

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

502



FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:
April 28, 2011

SUBJECT: Authorization to Purchase Real Property in the City of Menifee, County of Riverside, California
- District 5

RECOMMENDED MOTION: That the Board of Supervisors:

1. Conduct a public hearing pursuant to Health and Safety Code Section 33679;
2. Adopt the Mitigated Negative Declaration (MND) and the Mitigation Monitoring Reporting Program (MMRP) for Environmental Assessment No. EA0827003784, based on the findings incorporated in the Initial Study and the conclusion that the project will not have a significant impact on the environment;

(Continued)

Reviewed by
CIP TEAM
Christopher Harris
Christopher Harris

Robert Field

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 1,547,700	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: Yes

SOURCE OF FUNDS: I-215 Corridor Redevelopment Project Area Capital Improvement Funds - Romoland Sub-Area	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY: *Jennifer L. Sargent*
Jennifer L. Sargent

County Executive Office Signature

- Dep't Recomm.: Consent
- Per Exec. Ofc.: Consent
- Policy
- Policy

Prev. Agn. Ref.: 3.12 of 11/6/07

District: 5

Agenda Number

9.1

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: *Samuel Wong* 4/30/11
SAMUEL WONG
Departmental Controller

FORM APPROVED COUNTY COUNSEL
DATE: 4-19-11
ANITA C. WILLIS
BY: *Anita C. Willis*

RECOMMENDED MOTION: (Continued)

3. Make the following findings pursuant to Health and Safety Code Section 33445:
 - a. The proposed fire station is of benefit to the Romoland Sub-Area of the I-215 Corridor Project Area (Project Area) as it will add a public safety facility to serve the Project Area;
 - b. No other reasonable means of financing the cost of the project are available to the community due to the fact that the current economic crisis has substantially reduced the community's revenues to fund the project;
 - c. That the payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements will assist in the elimination of one or more blighting conditions inside the project area or provide housing for low- or moderate-income persons, and is consistent with the implementation plan adopted pursuant to Section 33490, which identifies public safety facilities as needed projects in the Implementation Plan for the Project Areas; and,
4. Consent to expenditure of funds by the Redevelopment Agency for the County of Riverside for the land acquisition of the proposed fire station project.

BACKGROUND:

The Economic Development Agency (EDA) proposes that the Redevelopment Agency for the County for Riverside (RDA) purchase a 4.52 acre vacant lot on Trumble Road between State Route 74 and Mapes Road, also known as Assessor's Parcel Number 329-030-061, in the City of Menifee, Riverside County, California, depicted in Exhibit A, attached hereto. The site is being purchased to facilitate a plan to construct a fire station in an area with gaps in emergency response services and inadequate coverage. This fire station will benefit both the City of Menifee and the City of Perris and will be constructed by the City of Menifee at no additional cost to RDA.

On November 6, 2007, the Board of Supervisors approved Item 3.12, Authorization to Purchase Real Property in the City of Perris. The property was identified as 57.02 acres of vacant land in the City of Perris, which was to be used to provide future county use; the land would serve as a site for various types of facilities necessary to serve this rapidly developing area, including the construction of a fire station. RDA used 35.45 acres of the land to build a "Field of Dreams" park, which created an impediment to the plan to construct a fire station on the remaining acreage. This land acquisition is to provide replacement property for the use of the fire station.

As the lead agency, EDA prepared an Initial Study for the proposed project.

In accordance with the California Environmental Quality Act (CEQA) (Public Resources Code Section 21000-21177) and California Code of Regulations Section 15063, an Initial Study was prepared to analyze the proposed project to determine if any potential significant impacts upon the environment would result from construction and implementation of the project.

The results of the analysis demonstrate that the project would not have any significant impacts on the environment with the implementation of the mitigation measures contained in the Initial Study. The Initial Study/Mitigated Negative Declaration (IS/MND) was prepared and circulated for the mandated 30 day public review and comment period from June 25, 2009 to July 24, 2009.

(Continued)

BACKGROUND: (Continued)

On July 28, 2009, the State of California Governor's Office of Planning and Research (OPR), notified EDA that the IS/MND complies with the requirements of CEQA. Pursuant to CEQA Section 15074, the county shall consider all comments received during the review period prior to adoption of the IS/MND. Two comment letters were received. The comment letters and responses are included in the IS/MND.

Pursuant to CEQA (Public Resources Code Section 21081.6), the county is required to adopt a reporting and monitoring plan for the mitigation measures identified in the IS/MND to mitigate or avoid significant effects on the environment. The Mitigation Monitoring and Reporting Program (MMRP) contained in the IS/MND presented to the Board for adoption is designed to ensure compliance during project implementation.

