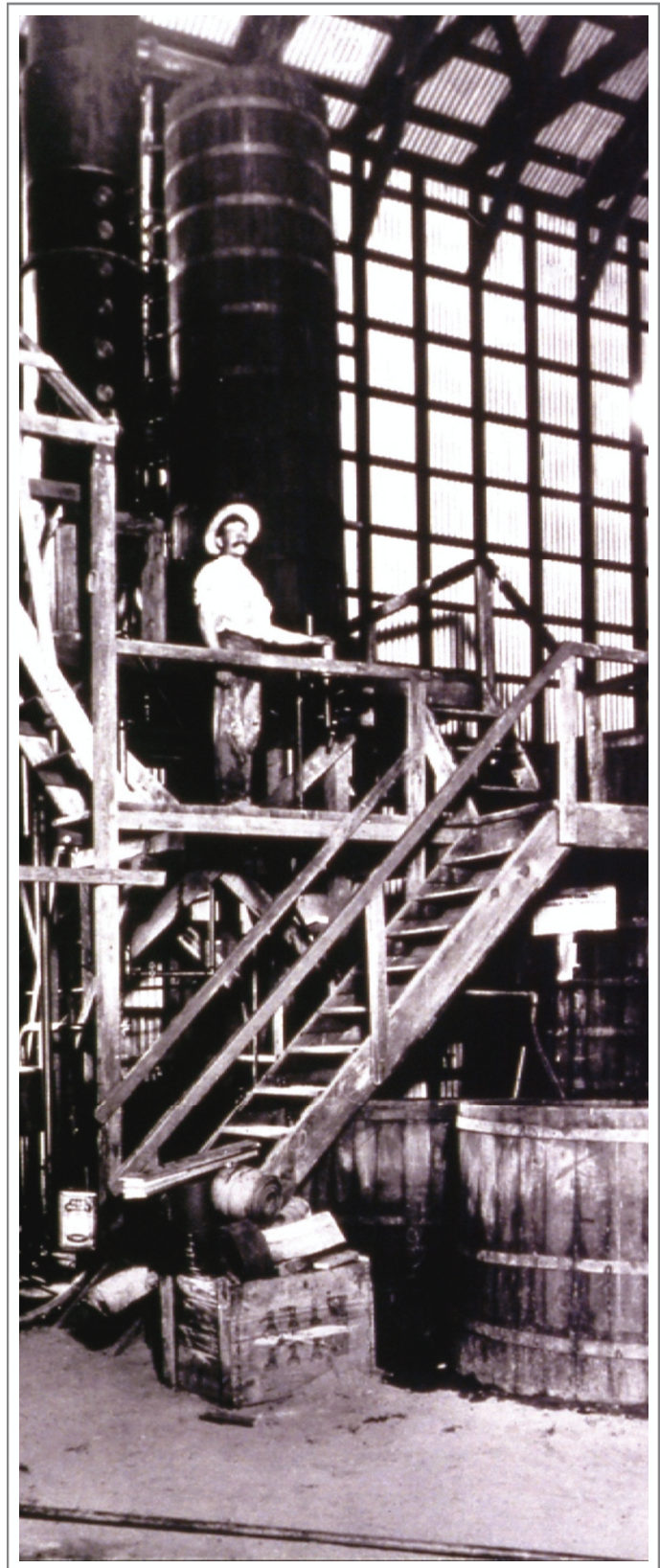


III. EXISTING
CONDITIONS



Inside the winery

photo ca 1910

A. PROJECT LOCATION

The project site is located in the City of Ontario, San Bernardino County, California. Ontario is part of the “Inland Empire” of southern California, a regional center for urban growth, where once predominant agricultural activities have been replaced by housing, retail, service, manufacturing and distribution uses. See Exhibit 1, page 5.

The site is approximately 78.40 acres in size and is bounded by the Interstate I-10 freeway on the north, Archibald Avenue on the west, Airport Drive on the south and Turner Avenue on the east. See Exhibit 2, page 5 and Exhibit 4, page 13.

