

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING ("Memorandum") is executed as of July 1, 2007 by and between the City of Diamond Bar, California, a municipal corporation ("City") and the Walnut Valley Unified School District, a unified school district organized under the California Education Code ("District"), hereinafter together occasionally referred to as "the parties."

RECITALS

A. District owns an undeveloped parcel of real property within the territorial limits of City ("School Property"), and legally described in Exhibit A-1 and depicted in Exhibit A-2 attached hereto and incorporated herein by reference. District has found the School Property to be unnecessary for future school use and has declared it surplus property.

B. City owns an approximate .93 acre undeveloped parcel of real property immediately adjacent to the School Property ("City Property"), legally described in Exhibit A-3 and depicted in Exhibit A-4, attached hereto and incorporated herein by reference.

C. District desires the disposition of the School Property to yield the maximum return to the District for the benefit of its constituents and its educational mission. City desires that the School Property and City Property (collectively referred to hereinafter as "Site D") be developed in a manner as to assure compatibility with and to meet the needs of the surrounding area, to provide a desirable level of sales tax revenues to the City. The legal description of Site D is described in Exhibit A-5 and depicted in Exhibit A-6, attached hereto and incorporated herein by reference.

D. In light of the foregoing, the parties desire to cooperate and collaborate in the planning of the future land use and zoning designations for Site D in order that District and City may each advance its respective objectives for the disposition of the property.

NOW THEREFORE, in consideration of the foregoing, City and District hereby agree as follows:

1. Preparation of Specific Plan.

- 1.1 City agrees to engage the services of TRG Land, Inc. to prepare a specific plan for Site D in accordance with California Government Code sections 65450 through 65457, pursuant to its proposal dated June 6, 2007, and to advance the cost of preparation of the specific plan.
- 1.2 District shall reimburse City the cost of preparation of the specific plan upon sale of Site D, the reimbursement to be paid through escrow, from the proceeds of the sale. The reimbursement shall consist of the final direct cost of TRG Land Inc.'s services, the additional cost of associated consulting services provided by TRG's subconsultants and others for civil engineering, geotechnical engineering and environmental services, plus an administrative overhead charge of five percent (5%) of the total of the foregoing reflecting City staff time and public hearing expenses. Total reimbursement pursuant to this paragraph shall not exceed the sum of Two Hundred Ninety-Four Thousand Four Hundred Ninety-five Dollars and 45/100 (\$294,495.45)

absent written consent of District, which consent shall not be unreasonably denied or delayed. The not to exceed costs of TRG Land, Inc. and its subconsultants for the services to be rendered under this Memorandum are attached hereto as Exhibit B and incorporated herein by this reference.

- 1.3 The specific plan will include a mix of residential and commercial uses as more specifically described in the agreement for services between City and TRG Land, Inc based upon a mutually agreed upon site map such as is attached hereto as Exhibit C and incorporated herein by this reference. Of the usable acreage on Site D, a minimum of fifty percent (50%) will be designated for residential development, and fifty percent (50%) will be designated for commercial use, exclusive of necessary infrastructure. Should the specific plan adopted by City provide for less residential development than the minimum described above, District may, at its sole discretion, elect to be released from the reimbursement obligation set forth in paragraph 1.2 above, and upon such election shall have no further obligations under this Memorandum.

2. Consideration of Specific Plan by City.

- 2.1 City agrees to present the specific plan prepared pursuant to Paragraph 1 to its Planning Commission and City Council for consideration. Nothing herein, however, constitutes a commitment or guaranty that City will adopt the specific plan. City reserves all of its police powers relative to consideration of the specific plan, and City's Planning Commission and City Council retain the discretion to take any such action each deems appropriate with respect to the specific plan. Nothing contained herein shall be deemed to limit, restrict, amend or modify, nor to constitute a waiver or release of, the discretion vested in the City by its Municipal Code to make independent judgments, findings and decisions with regard to the approval or disapproval of the specific plan.
- 2.2 City agrees to use best efforts, subject to force majeure events beyond its control, to process the specific plan and related entitlements in accordance with the schedule attached hereto as Exhibit D and incorporated herein by this reference thereto.

3. Sale of Site D by District/City.

- 3.1 Upon City's approval of the specific plan for the development of Site D, District agrees to use its best efforts to sell the School Property as entitled by the City for the fair market value, in accordance with the provisions of California Education Code commencing with section 17455. City agrees to use its best efforts to sell the City Property for the fair market value. The parties agree to cooperatively work with each other to coordinate the sale of Site D.
- 3.3 In the event District and/or City fails to receive a responsive bid for either the residential or commercial components of Site D, as applicable, within thirty (30) days following the date in which no responsive bid has been received, the parties agree to meet in good faith to identify mutually acceptable option(s) to sell Site D.

4. Term.

This Memorandum shall commence on July 1, 2007 and remain in effect until the actions contemplated herein have been fully consummated. Notwithstanding, the parties agree, subject to force majeure events beyond the reasonable control of the parties, that should the specific plan for Site D not be approved by City within eighteen (18) months from the date and year first written above consistent with the schedule attached as Exhibit D, either party may terminate this Memorandum upon providing written notice to the other party. In the event this Memorandum is terminated pursuant to this paragraph 4, District shall be released from the reimbursement obligation set forth in paragraph 1.2 above.

5. Binding Effect.

This Memorandum is binding on the parties in accordance with its terms. The parties signing below represent and warrant that they have the legal authority to bind the party for whom they are signing.

6. Indemnity.

Each party agrees to indemnify, defend, and hold harmless the other party, its officers, agents and employees from any and all liabilities, claims, or losses of any nature, including reasonable attorneys' fees and costs of suit, to the extent caused by, arising out of, or in connection with, the indemnifying party's negligent or wrongful acts or omissions arising from its respective activities pursuant to this Memorandum.

7. Governing Law.

This Agreement shall be governed by the laws of the State of California.

8. Notices.

All notices permitted or required under this Memorandum shall be in writing, and shall be deemed made when delivered to the applicable party at the following addresses either by first class mail postage prepaid, facsimile or personal delivery:

If to City:

City of Diamond Bar
21825 E. Copley Drive
Diamond Bar, CA 91765
Attention: City Manager

If to District:

Walnut Valley Unified School District
880 South Lemon Avenue
Walnut, CA 91789
Attention: Superintendent

9. Entire Agreement

This Memorandum represents the entire integrated agreement between the parties and supersedes all prior negotiations, representations or agreements, written or oral, regarding the joint program provided for herein. This Memorandum may be amended only by a written instrument signed by the parties.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Understanding as of the date and year first written above.