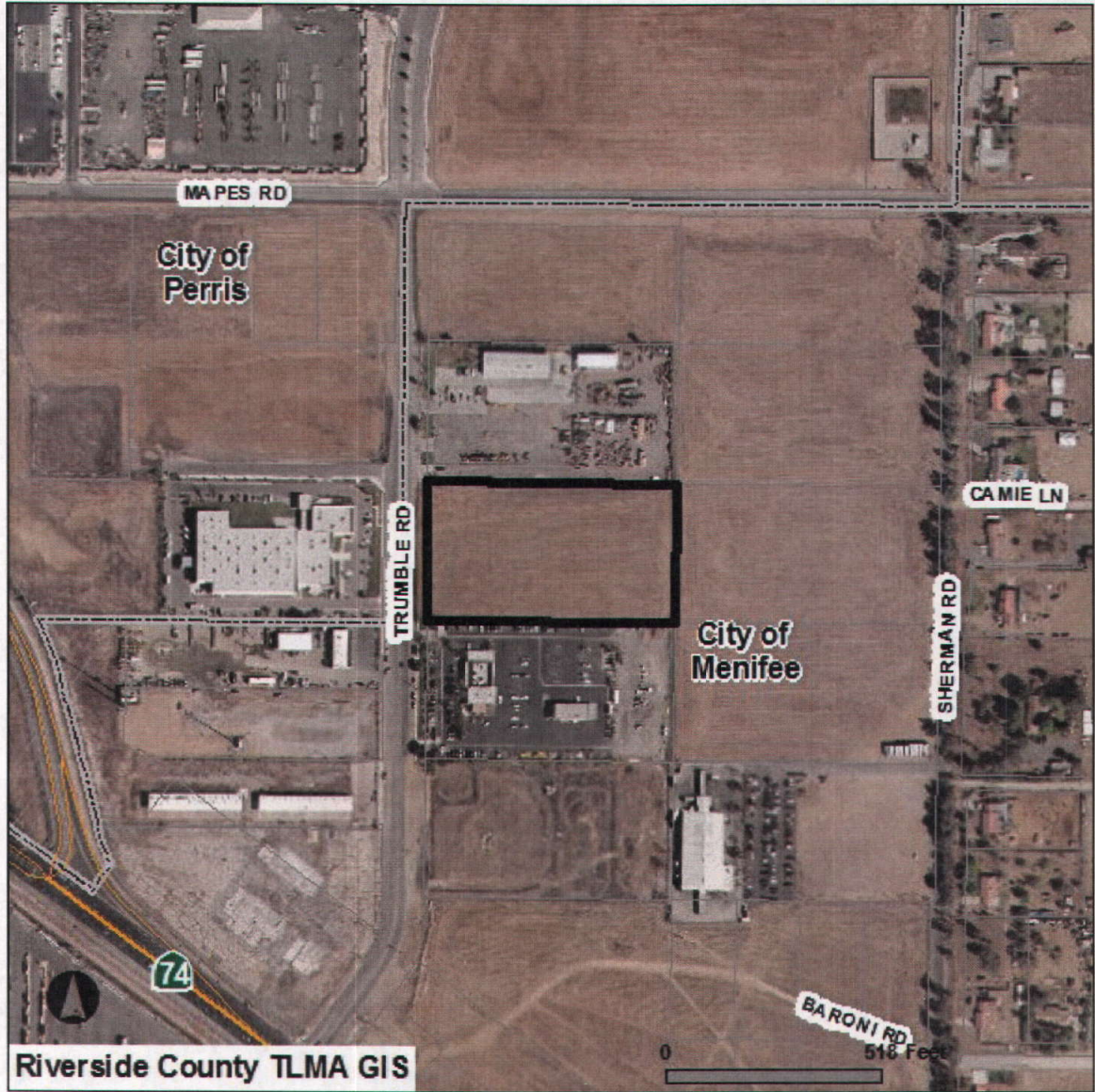
RDA staff has successfully negotiated the acquisition of the subject property at the purchase price of \$1,500,000 which is based on an independent fee appraisal report for future development of the fire station. An additional \$47,700 is being authorized for due diligence, appraisal fees, etc.

The Form 11 has been reviewed and approved by County Counsel as to legal form.

Attachment:

Exhibit A – Map

EXHIBIT "A"



Selected parcel(s):
329-030-061

IMPORTANT

Maps and data are to be used for reference purposes only. Map features are approximate, and are not necessarily accurate to surveying or engineering standards. The County of Riverside makes no warranty or guarantee as to the content (the source is often third party), accuracy, timeliness, or completeness of any of the data provided, and assumes no legal responsibility for the information contained on this map. Any use of this product with respect to accuracy and precision shall be the sole responsibility of the user.

REPORT PRINTED ON...Wed Mar 09 12:59:40 2011

Version 101221

**AGREEMENT OF PURCHASE AND SALE
AND JOINT ESCROW INSTRUCTIONS
BY AND BETWEEN**

Violet Realty, Inc., a California corporation

AS SELLER

AND

**REDEVELOPMENT AGENCY FOR THE COUNTY OF
RIVERSIDE**

AS BUYER

RELATING TO

Assessor's Parcel Number: 329-030-061

1 AGREEMENT OF PURCHASE AND SALE
2 AND JOINT ESCROW INSTRUCTIONS
3

4 THIS AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW
5 INSTRUCTIONS ("Agreement") is made and entered into this ____ day of
6 _____, 2011, by and between REDEVELOPMENT AGENCY FOR THE
7 COUNTY OF RIVERSIDE ("Buyer"), and Violet Realty, Inc. a California corporation (Seller").

