002997262
SAN BERNARDINO COMMUNITY COLLEGE	0.050343035
FONTANA UNIFIED SCHOOL DISTRICT	0.019249671
RIALTO UNIFIED SCHOOL DISTRICT	0.315269244
BLOOMINGTON PARK & REC DISTRICT	
INLAND EMPIRE JT RESOURCE CONS DIST	0.001374434
INLAND EMPIRE UTILITIES AGENCY	0.005428826
INLAND EMPIRE UTILITIES AGENCY	
SAN BERNARDINO VALLEY MUNI WATER	0.019136947
WEST VALLEY WATER DISTRICT	0.004668057
<b>Grand Total ALL Taxing Entities</b>	<b>1.00000000</b>

## EXHIBIT C

### LIST OF ADDRESSES FOR NOTICE PURPOSES

[Note- Insert addresses of all taxing entities that are parties to this agreement.]

TAXING ENTITY	Addresses
COUNTY GENERAL FUND	Ms. Dena M. Smith, Interim Chief Executive Officer County of San Bernardino 385 N. Arrowhead Avenue, 5th Floor San Bernardino, CA 92415
EDUCATION REVENUE AUGMENTATION FUND	
FLOOD CONTROL ZONE 2	
FLOOD CONTROL ADMIN 1 & 2	
COUNTY FREE LIBRARY	
SUPERINTENDENT OF SCHOOLS	Mr. Ted Alejandre, County Superintendent San Bernardino County Superintendent of Schools 601 N. "E" Street San Bernardino, CA 92415-0020
SUPERINTENDENT OF SCHOOLS	Mr. Ted Alejandre, County Superintendent San Bernardino County Superintendent of Schools 601 N. "E" Street San Bernardino, CA 92415-0020
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SUPERINTENDENT OF SCHOOLS	Mr. Ted Alejandre County Superintendent San Bernardino County Superintendent of Schools 601 N. "E" Street San Bernardino, CA 92415-0020
CITY OF RIALTO	Mr. Michael Story, City Administrator City of Rialto 150 S. Palm Avenue Rialto, CA 92376

<b>TAXING ENTITY</b>	<b>Addresses</b>
<b>SAN BERNARDINO COMMUNITY COLLEGE</b>	Mr. Bruce Baron, Chancellor San Bernardino Community College 114 S. Del Rosa Drive San Bernardino, CA 92408
<b>RIALTO UNIFIED SCHOOL DISTRICT</b>	Dr. Cuauhtemoc Avila, Superintendent Rialto Unified School District 182 E. Walnut Avenue Rialto, CA 92376
<b>INLAND EMPIRE JT RESOURCE CONS DIST</b>	Mr. Jon Grindstaff, General Manager Inland Empire Utilities Agency P.O. Box 9020 Chino Hills, CA 91709
<b>SAN BERNARDINO VALLEY MUNI WATER</b>	Mr. Doug Headrick, General Manager San Bernardino Valley Municipal Water 380 E. Vanderbilt Way San Bernardino, CA 92408
<b>INLAND EMPIRE UTILITIES AGENCY</b>	Ms. Mandy Parkes, District Manager Inland Empire Joint Resource Correction District 25864-K Business Center Drive Redlands, CA 92374

**EXHIBIT D**

**FORM OF NOTICE OF COMPENSATION AGREEMENT  
RELATED TO REAL PROPERTY**

**RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:**

Rialto Civic Center  
150 S. Palm Avenue  
Rialto, CA 92376

Attn: Robb R. Steel, Development Services Director

NO FEE FOR RECORDING PURSUANT TO  
GOVERNMENT CODE SECTIONS 6103 AND 27383

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(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

**NOTICE OF COMPENSATION AGREEMENT**

**RELATED TO REAL PROPERTY**

(AREA A PROPERTY)

**NOTICE IS HEREBY GIVEN**, that the CITY OF RIALTO (the "City") on the one hand, and the COUNTY OF SAN BERNARDINO (with respect to the County General Fund, Flood Control Zone 2, Flood Control Admin 1 & 2, and County Free Library), Education Revenue Augmentation Fund, Superintendent of Schools, City of Rialto, San Bernardino Community College, Rialto Unified School District, Inland Empire Joint Resource Conservation District, San Bernardino Valley Municipal Water, and Inland Empire Utilities Agency and the City of Rialto, as a taxing entity, on the other hand (each a "Taxing Entity" and collectively, the "Taxing Entities") entered into that certain Compensation Agreement, dated \_\_\_\_\_, 2017 (the "Compensation Agreement"), with reference to that certain real property located in the City located at \_\_\_\_\_, at \_\_\_\_\_, assessor's parcel number(s) \_\_\_\_\_, and further described in Exhibit A incorporated herein by reference (the "Property").

Among other requirements, the LRPMP requires the City to execute a compensation agreement with the Taxing Entities providing for a contingent payment of Disposition Proceeds (as defined in the Compensation Agreement) upon the Owner's disposition of the Property, under specified conditions.

The Compensation Agreement includes certain obligations related to the Property, including without limitation and as further described in the Compensation Agreement:

A requirement that the Owner provide the Taxing Entities and the County Auditor-Controller a Disposition Proceeds Statement including the information required under Section 6 of the Compensation Agreement.

A requirement for the Owner remit the Disposition Proceeds to the Escrow Agent for distribution to the Taxing Entities in proportion to their Property Tax Percentage Shares base property tax as determined by the City using data from the County's Auditor-Controller and require the Escrow Agent to distribute the funds pursuant to Health and Safety Code Section 34188 and the Compensation Agreement.