Dated: JUNE 30, 2007

CITY OF DIAMOND BAR
By: 
James DeStefano
City Manager

Dated: 6/25, 2007

WALNUT VALLY UNIFIED SCHOOL DISTRICT
By: 
Kent L. Bechler, Ph.D.
Superintendent

EXHIBIT A-1

LEGAL DESCRIPTION OF SCHOOL PROPERTY

THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

THAT PORTION OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHEASTERLY LINE OF LOT 76 (BREA CANYON CHANNEL) OF TRACT 27577, AS PER MAP RECORDED IN BOOK 702, PAGES 22 TO 25 INCLUSIVE OF MAPS, RECORDS OF SAID COUNTY, DISTANT THEREON NORTH 30°41' 18" EAST 245.38 FEET FROM THE SOUTHWESTERLY TERMINUS OF THAT CERTAIN COURSE SHOWN ON SAID MAP AS HAVING A BEARING AND DISTANCE OF NORTH 30°41'18" EAST 745.38 FEET; THENCE SOUTH 59°18'42" EAST 235.80 FEET; THENCE SOUTH 71°00'13" EAST 580.00 FEET; THENCE SOUTH 34°00'00" EAST, 120.00 FEET; THENCE NORTH 56°00'00" EAST 340.00 FEET; THENCE NORTH 48°00'00" EAST 980.00 FEET; THENCE NORTH 28°07'43" WEST 570.00 FEET TO A POINT IN THE SOUTHEASTERLY LINE OF DIAMOND BAR BOULEVARD, AS SHOWN ON MAP OF TRACT 25991, AS PER MAP RECORDED IN BOOK 702 PAGES 16 TO 21 INCLUSIVE OF MAPS, RECORDS OF SAID COUNTY; SAID POINT BEING ON A CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 2050.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 28°07'43" EAST; THENCE SOUTHWESTERLY ALONG SAID CURVE, ALONG THE SOUTHEASTERLY LINE OF SAID DIAMOND BAR BOULEVARD; THROUGH A CENTRAL ANGLE OF 41°1'33" AN ARC DISTANCE OF 150.00 FEET; THENCE TANGENT TO SAID LAST MENTIONED CURVE, ALONG THE SOUTHEASTERLY LINE OF SAID DIAMOND BAR BOULEVARD SOUTH 66°03'50" WEST 875.89 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1050.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE, ALONG THE SOUTHEASTERLY LINE OF SAID DIAMOND BAR BOULEVARD, THROUGH A CENTRAL ANGLE OF 20°50'10" AN ARC DISTANCE OF 381.83 FEET TO THE NORTHEAST CORNER OF SAID LOT 76; THENCE SOUTH 30°41'18" WEST, ALONG THE SOUTHEASTERLY LINE OF SAID LOT 76, 500.00 FEET TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION OF SAID SECTION 29 DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHEASTERLY LINE OF LOT 76 OF TRACT 27577, AS PER MAP RECORDED IN BOOK 702 PAGES 22 TO 25 INCLUSIVE OF MAPS, RECORDS OF SAID COUNTY, DISTANT THEREON NORTH 30°41'18" EAST 259.67 FEET FROM THE SOUTHWESTERLY TERMINUS OF THAT CERTAIN COURSE HAVING A BEARING OF NORTH 30°41'18" EAST AND A DISTANCE OF 745.38 FEET; THENCE CONTINUING ALONG

THE SOUTHEASTERLY LINE OF SAID LOT 76, NORTH 30°41'18" EAST 485.71 FEET TO THE SOUTHERLY LINE OF DIAMOND BAR BOULEVARD, AS SHOWN ON MAP OF SAID TRACT 27577; SAID SOUTHERLY LINE BEING A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 1050.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 42°1'50" AN ARC DISTANCE OF 79.97 FEET; THENCE SOUTH 30°41'18" WEST 527.99 FEET TO A LINE THAT BEARS SOUTH 63°26'06" EAST FROM THE POINT OF BEGINNING; THENCE NORTH 63°26'06" WEST 64.82 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPT THEREFROM SAID LAND ALL OIL, GAS AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN OR THEREUNDER OR PRODUCIBLE THEREFROM, TOGETHER WITH THE FREE AND UNLIMITED RIGHT TO MINE, STORE, DRILL AND BORE BENEATH THE SURFACE OF SAID LAND AT ANY LEVEL OR LEVELS 500 FEET OR MORE BELOW THE SURFACE OF SAID LAND FOR THE PURPOSE OF DEVELOPING OR REMOVAL OF SUCH SUBSTANCES, PROVIDED THAT THE SURFACE OPENING OF SUCH WELL AND ALL OTHER SURFACE FACILITIES SHALL BE LOCATED ON LAND OTHER THAN DESCRIBED HEREIN, AND SHALL NOT PENETRATE ANY PART OF PORTION OF THE ABOVE DESCRIBED REAL PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AND ALL OF THE RIGHTS SO TO REMOVE SUCH SUBSTANCES ARE HEREBY SPECIFICALLY RESERVED, INCLUDING THE RIGHT TO DRILL FOR, PRODUCE AND USE WATER FROM SAID REAL PROPERTY IN CONNECTION WITH SUCH OPERATIONS, AS EXCEPTED AND RESERVED BY TRANSAMERICA DEVELOPMENT COMPANY, A CORPORATION WHICH ACQUIRED TITLE AS CAPITAL COMPANY, A CORPORATION, IN DEED RECORDED AUGUST 12, 1964 AS INSTRUMENT NO. 1401.

PARCEL 2:

THAT PORTION OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO BASE AND MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHEASTERLY LINE OF LOT 76 OF TRACT 27577, AS PER MAP RECORDED IN BOOK 702, PAGES 22 TO 25, INCLUSIVE OF MAPS, RECORDS OF SAID COUNTY, DISTANT THEREON NORTH 30°41'18" EAST 259.67 FEET FROM THE SOUTHWESTERLY TERMINUS OF THAT CERTAIN COURSE HAVING A BEARING OF NORTH 30°41'18" EAST AND A DISTANCE OF 745.38 FEET; THENCE CONTINUING ALONG THE SOUTHEASTERLY LINE OF SAID LOT 76, NORTH 30°41'18" EAST, 485.71 FEET TO THE SOUTHERLY LINE OF DIAMOND BAR BOULEVARD, AS SHOWN ON MAP OF SAID TRACT 27577, SAID SOUTHERLY LINE) BEING A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 1050.00 FEET; THENCE EASTERLY ALONG SAID CURVE THROUGH CENTRAL ANGLE OF 42°1'50" AN ARC DISTANCE OF 79.97 FEET; THENCE SOUTH 30°41'18" WEST 527.99 FEET TO A LINE THAT BEARS SOUTH 63°26'06" EAST FROM THE POINT OF BEGINNING; THENCE NORTH 63°26'06" WEST 64.82 FEET TO THE POINT OF BEGINNING.