8 Buyer and Seller agree as follows:

9 1. **Definitions.** For the purposes of this Agreement the following terms will be
10 defined as follows:

11 (a) **"Effective Date"**: The Effective Date is the date on which this
12 Agreement is executed by Buyer as listed on the signature page of this Agreement;

13 (b) **"Property"**: Seller is the owner of certain real property consisting of a
14 4.52 acres parcel located on east side of Trumble Road, between State Route 74 and Mapes
15 Road, also known as Assessor's Parcel Number 329-030-061, in the City of Menifee, Riverside
16 County, California, more particularly described in Exhibit A attached hereto and incorporated
17 herein;

18 (c) **"Purchase Price"**: The Purchase Price for the Property is One Million
19 Five Hundred Thousand Dollars (\$1,500,000);

20 (d) **"Escrow Holder"**: Stewart Title Company at the address set forth in
21 subparagraph (h) below.

22 (e) **"Title Company"**: Stewart Title Company at the address set forth in
23 subparagraph (h) below. The title order number is 2862-152146 and James Prsch is the Title
24 Officer;

25 (f) **"Closing" and "Close of Escrow"**: Are terms used interchangeably in
26 this Agreement. The Closing or the Close of Escrow will be deemed to have occurred when the
27 Grant Deed (as defined in Paragraph 5.1) is recorded in the official records of the County of
28 Riverside;

1 (g) **"Closing Date"**: The Closing Date shall be on or before August 1,
2 2011, unless otherwise agreed to by both parties;

3 (h) **"Notices"**: Will be sent as follows to:

4 Seller: Daniel Hasso, President
5 Violet Realty, Inc.
6 1 Napoli
7 Newport Beach, California 92660

8 Telephone: (949) 759-9527
9 Buyer: REDEVELOPMENT AGENCY FOR
10 COUNTY OF RIVERSIDE
11 3403 10th Street, Suite 500
12 Riverside, California 92501
13 Attn: Craig Olsen
14 Telephone: (951) 955-4840
15 Fax No: (951) 955-4837
16 Email: CAOlsen@rivcoeda.org

17 Escrow Holder: STEWART TITLE COMPANY
18 2010 Main Street, Suite 250
19 Irvine, California 92614
20 Attn: Grace Kim
21 Telephone: (949) 224-8606
22 Fax: (714) 242-9886
23 Email: gkim@stewart.com

24 Title Company: STEWART TITLE COMPANY
25 2010 Main Street, Suite 250
26 Irvine, California 92614
27 Attn: James Prasch, Title Officer
28 Telephone: (800) 346-1444 ext. 277
Fax: (714) 242-9885
Email: jprasch@stewart.com

(i) **Exhibits:**
Exhibit A - Legal Description
Exhibit B - Form of Deed

2. **Purchase and Sale.** Upon and subject to the terms and conditions set forth in
this Agreement, Seller agrees to sell to Buyer and Buyer agrees to buy from Seller the
Property, together with all easements, appurtenances thereto and all improvements and
fixtures situated thereon.

1 3. **Purchase Price.** The Purchase Price for the Property will be paid as follows:

2 3.1 Agreement. Upon the approval of this Agreement and execution by the
3 Board of Directors (the date upon which this Agreement has been fully executed and delivered
4 to both parties is the "**Effective Date**"), Buyer shall order the full purchase price, plus costs to
5 cover buyer's escrow fees and shall deposit the sum in the form of a cashier's check or other
6 immediately available funds payable to the order of Escrow Holder. Should escrow be unable
7 to close immediately, due to some unforeseen circumstances, Escrow Holder shall deposit said
8 funds in an interest bearing account which shall be applied against the Purchase Price at
9 closing and any overages including the interest shall returned to Buyer at close of escrow.

10 4. **Escrow.** Buyer and Seller shall open an escrow (the "**Escrow**") with Escrow
11 Holder within three (3) business days after the Effective Date by delivery to Escrow Holder a
12 fully executed original or originally executed counterparts of this Agreement and this date shall
13 be the official Opening Date of Escrow referenced herein. This purchase shall be contingent
14 upon the approval by the Board of Directors of the Authorization to Purchase and the
15 approval of the Purchase and Sale and Joint Escrow Instructions document. This contingency
16 will be removed from escrow upon the receipt of the Signed Purchase and Sale Agreement and
17 Joint Escrow Instructions document signed by the Board of Directors. Buyer and Seller agree
18 to execute any additional instructions reasonably required by the Escrow Holder. In the event
19 the Board of Directors has not approved this Agreement on or before June 1, 2011, this
20 Agreement shall be null and void and both parties shall be relieved from any liabilities and/or
21 obligations under this Agreement. If there is a conflict between any printed escrow instructions
22 and this Agreement, the terms of this Agreement will govern.

23 5. **Deliveries to Escrow Holder.**

24 5.1 By Seller. On or prior to the Closing Date, Seller will deliver or cause
25 to be delivered to Escrow Holder the following items:

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1 (a) A Grant Deed ("**Grant Deed**"), in the form attached to this
2 Agreement as Exhibit B, duly executed and acknowledged by Seller and in recordable form
3 conveying the Property to Buyer; and

4 (b) A Transferor's Certificate of Non-Foreign Status ("**FIRPTA**
5 **Certificate**").