B. HISTORY OF THE GUASTI COMMUNITY

The Guasti Winery site is a unique success story about the growth and development in the Cucamonga Desert. What makes this story unique?

The story begins with the Southern Pacific Railroad building a depot called South Cucamonga Station in 1875. A small town developed around the station including the establishment of a post office in 1877. The town was named Zucker after the first stationmaster and first postmaster of the town.

Secondo Guasti purchased the entire town site in 1900, forming the Italian Vineyard Company. His innovations in dry cultivation and processing techniques made the winemaking very productive here. By 1910, the name of the town was changed to Guasti and the winery was considered to be the largest in the world with over 5,000 acres under cultivation.

Guasti knew that he needed workers who were experienced in the growing of grapes in a similar climate. He organized the immigration of a large Italian community that formed the colony at Guasti that, at one time, had a larger population than Ontario.

He constructed an entire, almost self-sufficient company town including the Owner’s mansion, worker residences, warehouses and factories, schools and a church, that is one of the few

remaining examples of an agricultural company town in southern California. Guasti used stones from his fields to build up the massive stonewalls of the first warehouses, starting in 1903, on the south warehouse.

Guasti was well ahead of his time in terms of sustainability and water management. He seldom irrigated, but imported grape vines that were grown in a similar climate and soil conditions in Italy. Guasti knew that there was an ample water table down about 10 -11 feet supplied by the runoff from the foothills to the north. He simply brought in grape plants that often sent roots down 10 feet or more to reach water. There was also much more rain during the first half of the twentieth century, often 30-40 inches a year, or about 3 times the average rainfall now. (No, it is not the result of “Global Warming” as much as changes in the microclimate of the area due the development and vegetation of the area.) When droughts did occur, Guasti used grey water collected in a large sewer reservoir located where the airport is today.

Guasti knew that if he irrigated he could greatly increase his yields, but the quality of his grapes would suffer. He produced very flavorful grapes that had a very high sugar content. These grapes were particularly good for making Sherries and Port. These products were in the greatest demand and made the highest profits.

He was also very innovative in his production of wines. He used a narrow gauge steam train to bring the harvest from the fields to the warehouses for processing. He excavated the largest fermenting wine cellar in the world and was able, by adjusting the airflow into the basement, to keep the temperature at exactly 52 degrees, perfect for wine making.

To construct the winery and to work in the fields and make the wine products, Guasti brought from Italy experienced workers, coopers and craftsman. He built a community (including three additional off-site barracks) that housed over 250 workers and their families. The workers were paid in Guasti script that they used at the market to purchase many imported products from Italy and Europe. There were many parties and festivals throughout the year resulting in a very, close-knit community. Later improvements such as the swimming pool, tennis court and party hall were built by the Garret family, later owners of the property, but made available to all Guasti

residents. In spite of ownership changes over time, the Colony, as it later became known, was a very happy place to live, work and raise a family.

Most of the town that was constructed from 1903-1938 remains intact today except for those structures that have burned, floated away, or been destroyed by winds. Buildings were added or expanded as needed, typical of factory architecture. In spite of Prohibition and two World Wars, Guasti Winery remained in production until about 1962 when wine-making operations were relocated to the Hoffer Winery. Bottling operations remained until the early 1990's. As wine operations ceased to function, a wide variety of retail, storage and light manufacturing uses occupied most of the remaining warehouses. The Guasti Mansion and site were used as an events venue and catering facility for about 11 years and the Homestyle Cafe occupied the adjacent party hall.

In 1997, the City of Ontario adopted the Guasti Specific Plan to help guide the planned redevelopment of this site for a mixed-use project. Bounded by the I-10 Freeway to the north and the new Ontario Airport to the south, the vision for this project was an urban, development that included retaining and adaptively reusing a minimum of 15 of the existing on-site structures.