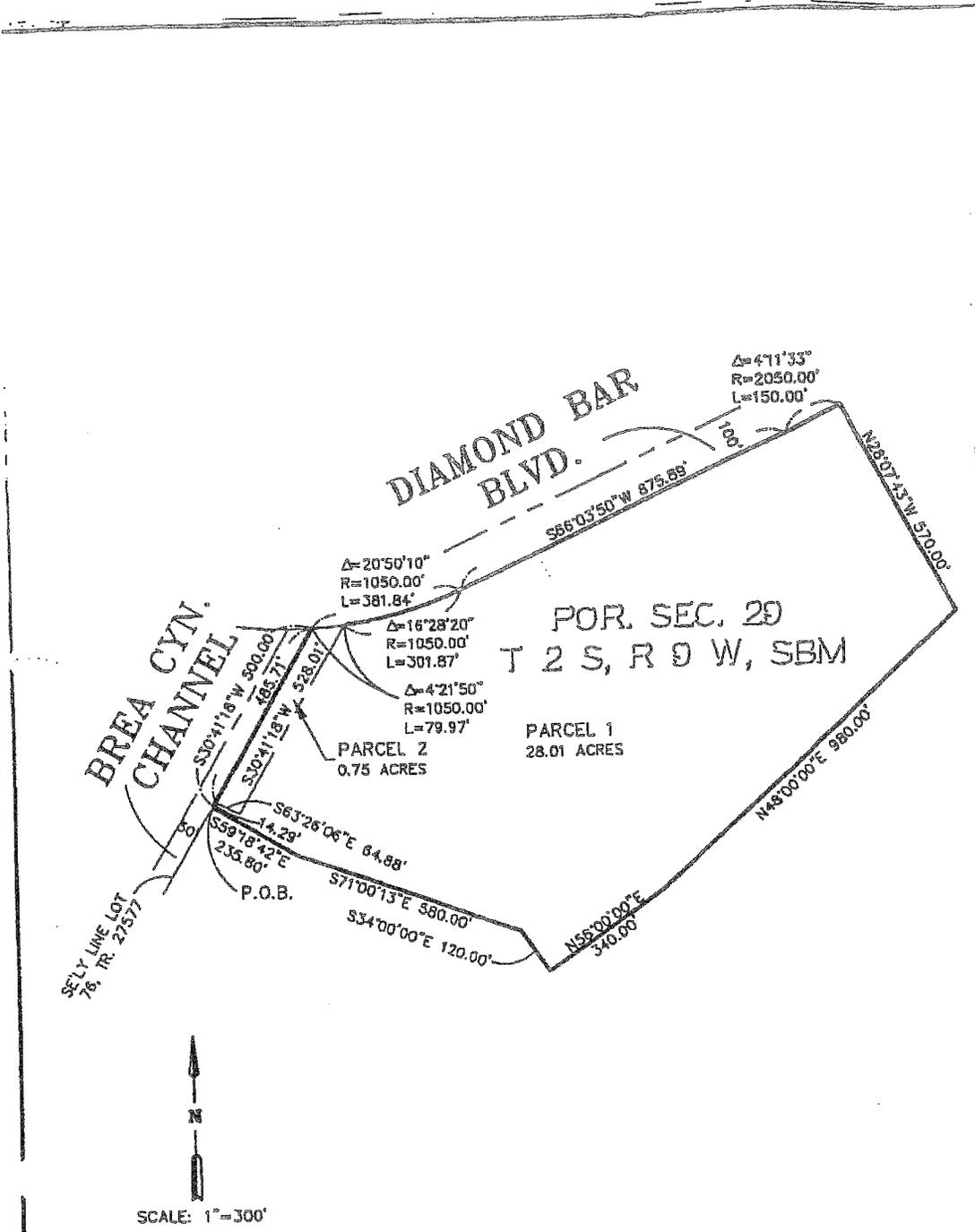
EXCEPT THEREFROM ALL OIL, GAS AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN OR THEREUNDER, TOGETHER WITH THE EXCLUSIVE RIGHT TO DRILL FOR, PRODUCE, EXTRACT, TAKE AND MINE THEREFROM SUCH OIL, GAS AND OTHER HYDROCARBONS AND MINERALS AND TO STORE THE SAME UPON THE SURFACE OF SAID LAND; TOGETHER WITH THE RIGHT TO STORE UPON THE SURFACE OF SAID LAND, OIL, GAS AND OTHER HYDROCARBONS AND MINERALS WHICH MAY BE PRODUCED FROM OTHER LANDS, WITH THE RIGHT OF ENTRY THEREON FOR SAID PURPOSES, AND WITH THE RIGHT TO CONSTRUCT, USE, MAINTAIN, ERECT, REPAIR, REPLACE AND REMOVE THEREON AND THEREFROM, ALL PIPE LINES, TELEPHONE AND TELEGRAPH LINES, TANKS, MACHINERY, BUILDINGS AND OTHER STRUCTURES WHICH MAY BE NECESSARY AND REQUISITE TO CARRY ON OPERATIONS ON SAID LAND, WITH THE FURTHER RIGHT TO ERECT, MAINTAIN, OPERATE AND REMOVE A PLANT, WITH ALL NECESSARY APPURTENANCES FOR THE EXTRACTION OF GASOLINE FROM GAS, INCLUDING ALL RIGHTS NECESSARY OR CONVENIENT THERETO, AS EXCEPTED AND RESERVED IN THE DEED FROM TRANSAMERICA DEVELOPMENT COMPANY, A CORPORATION, RECORDED MARCH 29, 1968 AS INSTRUMENT NO. 2456, IN BOOK D3955 PAGE 185, OFFICIAL RECORDS AND RE-RECORDED JUNE 19, 1969 AS INSTRUMENT NO. 1776 IN BOOK D4407 PAGE 591, OFFICIAL RECORDS.

SAID INTEREST WAS CONVEYED TO TRANSAMERICA MINERALS COMPANY, A CALIFORNIA CORPORATION, BY DEED RECORDED JUNE 20, 1985 AS INSTRUMENT NO. 85-74005.

AN INSTRUMENT PURPORTEDLY QUITCLAIMING, RELEASING AND SURRENDERING ONLY THE SURFACE RIGHTS TO A DEPTH OF 500 FEET AND PROVIDING FOR REMOVAL OF ALL GAS, MINERALS AND HYDROCARBONS BELOW SAID DEPTH AS CONVEYED TO TRANSAMERICA DEVELOPMENT COMPANY, A CALIFORNIA CORPORATION BY DEED RECORDED JANUARY 5, 1987 AS INSTRUMENT NO. 87-10522.