6 5.2 By Buyer. On or prior to the Closing Date (and in any event in a manner
7 sufficient to allow Escrow to close not later than the Closing Date), Buyer will deliver or cause
8 to be delivered to Escrow Holder the following items:

9 (a) The Purchase Price in accordance with Paragraph 3.1; and

10 (b) The amount due Seller and any third parties, if any, after the
11 prorations are computed in accordance with Paragraph 12.

12 5.3 By Buyer and Seller. Buyer and Seller will each deposit such other
13 instruments consistent with this Agreement as are reasonably required by Escrow Holder or
14 otherwise required to close escrow. In addition, Seller and Buyer will designate the Title
15 Company as the "**Reporting Person**" for the transaction pursuant to Section 6045(e) of the
16 Internal Revenue Code.

17 6. **Condition of Title.**

18 6.1 At the Close of Escrow, fee simple title to the Property will be conveyed
19 to Buyer by Seller by Grant Deed subject only to the following matters ("**Permitted**
20 **Exceptions**");

21 (a) A lien for local real property taxes and assessments not then
22 delinquent;

23 (b) Matters of title respecting the Property approved or deemed
24 approved by Buyer in accordance with this Agreement; and

25 (c) Matters affecting the condition of title to the Property created by
26 or with the written consent of Buyer.

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1 7. **Conditions to the Close of Escrow.**

2 7.1 Conditions Precedent to Buyer's Obligations. The following conditions
3 must be satisfied not later than the Closing Date or such other period of time as may be
4 specified below:

5 (a) Title. Buyer has obtained a preliminary report for the Property
6 prepared by the Title Company dated as of December 3, 2010, and referenced as Order No.
7 2862-152146 together with copies of the documents described in such report. Buyer hereby
8 objects to exceptions 8 and 9 as shown in the preliminary report. Seller will have ten (10) days
9 after the Effective Date to advise Buyer that:

10 (i) Seller will remove any objectionable exceptions to title or
11 obtain appropriate endorsements to the title policy on or before the Closing Date; or

12 (ii) Seller will not cause the exceptions to be removed. If
13 Seller advises buyer that it will not cause the exceptions to be removed, Buyer will have ten
14 (10) days to elect, at its sole remedy, to:

15 (iii) Proceed with the purchase and acquire the Property
16 subject to such exceptions without reduction in the Purchase Price; or

17 (iv) Cancel the Escrow and this Agreement by written notice
18 to Seller and the Escrow Holder, in which case any deposit together with interest thereon will
19 be returned to Buyer and the cancellation costs will be borne by Buyer.

20 If Buyer does not give Seller notice of its election within such ten (10)
21 day period, Buyer will be deemed to have approved the condition of title to the Property and
22 elected to proceed with this transaction.

23 If Seller commits to remove any objection to title and fails to do so by the
24 Closing Date, Seller will be in default under this Agreement and Buyer may, at Buyer's election,
25 terminate this Agreement and pursue its remedies as set forth herein.

26 (b) Title Insurance. As of the Close of Escrow, the Title Company
27 will issue or have committed to issue the Title Policy to Buyer with only the Permitted
28 Exceptions.

1 (c) Delivery of Information. Within ten (10) days after the Opening of
2 Escrow, seller shall deliver to buyer the original or true copies of all surveys, plans and
3 specifications, residential disclosure statements (as required), building conditions audits, past
4 hazardous material studies, as-built drawings, building permits, certificates of occupancy,
5 certificates of completion, soil reports, engineers' reports, other contracts, but not limited to,
6 studies and similar information which it may have in its possession relating to the Property
7 except as specifically set forth herein, such items shall be delivered by Seller to Buyer and
8 shall be to the best of Seller's actual knowledge true and correct and complete copies of the
9 items in Seller's possession and except as expressly set forth herein, Seller makes no warranty
10 regarding the contents of such items. If the Escrow shall fail to close for any reason, all such
11 items shall be immediately returned to Seller.

12 The conditions set forth in this Paragraph are solely for the benefit of
13 Buyer and may be waived only by Buyer. At all times Buyer has the right to waive any
14 condition. Such waiver or waivers must be in writing to Seller and Escrow Holder.

15 The Close of Escrow and Buyer's obligations with respect to this
16 transaction are subject to Seller's delivery to Escrow Holder on or before the Closing Date the
17 items described in Paragraph 5 and 6.1 and the removal of the items described in Paragraph
18 7.1.

19 7.2 Conditions Precedent to Seller's Obligations. The following shall be
20 conditions precedent to Seller's obligation to consummate the purchase and sale transaction
21 contemplated herein:

22 (a) Buyer shall have delivered to Escrow Holder, prior to the Closing
23 for disbursement as directed hereunder, all cash or other immediately available funds from
24 Buyer in accordance with this Agreement; and

25 (b) Buyer shall have delivered to Escrow Holder the items described
26 in Paragraphs 5.2 and 5.3.

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28 ///

1 The conditions set forth in this Paragraph are solely for the benefit of
2 Seller and may be waived only by Seller. At all times Seller has the right to waive any
3 condition. Such waiver or waivers must be in writing to Buyer and Escrow Holder.

