

ITEM - STATUS OF SOUTH PASADENA DISCUSSIONS ON
DISPOSING ROUTE 710 EXCESS PROPERTIES PURSUANT
TO ROBERTI LEGISLATION (REFERENCE 3.13)

A PRESENTATION WILL BE MADE AT THE MAY 26, 2005 CALIFORNIA
TRANSPORTATION COMMISSION MEETING.

BANNAN, GREEN, FRANK & TERZIAN LLP
ATTORNEYS AT LAW

3.13

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April 28, 2005

Via Facsimile and U.S. Mail

Linda L. Wilford, SR/WA
Regional Property Services Manager
Department of Transportation
Southern Right of Way Region
801 South Grand Avenue, 17th Floor
Los Angeles, CA 90017

Re: City of South Pasadena v. Caltrans, et al., LASC Case No. BC331628;
Offer to Negotiate Settlement of Disputes

Ms. Wilford:

Pursuant to our teleconference on April 21, 2005, per our prior discussions, and per the complaint filed against Caltrans, CTC, Esperanza, and Beacon, LASC Case No. BC331628 (the "Complaint"), the City of South Pasadena believes that it has the right to require Caltrans to provide evidence of the propriety of its bidding process regarding the properties described in the Complaint (the "Properties"), as well as, potentially, require Caltrans to dispense with the results of that bidding process entirely as it was performed outside of the law.

With the aforementioned in mind, per the direction of the CTC at its meeting of April 14, 2005, per the request of your counsel that we put this offer in writing during the aforementioned teleconference, the City of South Pasadena suggests that Caltrans and the City Council of South Pasadena meet in the near future to discuss the City's concerns regarding the future of the Properties, as well as any future bidding and related property transfers. To facilitate a meeting, South Pasadena hereby offers to put the prosecution of the Complaint on hold (e.g., hold off on prosecuting a preliminary injunction, requests for discovery, etc.) for seventy-five days from the Date of the CTC's approval that occurred on April 14, 2005 (we understand that escrow on the Properties will close within 90 days). In exchange, South Pasadena would require a stipulated agreement between all of the parties that escrow would not close on the Properties during that time.

In order to facilitate a meeting between Caltrans, Beacon, Esperanza, and the City Council, and to be able to report back to the CTC on our progress in May 2005 we propose the following time-line:

- May 3 through May 10, 2005 - Caltrans provides documents requested in South Pasadena's November 2004 written public records request. Documents should include, but are not limited to, the documents requested in the letter from Richard

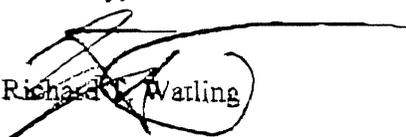
R. Terzian dated November 24, 2004 (attached hereto), as well as any documents described in that letter that were generated or modified since the date of that public records request.

- May 11, 2005 – Representatives from South Pasadena's City Attorney's office and counsel for Caltrans meet to discuss legal issues that require resolution prior to a City Council meeting with parties. Representatives from other parties to the lawsuit may participate in this meeting.
- May 18, 2005 – Caltrans, Beacon, and Esperanza meet with South Pasadena's City Council regarding the proposed use and future transfer of the Properties.
- May 25-26, 2005 – CTC Meeting wherein Caltrans and South Pasadena provide an update to CTC re bidding issues and other matters discussed at April 14, 2005, CTC meeting.
- May 27, 2005 through June 7, 2005 – The parties negotiate and enter into a settlement agreement outlining the dismissal of the Complaint and the rights and responsibilities of the parties going forward (e.g., whether the City will be part of the committee that reviews future bids on the remaining 710 properties, whether the Esperanza property should be granted to another party, etc.).
- June 7, 2005 - City may file Preliminary Injunction at this time for a hearing date set to coincide with the end of the negotiation period set forth in this letter.
- June 28, 2005, or the date of the Court's ruling re any motion for Preliminary Injunction – The negotiation period set forth in this letter ends.

As requested during our conference call by counsel for Caltrans, Mr. Bill Rittenberg, I have copied Robert Schoenberg via facsimile at (213) 687 – 8300.

I look forward to hearing from Caltrans in this regard, and we look forward to working together to resolve these issues in the near future. I will be on vacation next week, but if you need to discuss this matter with us during that time, please feel free to contact Richard R. Terzian at (213)362-1177.

Sincerely,



Richard R. Terzian

c: Robert Schoenberg, Esq., Counsel for Caltrans, via facsimile (213)687-8300

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November 24, 2004

Linda L. Wilford
Regional Property Services Manager, Southern Right of Way Region
Department of Transportation
District 7
120 S. Spring Street
Los Angeles, California 90012

Re: Request for Proposal Pasadena/South Pasadena Surplus Properties

Dear Ms. Wilford,

As you know, this firm represents the City of South Pasadena. Pursuant to our conversation, and per your letter to Gay Forbes, Assistant City Manager for South Pasadena, dated November 19, 2004, I hereby request that the following documents and records be made available to me pursuant to the California Public Records Act:

1. All records or documents of the Department of Transportation regarding and/or referring to the Request for Proposal Pasadena/South Pasadena Surplus Properties. When referring to the aforementioned Request for Proposal ("RFP"), I am referring to the same RFP described in the above referenced letter from you to Gay Forbes, dated November 19, 2004. Those documents would refer to, but would not be limited to, the RFP itself, proposals (bids) submitted in response thereto, memoranda regarding the same, findings, and any other document or record regarding and/or referring to the RFP and the Department of Transportation's handling, processing, and analysis thereof.
2. All records or documents regarding and/or referring to the Department of Transportation's criteria for the review proposals submitted pursuant to the RFP.
3. All records or documents regarding and/or referring to the committee or group of persons that was and/or is responsible for the review of the proposals submitted pursuant to the RFP created since the RFP process commenced.

Ms Linda L Wilford
August 24, 2004
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Please explain your reason for withholding any of the above requested records and/or documents per the express provisions and exemptions of the Public Records Act. If you agree that any of the records can be reviewed at present, please forward them immediately and we can deal later with any disputed record.

I look forward to your timely response.

Sincerely,


RICHARD R. TERZIAN

cc: Steve Pfahler, City Attorney
Gay Forbes, Assistant City Manager

RRT:ach