EXHIBIT A-2

MAP OF SCHOOL PROPERTY



C:\pfs\pmp\00774\01\Survey\1\end\Descriptions\Bndy-Site-D-120803.dwg 12/09/03 11:08:31 AM PST

EXHIBIT A-3

LEGAL DESCRIPTION OF CITY PROPERTY

THE LEGAL DESCRIPTION OF THE PROPERTY IS:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THAT PORTION OF SECTION 29, TOWNSHIP 2 SOUTH, RANGE 9 WEST, SAN BERNARDINO MERIDIAN COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER RECORD OF SURVEY, FILED IN BOOK 76 PAGES 51 THROUGH 56 INCLUSIVE OF RECORD OF SURVEY, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

BEING DESCRIBED AS FOLLOWS:

THAT AREA SHOWN AS "NOT A PART OF THIS SUBDIVISION ON THE MAP OF TRACT NO. 27577, AS PER MAP RECORDED IN BOOK 702 PAGES 22 THROUGH 25 INCLUSIVE OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

SAID AREA BEING BOUNDED ON THE NORTHWEST BY SOUTHEASTERLY LINE OF BREA CANYON ROAD, AS SHOWN ON MAP OF SAID TRACT 27577; BOUNDED ON THE NORTH BY THE SOUTHERLY LINE OF DIAMOND BAR BOULEVARD, AS SHOWN ON MAP OF SAID TRACT NO. 27577; BOUNDED ON THE SOUTHEAST BY THE NORTHWESTERLY LINE OF LOT 76, AS SHOWN ON MAP OF SAID TRACT NO. 27577; BOUNDED ON THE SOUTHWEST BY THE NORTHEASTERLY LINE OF LOT 39, THE NORTHERLY TERMINUS OF CASTLE ROCK ROAD, AND THE NORTHERLY LINE OF TEN (10) FOOT WALK, ALL BEING SHOWN ON MAP OF SAID TRACT NO. 27577.

EXCEPT THEREFROM ALL OIL, GAS, MINERALS, AND OTHER HYDROCARBON SUBSTANCES LYING BELOW THE SURFACE OF SAID LAND, BUT WITH NO RIGHT OF SURFACE ENTRY, AS PROVIDED IN DEEDS OF RECORD.