4 7.3 Termination of Agreement. In the event that, for any reason, the Closing
5 does not occur on or before the Closing Date, either party to this Agreement, who is not in
6 default of its obligations under this Agreement, shall have the right to terminate this Agreement
7 upon written notice to the other party and to Escrow Holder. Unless Seller is materially in
8 default hereunder, failure by Buyer to cause Escrow to close on or before the Closing Date
9 shall constitute a material Buyer default as a result of which Seller may elect to terminate this
10 Agreement and the Escrow created hereunder.

11 8. **Due Diligence By Buyer.**

12 8.1 Matters To Be Reviewed. Buyer must complete its due diligence and
13 approve the following matters not later than ninety (90) days following the Effective Date (the
14 "**Due Diligence Period**"). Seller shall cooperate with Buyer in its investigation.

15 (a) The physical condition of the Property at the time of sale,
16 including without limitation, any structural components, electrical, system, plumbing or any
17 irrigation system, paving, soil conditions, the status of the Property with respect to hazardous
18 and toxic materials, if any, and in compliance with all applicable laws, including any laws
19 relating to hazardous and toxic materials and all applicable government ordinances, rules and
20 regulations and evidence of Seller's compliance therewith including without limitation zoning
21 and building regulations;

22 (b) All applicable government ordinances, rules and regulations and
23 evidence of Seller's compliance therewith including without limitation zoning and building
24 regulations; and

25 (c) All licenses, permits and other governmental approvals and/or
26 authorizations relating to the Property which shall remain in effect after the Close of Escrow.

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1 8.2 Notice and Resolution of Objections.

2 (a) If Buyer fails to notify Seller in writing of any objections to items
3 (a) and (b) in Paragraph 8.1 above or to request an extension prior to the end of the Due
4 Diligence Period then Buyer shall be deemed to have approved such items and elected to
5 proceed with the acquisition of the Property;

6 (b) If Buyer notifies Seller in writing of any objections to the condition
7 of the Property at the time of sale or any other matters relating to the Property as set forth in
8 Section 8.1 prior to the end of the due diligence period, the parties will have five (5) business
9 days to agree upon a resolution of the objections(s); provided however, that if, as a result of
10 investigations and inspections any deficiencies are found or repairs are needed, the cost to
11 remedy such deficiencies or to make such repairs shall be the exclusive responsibility of the
12 Seller. In the event that Seller fails to remedy such deficiencies or to make such repairs within
13 a reasonable time period then Buyer may terminate this Agreement by written notice to Seller
14 and Escrow.

15 (c) In the absence of a timely objection or notice of termination,
16 Buyer will be deemed to have knowingly approved the condition of Property at the time of sale
17 and waived any of its objections, and this Agreement will continue in full force and effect.

18 8.3 Material New Matters. If Buyer discovers any new matter prior to close
19 of escrow which was:

20 (a) Not reasonably discoverable prior to the Close of and Escrow
21 and that matter is one which:

22 (i) Would appear as an exception to the Title Policy; or
23 (ii) Is materially inconsistent with a disclosure by Seller or
24 with any representations or warranties contained in Paragraph 15.2; and

25 (iii) Such new matter is of such a nature that, in Buyer's
26 reasonable judgment, it would materially and adversely affect the acquisition, development,
27 sale or use of the Property for Buyer's intended purpose; then Buyer is entitled to treat such
28 new matter as a failure of condition to the Close of Escrow.

1 (b) If Buyer elects to treat such new matter as a failure of condition to
2 the Close of Escrow, Buyer must give notice to Seller of Buyer's election to terminate this
3 Agreement within fifteen (15) days of Buyer's obtaining knowledge of such new matter, but in
4 no event later than the Closing Date.

5 (c) However, if Buyer gives Seller notice of its election to terminate
6 this Agreement, Seller may elect, in its sole and absolute discretion by written notice to Buyer
7 and to Escrow Holder within five (5) business days following Seller's receipt of Buyer's notice,
8 to correct the new matter prior to the Close of Escrow. If Seller elects to correct the new matter,
9 Seller will be entitled to extend the Close of Escrow for not more than twenty (20) days in order
10 to correct the new matter and, in such event, this Agreement will not terminate. If Seller fails to
11 correct the new matter by the Closing Date as extended, Buyer, as Buyer's sole remedy, may
12 terminate this Agreement.

13 9. **No Side Agreements or Representations.** Buyer represents and warrants
14 that prior to the Close of Escrow, Buyer will have had the opportunity to make and will have
15 made such an investigation and inspection of all aspects of the condition of the Property as it
16 has deemed necessary or appropriate, including, but not limited to soils and the Property's
17 compliance or non-compliance with applicable laws, rules, regulations and ordinances
18 (including any Environmental Laws) as defined in Paragraph 15.1 and the existence or non-
19 existence of Hazardous Substances as defined in Paragraph 15.1 on, in or under the Property.
20 Buyer further represents and warrants that in purchase the Property, Buyer is relying solely
21 upon its own investigations and inspections of same.