C. EXISTING CONDITIONS AT THE GUASTI COMMUNITY

Original uses of the site are shown on Exhibit 5a, page 14.

In 2006, a major developer with extensive rehabilitation experience, OliverMcMillan, purchased the property from the Pauley Family and plans to construct a mixed-use, people-place featuring major entertainment, food service and recreational, retail and office uses.

In 2008, a new mid-rise office building was constructed by PGP on the northerly portion of the property (located between I-10 freeway and the proposed New Guasti Road).

In March of 2007, a Planning Area Plan (File No. PPAP 06-001) was approved that designated the

retention, possible rehabilitation or relocation of the historic structures.

All of the existing buildings not to be retained have been demolished and the remaining fifteen historic structures are all vacant. The site has been fenced and is monitored by security guards.

The smaller structures that have been retained have all been "mothballed" to help arrest on-going deterioration from exposure to weather.

The site is being monitored on a periodic basis for intrusion and break-ins, mold and mildew, water intrusion, vermin infestation and the condition of the landscape.

The Guasti Post Office has been temporarily relocated to a new portable structure at the southwest corner of Guasti Road and Turner Avenue.

The conditions of many of the buildings on-site has been re-evaluated to help guide upcoming preservation treatments. Summaries of this work completed to date are included in Section VI, pages 114-118 of this document.

The seismic retrofit of the Mansion has recently been completed and included the reinstallation of the original clay barrel tile roof.

The San Secondo d'Asti Church remains in use as an active Catholic Church and although part of the original Guasti community, it is not a part of this Specific Plan. See Exhibit 5a, page 14 for an inventory of all of the existing buildings remaining in 1996 and Exhibit 5b, page 15 for an inventory of existing buildings remaining in 2011.

- Existing Hazardous Material Locations

All of the hazardous underground fuel tanks have been removed and any contamination has been mitigated.