EXHIBIT A-4

MAP OF CITY PROPERTY

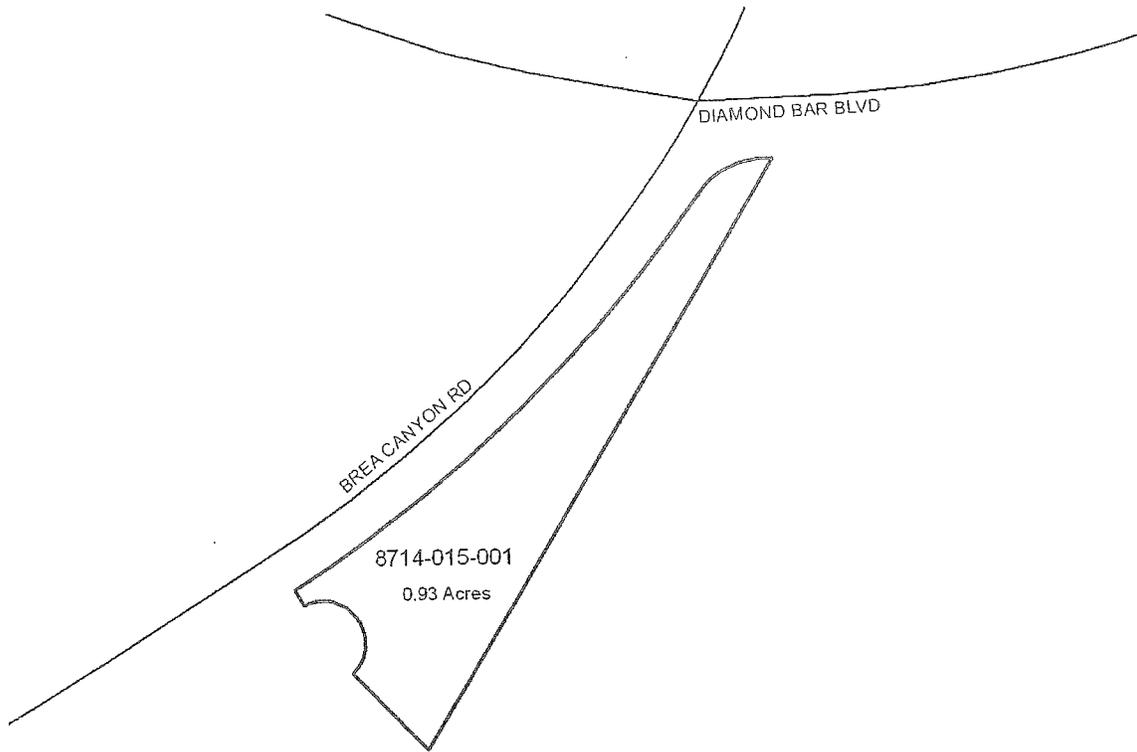


EXHIBIT A-5

LEGAL DESCRIPTION OF SITE D

EXHIBIT A-6

MAP OF SITE D

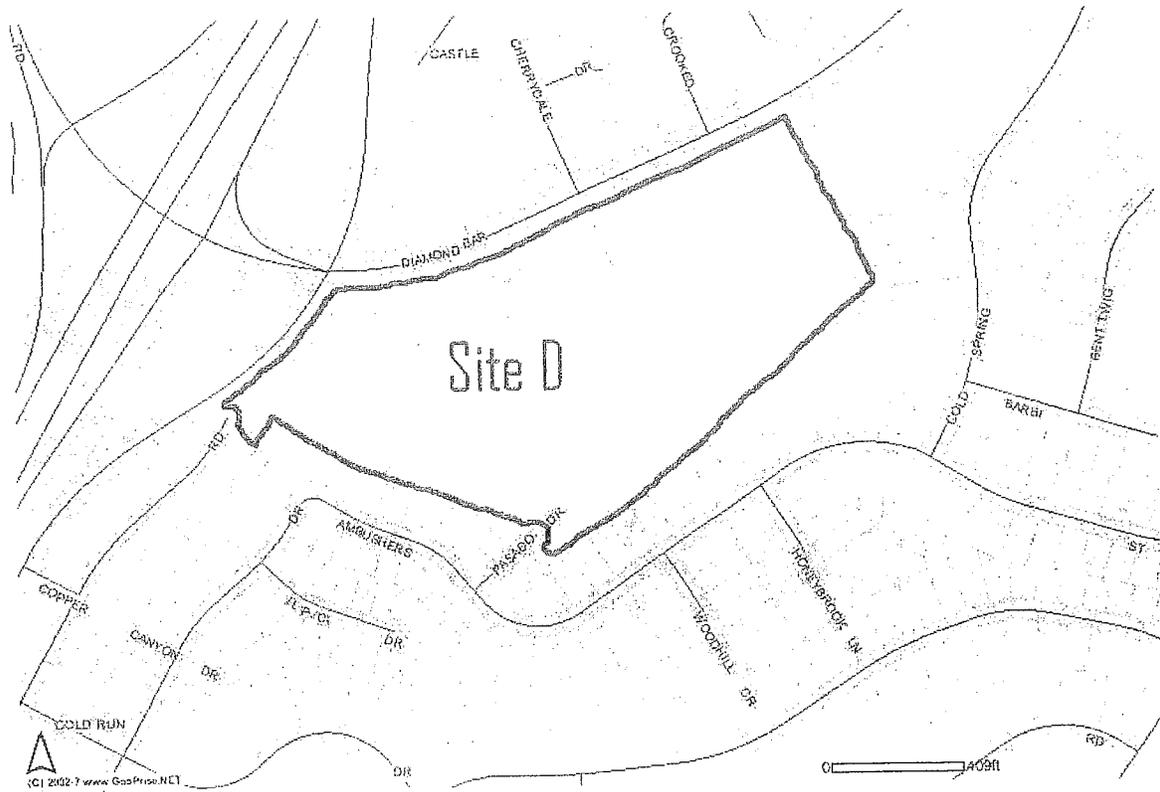


EXHIBIT B

SITE D COSTS AND MILESTONES

Site 'D' Costs and Milestones

13-Jun-07

Costs

	Services	Reimbursables	Total
TRG Land	\$67,340.00	\$3,000.00	\$70,340.00
PENCO Engineering	\$47,008.00	\$4,701.00	\$51,709.00
KFM Geoscience	\$26,500.00		\$26,500.00
Environmental Impact Sciences	\$66,970.00		\$66,970.00
Linscott, Law & Greenspan engineers	\$40,400.00		\$40,400.00
PCR	\$24,990.00		\$24,990.00
Total	\$248,218.00	\$7,701.00	\$280,909.00

Milestones

Phase I

- Team Meeting
- EIR Administrative Draft Initial Study / Obtain signature on NOP
- Begin 30 day comment period
- Preliminary Specific Plan Outline
- Preliminary Grading Plan
- Preliminary Review of available Geotechnical Reports
- Geotechnical Field Investigation and Laboratory Testing
- Traffic Count Study
- Preliminary Review and Sensitive Habitat Assessment
- Begin Biological Field Investigation
- Preliminary Hydrology / Drainage
- Team Meeting

Phase II

EIR Technical Studies
Administrative Draft EIR
Finalize Site Plan and Grading
Begin Draft Specific Plan and Graphics
Begin Draft Geotechnical Report
Begin Draft Screencheck Traffic Report
Finish Biological Field Survey
Prepare Biological Resource Report
Begin Tract Map
Prepare Water Quality Report
Team Meeting

Phase III

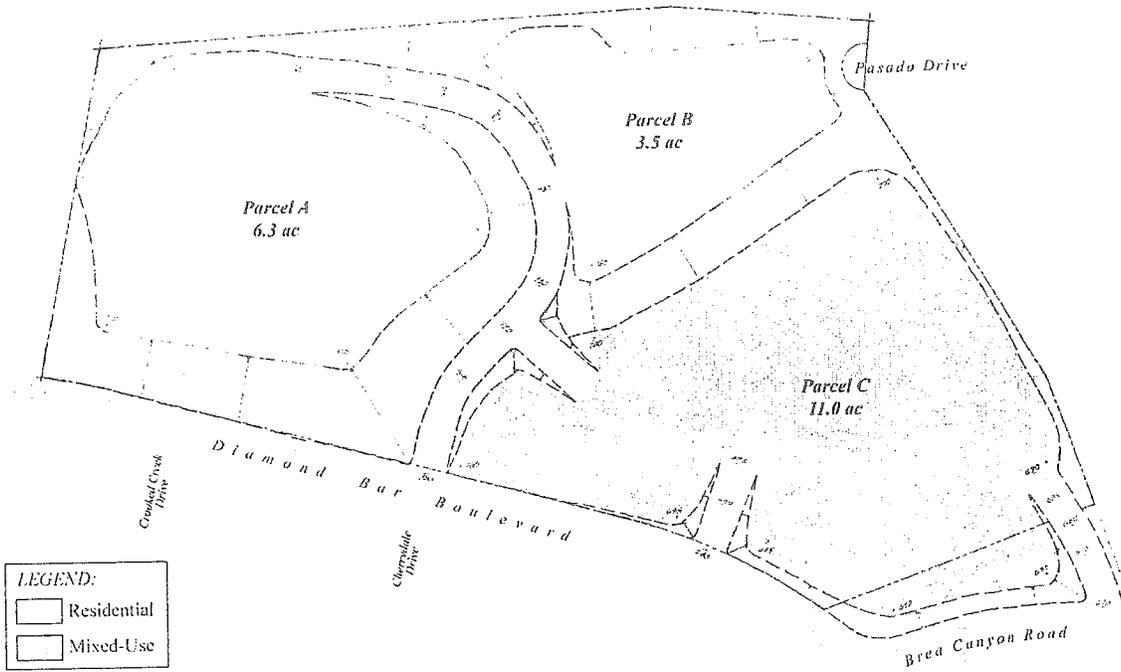
Draft EIR
45 Day Comment Period
Finalize Specific Plan
Finalize Tentative Tract Map
Preliminary Cost Estimates for Land Improvements
Finalize Evaluation of Geotechnical Constraints
Final Environmental Impact Report
Team Meeting

Phase IV

Planning Commission Hearings
City Council Hearings

EXHIBIT C

SITE MAP



LEGEND:

	Residential
	Mixed-Use

Not to Scale
11/27/00
TBC Ltd.

SITE "D"
WALNUT VALLEY UNIFIED SCHOOL DISTRICT / THE CITY OF DIAMOND BAR

EXHIBIT D

SITE D PROJECT SCHEDULE

AMENDMENT NO. 1 TO MEMORANDUM OF UNDERSTANDING

This Amendment No. 1 to Memorandum of Understanding ("Amendment") is made and entered into this 4th day of November 2008 by and between the City of Diamond Bar, California, a municipal corporation ("City") and the Walnut Valley Unified School District, a unified school district organized under the California Education Code ("District"), hereinafter together occasionally referred to as "the parties."

RECITALS

A. City and District heretofore entered into a Memorandum of Understanding dated July 1, 2007 ("MOU") to cooperate and collaborate in the planning of the future land use and zoning designations for property known as Site D in order that District and City may each advance its respective objectives for the disposition of the property.

B. The parties now desire to amend the MOU in order to reflect unanticipated increases in the price of the independent consultant contract provided for in paragraph 1 of the MOU and further to provide for the division of proceeds as between City and District from the contemplated sale of Site D.