22 10. **Title Insurance.** At the Close of Escrow, Seller will cause the Title Company to
23 issue to Buyer a CLTA standard coverage owner's policy in an amount equal to the Purchase
24 Price showing fee title to the Property vested in Buyer subject only to the Permitted Exceptions
25 ("**Title Policy**") and the standard printed exceptions and conditions in the policy of title
26 insurance. If Buyer elects to obtain any endorsements or an ALTA Extended Policy of Title, the
27 additional premium and costs of the policy survey for the ALTA Extended policy of title and the
28 cost of any endorsements will be at Buyer's sole cost and expense; however, Buyer's election

1 to obtain an ALTA extended policy of title will not delay the Closing and Buyer's inability to
2 obtain an ALTA extended policy of title or any such endorsements will not be deemed to be a
3 failure of any condition to Closing.

4 11. **Costs and Expenses.**

5 Seller will pay:

- 6 (a) CLTA standard coverage policy;
- 7 (b) Seller's escrow fees and costs; and
- 8 (c) Seller's share of prorations.

9
10 Buyer will pay:

- 11 (a) Buyers escrow fees and costs;
- 12 (b) Any title endorsements; and
- 13 (c) Buyer's share of prorations.

14
15 12. **Prorations.**

16 12.1 Tax Exempt Agency. All parties hereto acknowledge that the buyer is
17 public entity and exempt from payment of any real property taxes. There will be no proration of
18 taxes through escrow. Seller will be responsible for payment of any real property taxes due
19 prior to close of escrow. In the event any real property taxes are due and unpaid at the close
20 of escrow, Escrow Holder is hereby authorized and instructed to pay such taxes from proceeds
21 due the Seller at the close of escrow. Seller understands that the Tax Collector will not accept
22 partial payment of an installment of the real property due at the close of escrow. At the close of
23 escrow, the Buyer will file any necessary documentation with the County Tax
24 Collector/Assessor for the property tax exemption. Any prorate refund that will be due the
25 Seller will be refunded to the Seller by the county Tax Collector/Assessor outside of escrow
26 and Escrow Holder shall have no liability and/or responsibility in connection therewith.

27 12.2 Utility Deposits. Seller represents and warrants that there are no active
28 accounts associated with the Property.

1 12.3 Method of Proration. For purposes of calculating prorations, Buyer shall
2 be deemed to be in title to the Property and therefore entitled to the income there from and
3 responsible for the expenses thereof for the entire day upon which the Closing occurs. All
4 prorations will be made as of the date of Close of Escrow based on a three hundred sixty-five
5 (365) day year or a thirty (30) day month, as applicable. The obligations of the parties pursuant
6 to this Paragraph 12 shall survive the Closing and shall not merge into any documents of
7 conveyance delivered at Closing.

8 13. **Disbursements and Other Actions by Escrow Holder.** At the Close of
9 Escrow, Escrow Holder will promptly undertake all of the following:

10 13.1 Funds. Promptly upon Close of Escrow, disburse all funds deposited
11 with Escrow Holder by Buyer in payment of the Purchase Price as follows: (a) deduct or credit
12 all items chargeable to the account of Seller and/or Buyer pursuant to Paragraphs 11, 12 and
13 17.1 (b) disburse the balance of the Purchase Price and (c) disburse any excess proceeds
14 deposited by Buyer to Buyer.

15 13.2 Recording. Cause the Grant Deed to be recorded with the County
16 Recorder and obtain conformed copies thereof for distribution to Buyer and Seller.

17 13.3 Title Policy. Direct the Title Company to issue the Title Policy to Buyer.

18 13.4 Delivery of Documents to Buyer and Seller. Deliver to Buyer the
19 FIRPTA Certificate and any other documents (or copies thereof) deposited into Escrow by
20 Seller. Deliver to Seller any other documents (or copies thereof) deposited into Escrow by
21 Buyer.

22 14. **Joint Representations and Warranties.** In addition to any express
23 agreements of the parties contained herein, the following constitute representations and
24 warranties of the parties each to the other:

25 14.1 Each party has the legal power, right and authority to enter into this
26 Agreement and to consummate this transaction.

27 14.2 The individuals executing this Agreement and the instruments
28 referenced herein on behalf of each party and the partners, officers or trustees of each party, if

1 any, have the legal power, right and actual authority to bind each party to the terms and
2 conditions of those documents.

3 14.3 This Agreement and all other documents required to close this
4 transaction are and will be valid, legally binding obligations of and enforceable against each
5 party in accordance with their terms, subject only to applicable bankruptcy, insolvency,
6 reorganization, moratorium laws or similar laws or equitable principles affecting or limiting the
7 rights of contracting parties generally.

8 15. **Hazardous Substances.**

9 15.1 Definitions. For the purposes of this Agreement, the following terms
10 have the following meanings:

11 (a) "Environmental Law" means any law, statute, ordinance or
12 regulation pertaining to health, industrial hygiene or the environment including, without
13 limitation CERCLA (Comprehensive Environmental Response, Compensation and Liability Act
14 of 1980) and RCRA (Resources Conservation and Recovery Act of 1976);

15 (b) "Hazardous Substance" means any substance, material or waste
16 which is or becomes designated, classified or regulated as being "toxic" or "hazardous" or a
17 "pollutant" or which is or becomes similarly designated, classified or regulated under any
18 Environmental Law including asbestos, petroleum and petroleum products; and

19 (c) "Environmental Audit" means an environmental audit, review or
20 testing of the Property performed by Buyer or any third party or consultant engaged by Buyer to
21 conduct such study.