Oliver & Bonacini | Principal Real Estate Investors
PARTNERSHIP

GUASTI
ONTARIO, CA

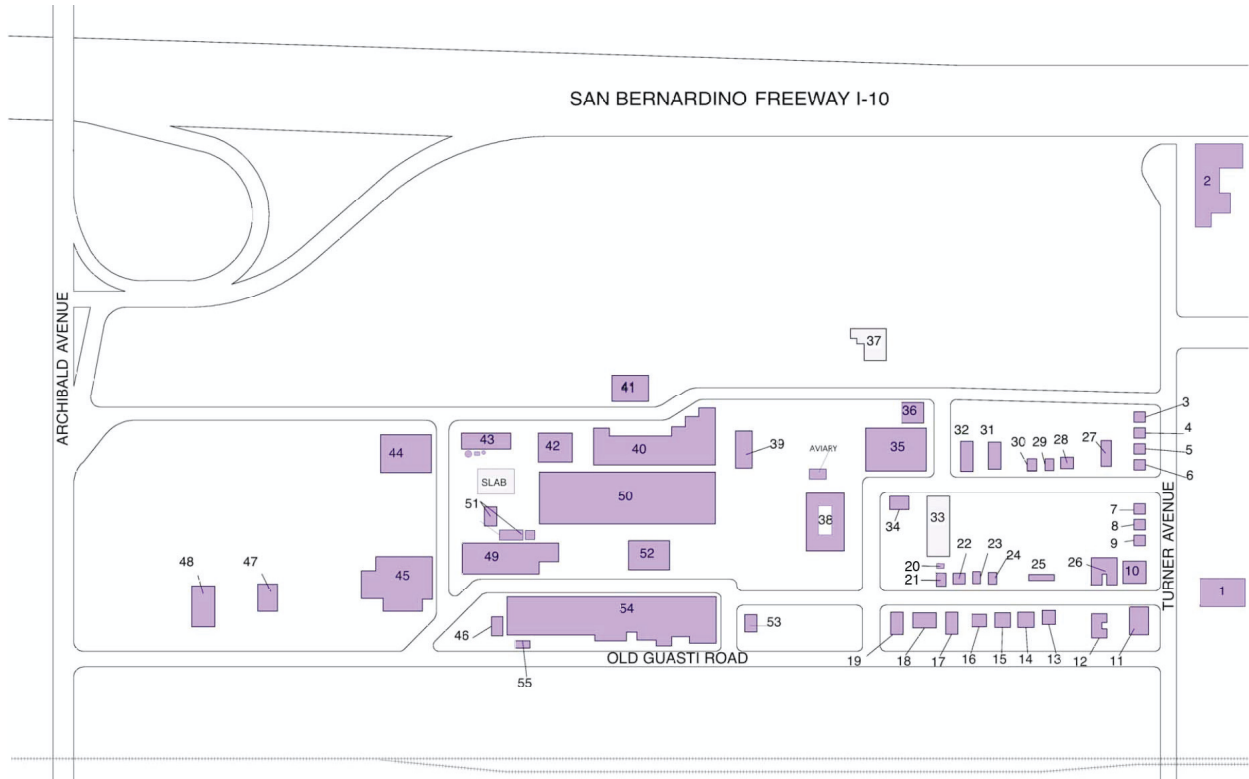


SITE AERIAL PHOTO

Thirtieth Street Architects | Associated Engineers, Inc. | EDAW | HOKUS | Gensler