NOW, THEREFORE, in consideration of the foregoing, the MOU is hereby amended as follows:

1. Subsections 1.1 and 1.2 of Section 1 of the MOU are amended to read as follows:
 - 1.1 City agrees to engage the services of TRG Land, Inc. to prepare a specific plan for Site D in accordance with California Government Code sections 65450 through 65457, pursuant to its proposal dated June 6, 2007, as supplemented and amended in its September 19, 2008 proposal amendment, and to advance the cost of preparation of the specific plan. TRG Land's proposal amendment is attached to this Amendment as Exhibits B-1 and B-2, which are incorporated herein by reference.
 - 1.2 District shall reimburse City the cost of preparation of the specific plan upon sale of Site D, the reimbursement to be paid through escrow, from the proceeds of the sale. The reimbursement shall consist of the final direct cost of TRG Land Inc.'s services, the additional cost of associated consulting services provided by TRG's subconsultants and others for civil engineering, geotechnical engineering and environmental services, plus an administrative overhead charge of five percent (5%) of the total of the foregoing reflecting City staff time and public hearing expenses. Total reimbursement pursuant to this paragraph shall not exceed the sum of Three Hundred Forty-Six Thousand Two Hundred Twenty-One dollars and 75/100 cents (\$346,221.75) absent written consent of District, which consent shall not be unreasonably denied or delayed. The not to exceed costs of TRG Land, Inc. and its subconsultants for the services to be rendered under this Memorandum are attached hereto as Exhibit B, Exhibit B-1, and Exhibit B-2 and incorporated herein by this reference.

2. A new subsection 3.3 is added to Section 3 of the MOU to read as follows:

3.3 Upon the sale of the property either in whole or as two separate transactions, the proceeds of the sale(s) shall be allocated to the parties based on the following formula: District shall receive 95.4% of the sales proceeds, less the reimbursement of the administrative overhead to be paid to the City as provided in Section 1.2 and City shall receive 4.6% of the sale proceeds.

3. Section 4 of the MOU is amended in its entirety to read as follows:

4. Term

This Memorandum shall commence on July 1, 2007 and remain in effect until the actions contemplated herein have been fully consummated. Notwithstanding, the parties agree, subject to force majeure events beyond the reasonable control of the parties, that should the specific plan for Site D not be approved by City within twenty-four (24) months from the date and year first written above consistent with the schedule attached as Exhibit D, either party may terminate this Memorandum upon providing written notice to the other party. In the event this Memorandum is terminated pursuant to this paragraph 4, District shall be released from the reimbursement obligation set forth in paragraph 1.2 above.

Except as set forth in this Amendment, all other terms and conditions set forth in the MOU shall be and remain in full force and effect

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No.1 to Memorandum of Understanding as of the day and year first set forth above.

ATTEST:

By: _____

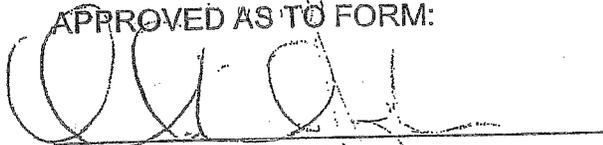

City Clerk

CITY

By: _____


City Manager

APPROVED AS TO FORM:


City Attorney

DISTRICT

By: _____

APPROVED AS TO FORM:

By: _____

WVUSD Attorney

EXHIBIT B

SITE D COSTS AND MILESTONES

Site 'D' Costs and Milestones

13-Jun-07

Costs

	Services	Reimbursables	Total
TRG Land	\$67,340.00	\$3,000.00	\$70,340.00
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Preliminary Cost Estimates for Land Improvements
Finalize Evaluation of Geotechnical Constraints
Final Environmental Impact Report
Team Meeting

Phase IV

Planning Commission Hearings
City Council Hearings

Site 'D' Completed Items Addendum

Consultant	Costs	Item
Completed Items		
TRG Land, Inc.	\$15,070.00	
KFM Geoscience	\$4,856.00	Studies for Loffel walls and the unforeseen presence of several critical weak clay layers within the proposed cut slopes
Environmental Impact Sciences	\$2,000.00	Additional costs for response to comments, etc.
Linscott, Law & Greenspan	\$2,500.00	Traffic study for double left from Diamond Bar Blvd into project
PCR	\$3,500.00	Cultural and paleo report
Total	\$27,926.00	

EXHIBIT B-1

September 19, 2008

David Doyle
Assistant City Manager
City of Diamond Bar
21825 Copley Drive
Diamond Bar, CA 91765

RE: WVUSD / Site D Specific Plan

Dear David,

TRG Land is pleased to submit this addendum to our proposal regarding the Specific Plan for Site D Property in the City of Diamond Bar, California. Our efforts will include items not previously covered in our original scope of services.

A. Provide computer modeling of the project.

Task: Provide a computer generated model of the project from several off site locations to illuminate how the project will be viewed from public locations.
Product: Computer modeling of the site for public presentations.
Est. Hrs: 46
Cost: \$5,000

B. Product imagery for both commercial and residential products.

Task: Field trip to photograph appropriate product for the site.
Product: Imagery to be formatted for the Specific Plan
Est. Hrs: 19
Cost: \$2,090

C. Prepare an irreducible diagram to outline setbacks and guidelines for the site.

Task: Produce a diagram showing the irreducible aspects of the site plan, including building and parking setbacks, and landscape areas.
Product: Diagram to be used in the Specific Plan.
Est. Hrs: 19
Cost: \$2,090

EXHIBIT B-2

D. General Design Guidelines

Task: Add general design guidelines to the Specific Plan that broadly outline desirable conditions for development
Product: General design guidelines.
Est. Hrs: 11
Cost: \$1,200

E. Provide a sustainability section

Task: Write a sustainability section for the Specific Plan outlining required practices to be followed for both commercial and residential uses.
Product: Sustainability Section text and support graphics if needed.
Est. Hrs: 47
Cost: \$5,200

F. Provide site sections of the project.

Task: Provide 4 site sections of the project as requested by client.
Product: Four cross sections of the site.
Est. Hrs: 12
Cost: \$1,320

G. Update and reformatting of the Specific Plan Document.

Task: Reformat the Specific Plan with the inclusion of the above text and support graphics and other changes that might arise.
Product: Revised Specific Plan
Est. Hrs: 36
Cost: \$4,000

The scope of work outlined above is for planning services provided by TRG Land, Inc. This scope of work does not include the services of other disciplines such as, but not limited to, civil engineering, geotechnical engineering, traffic and environmental reports.

EXHIBIT B-2

City of Diamond Bar
Addendum to Scope of Services
September 19, 2008
Page 3 of 3

Based upon this proposal, we are requesting that a time and materials contract be established for \$20,900 for the above services. Public meetings will be billed at cost.

Please call me regarding any questions you might have; otherwise, we will proceed with this work immediately.

Best regards,

TRG Land, Inc.

Mark Rogers, Principal

Cc: Doug Yeoman

EXHIBIT B-2

SECOND AMENDMENT TO MEMORANDUM OF UNDERSTANDING

THIS SECOND AMENDMENT TO MEMORANDUM OF UNDERSTANDING ("Amendment") is executed as of September 15, 2010 by and between the City of Diamond Bar, California, a municipal corporation ("City") and the Walnut Valley Unified School District, a unified school district organized under the California Education Code ("District"), hereinafter together occasionally referred to as "the parties."