22 15.2 Seller's Representations and Warranties. Except as disclosed in the
23 Due Diligence Materials provided by Seller to Buyer as of the date of this Agreement, to
24 Seller's current actual knowledge.

25 (a) No Hazardous Substances exist now or have been used or
26 stored on or within any portion of the Property except those substances which are or have
27 been used or stored on the Property by Buyer in the normal course of use and operation of the
28 Property and in compliance with all applicable Environmental Laws;

1 (b) There are and have been no federal, state or local enforcement,
2 clean-up,-removal, remedial or other governmental or regulatory actions instituted or completed
3 affecting the Property;

4 (c) No claims have been made by any third party relating to any
5 Hazardous Substances on or within the Property; and

6 (d) There has been no disposal of Hazardous Substances or
7 accidental spills which may have contaminated the Property. There has been no on-site bulk
8 storage of vehicle fuels or waste oils.

9 15.3 Notices Regarding Hazardous Substances. During the term of this
10 Agreement, Seller will promptly notify Buyer if it obtains actual knowledge that Seller or the
11 Property may be subject to any threatened or pending investigation by any governmental
12 agency under any law, regulation or ordinance pertaining to any Hazardous Substance.

13 15.4 Environmental Audit. Buyer has ordered, at its sole cost and expense, to
14 perform an Environmental Audit. It shall do so prior to the end of the Due Diligence Period and
15 may quit this transaction if Buyer identifies problems in its sole and subjective judgment that
16 would preclude continuing with this transaction:

17 (a) The Environmental Audit shall be conducted pursuant to
18 standard quality control/quality assurance procedures. Buyer shall give Seller at least one (1)
19 business day's prior notice of any on-site testing of soil or subsurface conditions;

20 (b) Any groundwater, soil or other samples taken from the Property
21 will be properly disposed of by Buyer at Buyer's sole cost and in accordance with all applicable
22 laws. Buyer shall promptly restore the Property to the condition in which it was found
23 immediately prior to Buyer's Environmental Audit;

24 (c) Buyer will not conduct invasive testing of the building without
25 Seller's prior written consent; and

26 (d) Buyer hereby agrees to protect, indemnify, defend and hold
27 harmless Seller from and against any and all losses, liabilities, claims, liens, stop notices,
28 actions, obligations, damages and/or expenses caused by reason of Buyer's (or its agent's,

1 employee's or independent contractor's) entries into the Property prior to the close of escrow
2 pursuant to the foregoing. Buyer shall keep the Property free of mechanic's liens related to the
3 activities of Buyer.

4 16. **Notices.** All notices or other communications required or permitted hereunder
5 must be in writing, and be personally delivered (including by means of professional messenger
6 service) or sent by registered or certified mail, postage prepaid, return receipt requested to the
7 addresses set forth in Paragraph 1 (h). All notices sent by mail will be deemed received three
8 (3) days after the date of mailing.

9 17. **Legal and Equitable Enforcement of this Agreement.**

10 17.1 Waiver of Specific Performance and Lis Pendens. In the event the Close
11 of Escrow and the consummation of the transaction contemplated by this Agreement do not
12 occur by reason of a material, uncured default by Seller, Buyer will be entitled to payment of its
13 reasonable out-of-pocket expenses incurred in connection with the transaction. As material
14 consideration to Seller's entering into this Agreement with Buyer, Buyer waives any right: (a)
15 to pursue an action for the specific performance of this Agreement and (b) to record or file a
16 notice of lis pendens or notice of pendency of action or similar notice against any portion of the
17 Property.

18 18. **Miscellaneous.**

19 18.1 Counterparts. This Agreement may be executed in counterparts.

20 18.2 Partial Invalidity. If any term or provision of this Agreement shall be
21 deemed to be invalid or unenforceable to any extent, the remainder of this Agreement will not
22 be affected thereby and each remaining term and provision of this Agreement will be valid and
23 be enforced to the fullest extent permitted by law.

24 18.3 Waivers. No waiver of any breach of any covenant or provision
25 contained herein will be deemed a waiver of any preceding or succeeding breach thereof, or of
26 any other covenant or to, a licensed real estate broker (individual or corporate), agent, or finder
27 or other provision contained herein. No extension of time for performance or any obligation or
28 act will be deemed an extension of the time for, performance of any other obligation or act

1 except those of the waiving party which will be extended by a period of time equal to the period
2 of the delay.

3 18.4 Successors and Assigns. Neither party shall transfer or assign its rights
4 or responsibilities under this Agreement without the express written consent of the other party.

5 18.5 Entire Agreement. This Agreement (including all Exhibits attached
6 hereto) constitutes the entire contract between the parties hereto and may not be modified
7 except by an instrument in writing signed by the party to be charged.

8 18.6 Time of Essence. Seller and Buyer hereby acknowledge and agree that
9 time is strictly of the essence with respect to each and every term, condition, obligation and
10 provision hereof.

11 18.7 Governing Law. The parties hereto expressly agree that this Agreement
12 will be governed by, interpreted under, and construed and enforced in accordance with the
13 laws of the State of California in which the Property is located. Venue for any proceeding
14 related to this Agreement shall be in the County of Riverside.