circa 1997

EXHIBIT 4
AERIAL PHOTO
GUASTI PLAZA

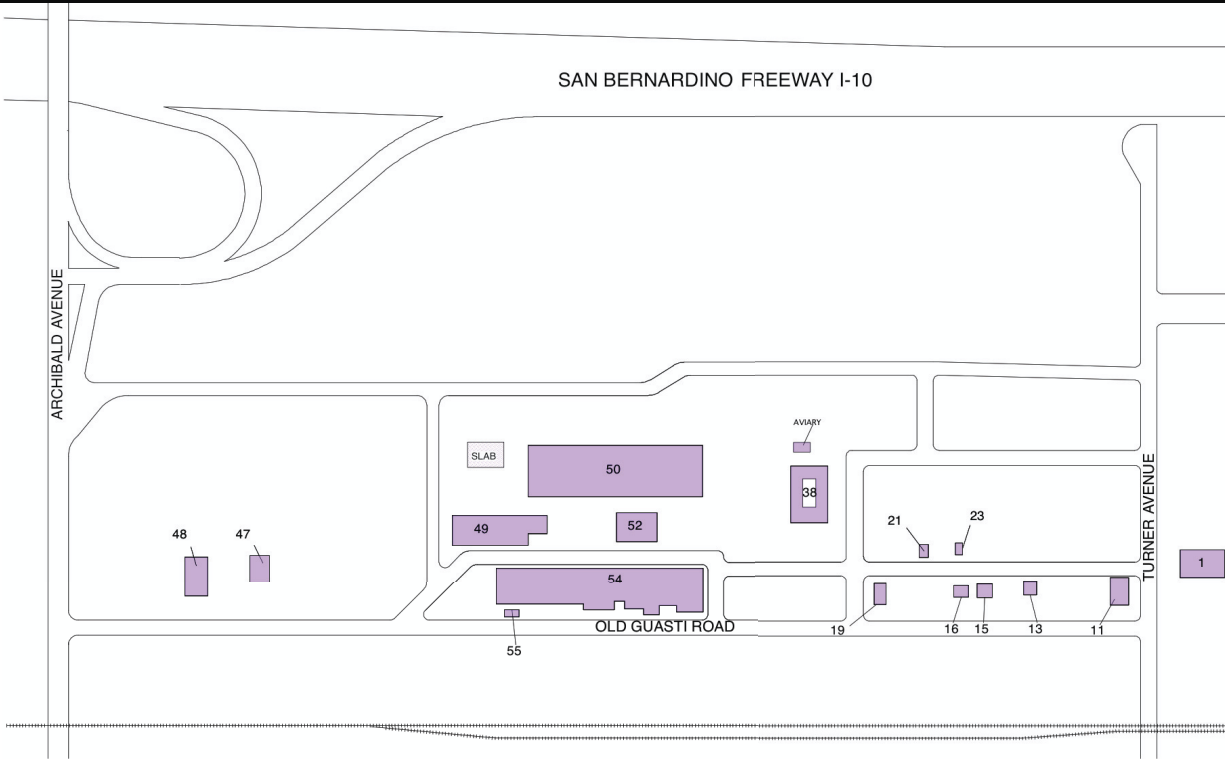


SITE PLAN (1997) 

LEGEND

- | | | | |
|-------|---|-------|---|
| 1 | Guasti Church/Church of San Secondo d'Asti (not a part) | 36 | Old Pipe Storage/Carpenter Shop |
| 2 | Louisa Guasti School (not a part) | 37 | Old Truck/Tractor Storage (Foundation Only) |
| 3-4 | Residence | 38 | Guasti Mansion |
| 5-6 | Catholic Charities | 39 | Old Administration Building |
| 7 | Cordova's Printing | 40 | (Industrial) Office/Shipping/Storage/Bottling |
| 8-9 | Residence | 41 | Storage |
| 10 | Recreation Hall/Old Bakery | 42 | Selected Steel |
| 11 | Guasti Market | 43-45 | General Marble |
| 12 | General Store Workshop/Residence | 46 | Public Restrooms |
| 13-18 | Residence | 47 | Foreman's House |
| 19 | Old Fire Station | 48 | Cooper's Residence |
| 20 | Garage | 49 | J. Filippe Tasting Room |
| 21-24 | Residence | 50 | Stone Warehouse |
| 25 | Old Rock Building | 51 | Cooling Tower Foundation |
| 26 | Old Bunkhouse | 52 | Vacant (Fire Damaged Winery) |
| 27-32 | Residence | 53 | Old Scale House |
| 33 | Old Garage (Foundation Only) | 54 | Post Office/Old Winery Warehouse |
| 34 | Gasoline Station | 55 | Powerhouse |
| 35 | Garage | | |

EXHIBIT 5a
ORIGINAL USES



SITE PLAN
(2011)