A complete copy of the Compensation Agreement is maintained in the Office of the City Clerk, and is available to review at 150 S. Palm Avenue, Rialto, CA 92376 between 9 a.m. and 5 p.m.

In the event of any conflict between this Notice of Compensation Agreement Related to Property (the "Notice") and the Compensation Agreement, the terms of the Compensation Agreement shall prevail.

This Notice may only be amended or terminated with the written agreement of the Owner and the City.

Upon the earlier of satisfaction of the requirements of the Compensation Agreement as outlined in the Compensation Agreement, the City shall release this Notice (the "Release"), by the execution and recordation of a release in substantially the form attached hereto as Exhibit B, incorporated herein by reference.

This Notice is being recorded and filed by the Owner of the Property, and shall be indexed against the Owner's interest in the Property and the City.

***[Remainder of Page Left Intentionally Blank.]***

IN WITNESS WHEREOF, the Owner and the City have entered into this Notice as of the first date written above.

**CITY**

**CITY OF RIALTO**, a California general law city

Date: \_\_\_\_\_

By: \_\_\_\_\_  
City Administrator

**ATTEST:**

By: \_\_\_\_\_  
Barbara McGee, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Stradling Yocca Carlson & Rauth  
City Special Counsel

\_\_\_\_\_  
Fred Galante, City Attorney

Date: \_\_\_\_\_

**[ALL SIGNATURES MUST BE NOTARIZED]**



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )

)

CITY OF \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Name: \_\_\_\_\_

Notary Public

EXHIBIT A

LEGAL DESCRIPTION

The land is situated in the State of California, County of San Bernardino, City of Rialto, and is described as follows:

APN: \_\_\_\_\_

**EXHIBIT E**

**FORM OF RELEASE AGREEMENT**

**RELEASE OF NOTICE OF COMPENSATION AGREEMENT  
RELATED TO REAL PROPERTY**

**RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:**

Rialto Civic Center  
150 S. Palm Avenue  
Rialto, CA 92376

Attn: Robb R. Steel, Development Services Director

NO FEE FOR RECORDING PURSUANT TO  
GOVERNMENT CODE SECTIONS 6103 AND 27383

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(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

**FORM OF RELEASE AGREEMENT**

**RELEASE OF NOTICE OF COMPENSATION AGREEMENT**

**RELATED TO REAL PROPERTY**

(AREA A PROPERTY)

This Release of Notice of Compensation Agreement Related to Real Property is made as of [INSERT DATE] (the "Notice"), by the CITY OF RIALTO, in its capacity as a taxing entity (the "City") and in its capacity as the Owner of that certain real located ADDRESS, in the City of Rialto, and further described in Exhibit A incorporated herein by reference (the "Property").

**RECITALS**

A. The CITY OF RIALTO (the "City") on the one hand, and the COUNTY OF SAN BERNARDINO (with respect to the County General Fund, Flood Control Zone 2, Flood Control Admin 1 & 2, and County Free Library), Education Revenue Augmentation Fund, Superintendent of Schools, City of Rialto, San Bernardino Community College, Rialto Unified School District, Inland Empire Joint Resource Conservation District, San Bernardino Valley Municipal Water, and Inland Empire Utilities Agency and the City of Rialto, as a taxing entity, on the other hand (each a "Taxing Entity" and collectively, the "Taxing Entities") have entered into that certain Compensation Agreement, dated [INSERT DATE] (the "Compensation Agreement"), with reference to the Property.

B. In connection with the Compensation Agreement, the Owner and the City executed the Notice, which was recorded against the Property in the Official Records of the County of San Bernardino as Instrument No. [INSERT RECORDING NUMBER] on [INSERT DATE].

C. The City, in its capacity as a Taxing Entity, has determined that the Owner has fulfilled its obligations under the Compensation Agreement with respect to the Property desires to release the Notice as a lien or claim on the Owner's interest in the Property.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by this reference, and the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, it is hereby declared, understood and agreed as follows:

The City, in its capacity as a Taxing Entity, hereby releases the City, in its capacity as Owner (and its successors) and the Property from any and all obligations under the Notice.

In granting this Release, the City, in its capacity as a Taxing Entity, hereby expressly waives and relinquishes all rights and benefits afforded by California Civil Code Section 1542, as well as any similar law, statute, provision or policy in any other jurisdiction subsequently adopted in the State of California, and the City, in its capacity as a Taxing Entity, understands and acknowledges the significance of such specific waiver of California Civil Code Section 1542, which reads as follows:

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

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City Initials

This Agreement contains the entire agreement between the parties hereto and supersedes all prior agreements, oral or written, with respect to the subject matter hereof. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties had prepared it.

This Agreement shall be binding on and inure to the benefit of the legal representatives, heirs, successors and assigns of the parties.

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

This Agreement may be signed by the different parties hereto in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.

**[Signatures on following page]**

IN WITNESS WHEREOF, the Owner and the City have entered into this Notice as of the first date written above.

**CITY**

**CITY OF RIALTO**, a California general law city

Date: \_\_\_\_\_

By: \_\_\_\_\_  
City Administrator

**ATTEST:**

By: \_\_\_\_\_  
Barbara McGee, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Stradling Yocca Carlson & Rauth  
City Special Counsel

\_\_\_\_\_  
Fred Galante, City Attorney

Date: \_\_\_\_\_

**[ALL SIGNATURES MUST BE NOTARIZED]**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )

)

CITY OF \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Name: \_\_\_\_\_

Notary Public

**EXHIBIT A**

**LEGAL DESCRIPTION**

The land is situated in the State of California, County of San Bernardino, City of Rialto, and is described as follows:

APN: \_\_\_\_\_