RECITALS

A. In July 2007 City and District entered into a Memorandum of Understanding ("MOU") pertaining to District's undeveloped parcel of real property within the territorial limits of City ("School Property"), and legally described in Exhibit A-1 and depicted in Exhibit A-2 to the MOU and City's undeveloped parcel of real property immediately adjacent to the School Property ("City Property"), legally described in Exhibit A-3 and depicted in Exhibit A-4 to the MOU, both parcels together referred to as "Site D." The legal description of Site D is described in Exhibit A-5 and depicted in Exhibit A-6 to the MOU.

B. The MOU set forth a collaborative process for the preparation of a specific plan and associated environmental documents in compliance with the California Environmental Quality Act ("CEQA") for consideration by City's Planning Commission and City Council, in anticipation of District marketing Site D for sale.

C. The MOU was amended on November 4, 2008 ("First Amendment") to reflect an increase in price for the consultant's services and to set forth the division of proceeds from the ultimate sale of Site D.

D. The process described in the MOU for preparation and approval of a specific plan has taken longer than originally contemplated by the parties, and the parties now desire to amend the MOU in certain respects to reflect this circumstance.

NOW THEREFORE, in consideration of the foregoing, City and District hereby agree to amend the MOU as follows:

1. Paragraph 1.2 is amended to read as follows:

1.2 District shall reimburse City the cost of preparation of the specific plan upon sale of Site D, the reimbursement to be paid through escrow, from the proceeds of the sale. Should the sale not be consummated by December 31, 2013, District shall reimburse City at the rate of \$10,000 per month commencing January 1, 2014 and on the first of each month thereafter until the consummation of the sale (at which time the remaining amount due shall be accelerated) or until the City is fully reimbursed, whichever event occurs first. The reimbursement shall consist of the final direct cost of TRG Land Inc.'s services, the additional cost of associated

consulting services provided by TRG's subconsultants and others for civil engineering, geotechnical engineering and environmental services, plus an administrative overhead charge of five percent (5%) of the total of the foregoing reflecting City staff time and public hearing expenses. Total reimbursement pursuant to this paragraph shall not exceed the sum of Five Hundred Thousand Dollars (\$500,000.00) absent written consent of District, which consent shall not be unreasonably denied or delayed.

2. Paragraph 4 is amended to read as follows:

4. Term.

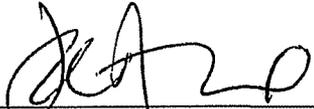
This Memorandum shall commence on July 1, 2007 and remain in effect until the actions contemplated herein have been fully consummated. City agrees that its City Council will make best efforts to expedite and take final action relative to a specific plan for Site D not later than July 31, 2011, subject to complying with all applicable State and City laws and procedures. In the event that applicable procedural requirements or other considerations or events beyond the City's control prevent the City Council from taking some final action by this date, the Council will act on a specific plan as soon thereafter as is reasonably feasible.

3. Except as amended above, the MOU, as amended by the First Amendment, is in all other respects affirmed and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Second Amendment to Memorandum of Understanding as of the date and year first written above.

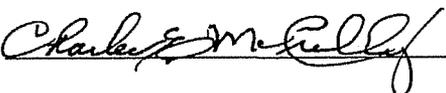
Dated: Sept. 16, 2010

CITY OF DIAMOND BAR

By: 
James DeStefano
City Manager

WALNUT VALLY UNIFIED SCHOOL DISTRICT

Dated: Sept. 16, 2010

By: 
Superintendent

THIRD AMENDMENT TO MEMORANDUM OF UNDERSTANDING

THIS THIRD AMENDMENT TO MEMORANDUM OF UNDERSTANDING ("Amendment") is executed as of January 19 2011 by and between the City of Diamond Bar, California, a municipal corporation ("City") and the Walnut Valley Unified School District, a unified school district organized under the California Education Code ("District"), hereinafter together occasionally referred to as "the parties."

RECITALS

A. In July 2007 City and District entered into a Memorandum of Understanding ("MOU") pertaining to District's undeveloped parcel of real property within the territorial limits of City ("School Property"), and legally described in Exhibit A-1 and depicted in Exhibit A-2 to the MOU and City's undeveloped parcel of real property immediately adjacent to the School Property ("City Property"), legally described in Exhibit A-3 and depicted in Exhibit A-4 to the MOU, both parcels together referred to as "Site D." The legal description of Site D is described in Exhibit A-5 and depicted in Exhibit A-6 to the MOU.

B. The MOU set forth a collaborative process for the preparation of a specific plan and associated environmental documents in compliance with the California Environmental Quality Act ("CEQA") for consideration by City's Planning Commission and City Council, in anticipation of District marketing Site D for sale.

C. The MOU was amended on November 4, 2008 ("First Amendment") to reflect an increase in price for the consultant's services and to set forth the division of proceeds from the ultimate sale of Site D and was further amended on September 16, 2010 (Second Amendment") to reflect a further increase in price for the consultant's services, to establish a reimbursement schedule and to extend the term of the MOU.

D. The parties have revised the project description as originally described in the MOU and now desire to amend the MOU to reflect this changed circumstance.

NOW THEREFORE, in consideration of the foregoing, City and District hereby agree to amend the MOU as follows:

1. Paragraph 1.3 is amended to read as follows:

The specific plan will entitle a project to consist of not more than 200 residential dwelling units and dedicated parkland. The parkland shall consist of at least 2.0 acres of usable area, dedicated to the City and constructed to City standards. The tentative and final tract maps shall show the parkland as a separate parcel (delineating the park boundaries) and offer the parcel for dedication to the City. The purchaser of Site D shall be responsible for designing the parkland improvements, producing all related construction documents (subject to Community Development Director and Community Services Director approval) and constructing the parkland improvements. No offer of

dedication shall be accepted until construction of the parkland improvements is completed in a manner acceptable to the Community Services Director.

2. Paragraph 3.3 is amended to read as follows:

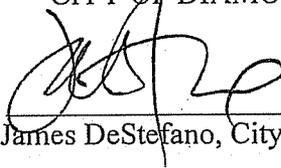
Site D (consisting of the School Parcel and the City Parcel) shall be sold in whole in one transaction for the development of the project described in Section 1.3. The proceeds of the sale shall be allocated to the parties based on the following formula: District shall receive 95.4% of the sales proceeds, less the reimbursement to be paid to the City as provided in Section 1.2, and City shall receive 4.6% of the sale proceeds.

3. Except as amended above, the MOU, as amended by the First Amendment and the Second Amendment, is in all other respects affirmed and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Third Amendment to Memorandum of Understanding as of the date and year first written above.