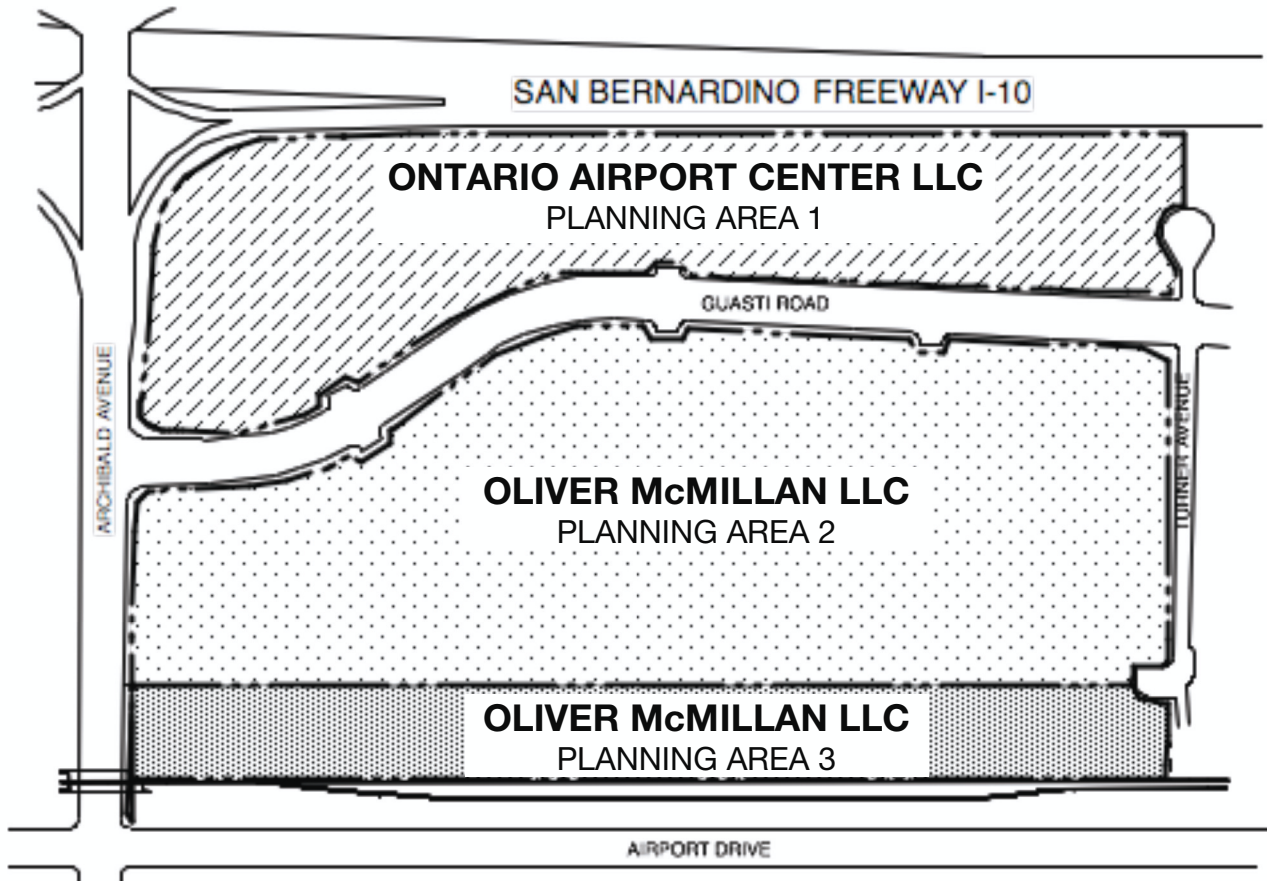
LEGEND

- | | | | |
|------------|---|----|----------------------------------|
| 1 | Guasti Church/Church of San Secondo d'Asti (not a part) | 38 | Guasti Mansion |
| 11 | Guasti Market | 47 | Foreman's House |
| 13, 15, 16 | Residence | 48 | Cooper's Residence |
| 19 | Old Fire Station | 49 | J. Filippe Tasting Room |
| 21, 23 | Residence | 50 | Stone Warehouse |
| | | 54 | Post Office/Old Winery Warehouse |
| | | 55 | Powerhouse |

EXHIBIT 5b
EXISTING CONDITIONS

D. GUASTI PLAZA PROPERTY OWNERSHIP

- See Exhibit 6, page 17 revised, for a diagram of property ownership. Please note that the overall acreage of ownership is slightly larger than the original Specific Plan due to changes in public R.O.W. and designation of internal private streets. Regardless of these gross area changes, the maximum area of development remains the same as originally approved. The property located in Guasti Plaza is owned by the following entities:
- Public roads that will be dedicated are approximately 7.31 acres of the total site.
- Ontario Airport Center LLC owns the northerly portion of the site, consisting of approximately 25.08 acres. Planning Area 1.
- OliverMcMillan LLC owns the parcel directly south of the Ontario Airport Center's property and comprising approximately 42.36 acres. Planning Area 2.
- OliverMcMillan, LLC owns the linear parcel south of Via Old Guasti and north of the railroad tracks, containing approximately 10.83 acres. Planning Area 3.