15 18.8 No Recordation. No memorandum or other document relating to this
16 Agreement shall be recorded without the prior written consent of Seller and Buyer.

17 18.9 Survival. Any provisions of this Agreement which by their terms require
18 performance by either party after the Close of Escrow shall survive the Close of Escrow.

19 18.10 Brokers. Seller and Buyer represent and warrant to the other that
20 neither Buyer nor Seller has employed any broker and/or finder to represent its interest in this
21 transaction. Each party agrees to indemnify and hold the other free and harmless from and
22 against any and all liability, loss, cost, or expense (including court costs and reasonable
23 attorney's fees) in any manner connected with a claim asserted by any individual or entity for
24 any commission or finder's fees in connection with the conveyance of the Property arising out
25 of agreements by the indemnifying party to pay any commission or finder's fee.

26 18.11 Acquisition in Lieu of Condemnation. Buyer is a public agency
27 possessing eminent domain authority and is acquiring fee title to the Property for a public
28 purpose. Buyer acknowledges that its acquisition of the Property is in lieu of condemnation

1 and that in the event the voluntary purchase and sale of the Property had not been negotiated
2 by February 1, 2011, staff would recommend condemnation of the Property. Closing the
3 Escrow described herein evidences Buyer's determination to acquire the Property in lieu of
4 condemnation.

5 18.12 Exhibits. Each exhibit attached hereto is incorporated herein by this
6 reference as if set forth in full in the body of this Agreement.

7 18.13 Assignment. Buyer shall neither assign Buyer's rights nor delegate
8 Buyer's obligations hereunder without Seller's prior written consent, which may be withheld in
9 Seller's sole discretion.

10 THIS AGREEMENT WILL BE NULL AND VOID IF NOT EXECUTED BY BUYER and
11 approved by the Board of Directors of the Redevelopment Agency for the County of Riverside.

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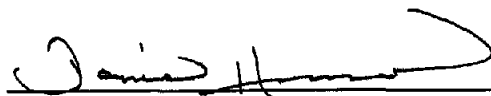
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1 IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and
2 year set forth below.

3
4 Dated: 3/25/2011

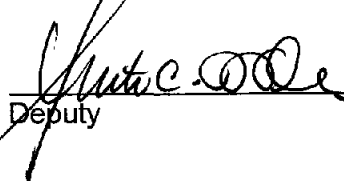
VIOLET REALTY, INC., A CALIFORNIA CORPORATION

6
7 By: 
Daniel Hasso, President

10 REDEVELOPMENT AGENCY FOR THE
11 COUNTY OF RIVERSIDE

12 By: _____
13 Bob Buster
14 Chairman, Board of Directors

16 APPROVED AS TO FORM:
17 PAMELA J. WALLS, Agency Counsel

18 By: 
19 Deputy

20 ATTEST:
21 Kecia Harper-Ihem
22 Clerk to the Board

23 Dated: _____

24 By: _____

EXHIBIT "A"

LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of Riverside, City of Menifee, and described as follows:

Lot 514 of Romola Farms No. 6A, in the City of Menifee, County of Riverside, State of California, as per map recorded in Book 14, Pages 63, 64 and 65 of Maps, in the office of the County Recorder of said County.

Except that portion as described in that deed to the State of California, by deed recorded February 14, 1962 in book 3077 page 364 of Official Records and as Instrument No. 13971.

(End of Legal Description)

EXHIBIT B

Recorded at request of and return
to:

Department of Facilities
Management
Real Property Division
3403 10th Street , Suite 500
Riverside, CA 92501

FREE RECORDING

This instrument is for the benefit of
the County of Riverside and is
entitled to be recorded without fee.
(Govt. Code 6103)

13.876/013111/042FM/CO:ad

(Space above this line reserved for Recorder's use)

APN: 329-030-061

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

VIOLET REALTY, INC.,
A CALIFORNIA CORPORATION

GRANTS to the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a public
body, corporate and politic, organized and existing under, and by virtue of the State of
California, the real property in the County of Riverside, State of California, described as:

See Exhibit "A" attached hereto
And made part hereof

APN: 329-030-061

Dated: _____

VIOLET REALTY, INC., A CALIFORNIA CORPORATION

By: _____
Daniel Hasso, President

State of California)
County of _____)

On _____, before me, _____, a Notary Public in and for said County and State, 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 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.

Signature _____

[SEAL]

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the within deed to the COUNTY OF RIVERSIDE, a political subdivision, is hereby accepted by order of the Board of Supervisors on the date below and the grantee consents to the recordation thereof by its duly authorized officer.

Dated: _____

By: _____
Robert Field
Executive Director

EXHIBIT "A"

LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of Riverside, City of Menifee, and described as follows:

Lot 514 of Romola Farms No. 6A, in the City of Menifee, County of Riverside, State of California, as per map recorded in Book 14, Pages 63, 64 and 65 of Maps, in the office of the County Recorder of said County.

Except that portion as described in that deed to the State of California, by deed recorded February 14, 1962 in book 3077 page 364 of Official Records and as Instrument No. 13971.

(End of Legal Description)