Dated: 1.25., 2011

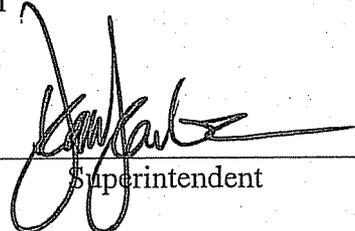
CITY OF DIAMOND BAR

By: 

James DeStefano, City Manager

Dated: 1/19/, 2011

WALNUT VALLEY UNIFIED SCHOOL DISTRICT

By: 

Superintendent

FOURTH AMENDMENT TO MEMORANDUM OF UNDERSTANDING

THIS FOURTH AMENDMENT TO MEMORANDUM OF UNDERSTANDING ("Amendment") is executed as of July 19, 2011 by and between the City of Diamond Bar, California, a municipal corporation ("City") and the Walnut Valley Unified School District, a unified school district organized under the California Education Code ("District"), hereinafter together occasionally referred to as "the parties".

RECITALS

- A. In July 2007, City and District entered into a Memorandum of Understanding ("MOU") pertaining to District's undeveloped parcel of real property within the territorial limits of City ("School Property"), and legally described in Exhibit A-1 and depicted in exhibit A-2 to the MOU and City's undeveloped parcel of real property immediately adjacent to the School Property ("City Property"), legally described in Exhibit A-3 and depicted in Exhibit A-4 to the MOU, both parcels together referred to as "Site D". The legal description of Site D is described in Exhibit A-5 and depicted in Exhibit A-6 to the MOU.
- B. The MOU set forth a collaborative process for the preparation of a specific plan and associated environmental documents in compliance with the California Environmental Quality Act ("CEQA") for consideration by City's Planning Commission and City Council, in anticipation of marketing Site D for sale.
- C. The MOU was amended on November 4, 2008 ("First Amendment") to reflect an increase in price for the consultant's services and to set forth the division of proceeds from the ultimate sale of Site D. The MOU was further amended on September 15, 2010 ("Second Amendment") to reflect a further increase in price for the consultant's services, to establish a reimbursement schedule and to extend the term of the MOU. The MOU was again amended on January 19, 2011 ("Third Amendment") to reflect changes to the project entitlements to accommodate not more than 200 residential units, to dedicate parkland to the City, and amend the division of the proceeds of Site D between the District and the City.
- D. The process described in the amended MOU has taken longer than originally contemplated by the parties, and the parties now desire to amend the MOU in certain respects to reflect this circumstance.

NOW THEREFORE, in consideration of the foregoing, City and District hereby agree to amend the MOU as follows:

1. Paragraph 4 is amended to read as follows:

4. Term.

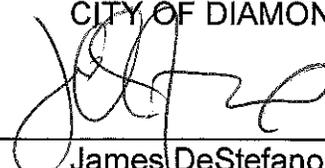
This Memorandum shall commence on July 1, 2007 and remain in effect until the actions contemplated herein have been fully consummated. City agrees that its City Council will make best efforts to expedite and take final action relative to a specific plan for Site D not later than June 30, 2012, subject to complying with all applicable

applicable State and City laws and procedures. In the event that applicable procedural requirements or other considerations or events beyond the City's control prevent the City Council from taking some final action by this date, the Council will act on a specific plan as soon thereafter as is reasonably feasible.

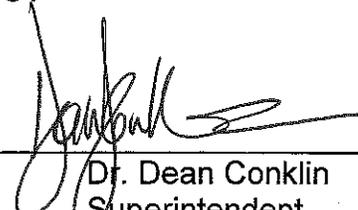
3. Except as amended above, the MOU, as amended by the Third Amendment, is in all other respects affirmed and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Fourth Amendment to Memorandum of Understanding as of the date and year first written above.

Dated: 9/20, 2011

CITY OF DIAMOND BAR
By: 
James DeStefano
City Manager

Dated: 9/21, 2011

WALNUT VALLEY UNIFIED SCHOOL DISTRICT
By: 
Dr. Dean Conklin
Superintendent

FIFTH AMENDMENT TO MEMORANDUM OF UNDERSTANDING

THIS FIFTH AMENDMENT TO MEMORANDUM OF UNDERSTANDING ("Amendment") is executed as of May 15, 2012 by and between the City of Diamond Bar, California, a municipal corporation ("City") and the Walnut Valley Unified School District, a unified school district organized under the California Education Code ("District"), hereinafter together occasionally referred to as "the parties".

RECITALS

A. In July 2007, City and District entered into a Memorandum of Understanding ("MOU") pertaining to District's undeveloped parcel of real property within the territorial limits of City ("School Property"), and legally described in Exhibit A-1 and depicted in exhibit A-2 to the MOU and City's undeveloped parcel of real property immediately adjacent to the School Property ("City Property"), legally described in Exhibit A-3 and depicted in Exhibit A-4 to the MOU, both parcels together referred to as "Site D". The legal description of Site D is described in Exhibit A-5 and depicted in Exhibit A-6 to the MOU.

B. The MOU set forth a collaborative process for the preparation of a specific plan and associated environmental documents in compliance with the California Environmental Quality Act ("CEQA") for consideration by City's Planning Commission and City Council, in anticipation of marketing Site D for sale.

C. The MOU was amended on November 4, 2008 ("First Amendment") to reflect an increase in price for the consultant's services and to set forth the division of proceeds from the ultimate sale of Site D, was further amended on September 15, 2010 ("Second Amendment") to reflect a further increase in price for the consultant's services, to establish a reimbursement schedule and to extend the term of the MOU. The MOU was again amended on January 19, 2011 ("Third Amendment") to revise the project description, and was further amended on September 22, 2011 ("Fourth Amendment") to extend the term of the MOU.

D. The City has now approved certain discretionary entitlements for the project, the District is poised to put Site D out to bid for sale and the parties now desire to amend the MOU to establish a minimum purchase price.

NOW THEREFORE, in consideration of the foregoing, City and District hereby agree to amend the MOU as follows:

1. Paragraph 3.3 is amended to read as follows:

Site D (consisting of the School Parcel and the City Parcel) shall be sold (in a process managed by District) in whole in one transaction for the development of the project described in Section 1.3. The proceeds of the sale shall be allocated to the parties based on the following formula: District shall receive 95.4% of the sales proceeds, less the reimbursement paid to the City as provided in Section 1.2 and City shall receive 4.6% of the sale proceeds, but in no event less than \$950,000.00.

2. Except as amended above, the MOU, as amended by the First, Second, Third, and Fourth Amendments, is in all other respects affirmed and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Fifth Amendment to Memorandum of Understanding as of the date and year first written above.

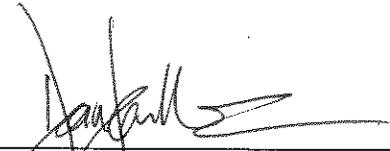
Dated: 5/16/,2012

CITY OF DIAMOND BAR

By: 
James DeStefano
City Manager

Dated: 5/17/,2012

WALNUT VALLEY UNIFIED SCHOOL DISTRICT

By: 
Dr. Dean Conklin
Superintendent