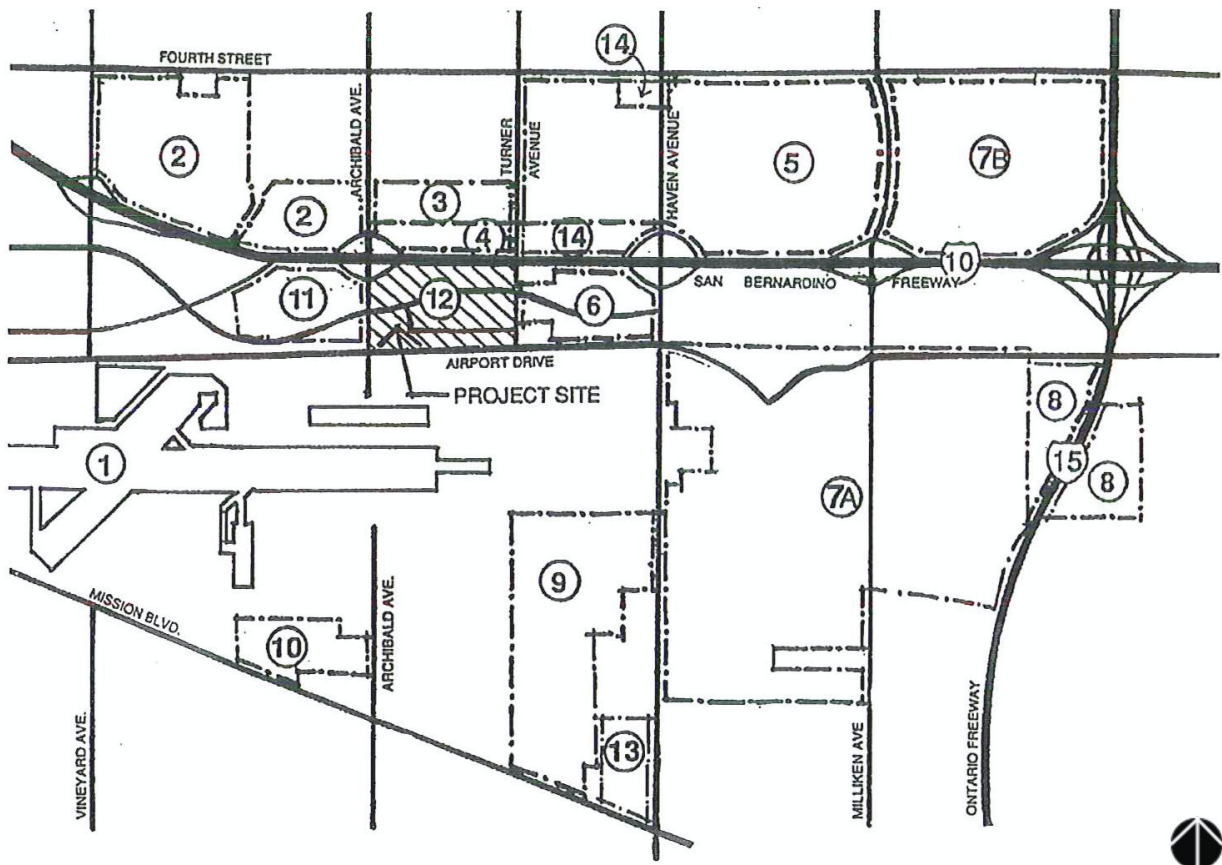


LEGEND

2010 Ownership	Acreage	Planning Area
Ontario Airport Center LLC	25.08	1
Oliver McMillan LLC	42.36	2
Oliver McMillan LLC	10.83	3
TOTAL	78.27	
PUBLIC R.O.W.	7.31	
GRAND TOTAL	85.58	

Please note that the overall acreage of Ownership is slightly larger than the areas in the original Specific Plan due to changes in Public R.O.W. and designating internal Private Streets. Regardless of these gross area changes, the maximum area of development remains the same as originally approved.

EXHIBIT 6
PROPERTY OWNERSHIP



LEGEND

- 1. Ontario International Airport
- 2. Meridith International Centre
- 3. Park Center
- 4. Transpark
- 5. Ontario Center
- 6. Centrelake
- 7A. California Commerce Center
- 7B. California Commerce Center-North/Ontario Gateway Plaza
- 8. Pacific Gate/ East Gate
- 9. United Parcel Service
- 10. Archibald Business Center
- 11. Miller Property
- 12. Guasti Plaza
- 13. ACCO Airport Center
- 14. R.H. Wagner Properties

**EXHIBIT 7
SURROUNDING LAND USES**

E. SURROUNDING LAND USES

The general area surrounding the site is characterized by recent office and commercial development reflecting the close proximity of the airport. See Exhibit 7, page 18. Major land use programs within the immediate vicinity of the project site include:

1. **Ontario International Airport:** Directly south of Guasti Plaza is the Ontario International Airport (OIA). Owned and operated by the Los Angeles Department of Airports, OIA is one of the major commercial and general aviation facilities in southern California. Part of the Master Plan for the airport includes a new, larger terminal facility at Archibald Avenue. This will replace the current building at Vineyard Avenue. The new terminal will be capable of handling the 12 Million Air Passengers (MAP) slated for OIA.
2. **Meredith International Centre:** This 250-acre property calls for a major mixed-use development consisting of approximately 3,250,000 square feet of office and retail uses, 1,200 hotel rooms and 800 dwellings.
3. **Park Center:** The Park Center Specific Plan consists of 37.5 acres of land programmed for both higher intensity and lower intensity office and retail uses totaling 1,061,000 square feet of development. The site is presently occupied by several residences and light industrial uses.
4. **Transpark:** Transpark is a 35-acre business park nearly built out. It is a combination of low rise office buildings, light industrial and distribution uses.
5. **Ontario Center:** The 400-acre Ontario Center is a major mixed use complex of office, retail, entertainment, hotel, light industrial, residential and open space uses with a maximum intensity of approximately 8,000,000 square feet.
6. **Centrelake:** The 70-acre site is partially developed and planned for a major hotel along with office and retail commercial uses. The significant design element of the project is a major man-made lake to be used for both aesthetic and storm water retention purposes.
- 7a. **California Commerce Center:** This project is being built as a major light industrial/distribution/research park directly east of Ontario International Airport. Other planned uses include offices, a hotel site and support retail sales. Sited on 1,450 acres, the Commerce Center has enjoyed a high degree of market success.
- 7b. **California Commerce Center North/Ontario Gateway Plaza/R.H. Wagner Properties:** This 239-acre site is to be developed as a retail outlet mall and commercial/office development of approximately 4,433,784 square feet.
8. **Pacific Gate/East Gate:** This is a 109-acre master-planned project that will accommodate the needs of light industrial and commercial users. The visual image will be one of compatibility with the adjacent California Commercial Center.
9. **United Parcel Service Air Cargo Hub:** This partially developed 159-acre planning area consists of a variety of land uses which are design to compliment Ontario Airport facilities including airport related uses, sorting, distribution and light industrial (air cargo, etc.).
10. **Archibald Business Center:** The land use types within this 30-acre project include industrial and rail-oriented industrial uses. The land use plan has been designed to align for future flexibility in determining specific industrial and industry-related uses and their intensity, so that as market demands change over time, the project can respond to those changes.
11. **Miller Property:** Approximately 70 acres immediately west of Guasti Plaza is partially developed as the Miller's Outpost distribution headquarters.
12. **Guasti Plaza.**
13. **Acco Airport Center:** This Specific Plan consists of three planning areas totaling 309,500 square feet of Industrial Park uses and 691,930 square feet of Business Park uses. The site contains approximately 63 acres of land

generally bounded by Haven Avenue to the east, Mission Boulevard to the south, Turner Avenue to the west and Jurupa Street to the north.

14. **R.H. Wagner Properties:** The Specific Plan for this site of approximately 49 acres has been developed to integrate with other area-wide planning efforts, particularly the Ontario Center Specific Plan. It is proposed for approximately 1.7 million square feet of high-rise commercial development in an urban setting.