

FORM APPROVED COUNTY COUNSEL
 BY: JMAILA R. BROWN DATE: 7-24
 Departmental Concurrence

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

978



FROM: Economic Development Agency

SUBMITTAL DATE:
 July 2, 2014

SUBJECT: Ratification and Consent to Assignment of Sublease and Bill of Sale – French Valley Airport – District 3/District 3 [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and Consent to the attached Bill of Sale and Assignment of Sublease from Ouch Pro Cycling, LLC, a California limited liability company, as Assignor, to Boris Mohorko, as Assignee, for Hangar no. 2 at French Valley Airport.
2. Approve the attached Consent to Bill of Sale and Ratification and Consent to Assignment of Sublease;

(Continued)

Robert Field
 Assistant County Executive Officer/EDA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	
SOURCE OF FUNDS: N/A				Budget Adjustment: No	
				For Fiscal Year: 2014/15	

C.E.O. RECOMMENDATION:

APPROVE
 BY: Rohini Dasika
 Rohini Dasika

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

- A-30
- 4/5 Vote
- Positions Added
- Change Order

Prev. Agn. Ref.: 3.24 of 3/15/11; 3.11 of 2/4/03; 3.22 of 9/11/01

District: 3/3

Agenda Number:

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

Economic Development Agency

FORM 11: Ratification and Consent to Assignment of Sublease and Bill of Sale – French Valley Airport

District 3/District 3

DATE: July 2, 2014

PAGE: 2 of 3

RECOMMENDED MOTION: (Continued)

3. Authorize the Chairman of the Board of Supervisors to sign the attached Consent to Bill of Sale and Ratification and Consent to Assignment of Sublease; and
4. Authorize the Assistant County Executive Officer/EDA, or designee, to execute any additional documents necessary to implement the Bill of Sale and Assignment of Sublease, subject to approval by County Counsel.

BACKGROUND:

Summary

The County of Riverside Economic Development Agency (EDA) received a request from Ouch Pro Cycling, LLC, a California limited liability company, ("Ouch Pro Cycling") to consent to the assignment of Ouch Pro Cycling's interest in that certain Sublease dated December 1, 2002 (Sublease) by and between Murrieta Executive Airpark MEA, LLC, a California limited liability company (MEA), (as Sublessor), and Ouch Pro Cycling, LLC, a California limited liability company, Successor in Interest to French Valley Air Park, Inc. (as Sublessee). The Sublease pertains to that certain Unit no. 2 (also identified as Hangar no. 3B) located within French Valley Airport in Murrieta, California, as more particularly depicted in Exhibit B to the attached Sublease (Attachment E). The Sublease is subject to that certain Lease (French Valley Airport) (Lease) dated October 1, 2001 by and between the County of Riverside (as Lessor) and MEA (as Lessee), as amended by that certain First Amendment to Lease dated March 23, 2004 and by that certain Second Amendment to Lease dated June 27, 2006, relating to the lease of approximately 152,460 square feet of vacant land located at French Valley Airport. French Valley Airpark, Inc., a California corporation, was the original Sublessee under the Sublease. A list of prior assignments of Sublessee interests under the Sublease is attached hereto (Attachment F).

Ouch Pro Cycling (Assignor therein) and Boris Mohorko (Assignee therein) executed that certain Assignment on April 8, 2014 (Assignment), the effectiveness of which is subject to the prior consent and approval by the County of Riverside. A copy of the Assignment is attached (Attachment B). Boris Mohorko has also acquired from Ouch Pro Cycling an aircraft storage hangar known as Unit no. 2 (also identified as Hangar no. 3B) located on the subleased premises, the sale of which is memorialized by a Bill of Sale dated April 8, 2014 attached hereto (Attachment D). Boris Mohorko will not change the existing use of the subleased premises. The Assignment will not impact the terms of the Sublease.

EDA staff recommends that the Board of Supervisors ratify and consent to the Assignment and Bill of Sale and approve the execution of the attached Ratification and Consent to Assignment of Sublease (Attachment A) and Consent to Bill of Sale (Attachment C). County Counsel has reviewed and approved the Ratification and Consent to Assignment of Sublease and Consent to Bill of Sale as to legal form.

Impact on Citizens and Businesses

The Assignment will assist in our effort to increase airport operations which in turn provides increased patron activities for local businesses.

(Continued)

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
Economic Development Agency
FORM 11: Ratification and Consent to Assignment of Sublease and Bill of Sale – French Valley Airport
District 3/District 3
DATE: July 2, 2014
PAGE: 3 of 3

SUPPLEMENTAL:
Additional Fiscal Information

There is no net county cost and no budget adjustment required.

ATTACHMENTS:

- Attachment A – Ratification and Consent to Assignment of Sublease
- Attachment B – Assignment
- Attachment C – Consent to Bill of Sale
- Attachment D – Bill of Sale
- Attachment E – Sublease
- Attachment F – List of Prior Assignment of Sublessee Interests

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ATTACHMENT A

(Behind this Page)

RATIFICATION AND CONSENT TO ASSIGNMENT

(Ouch Pro Cycling, LLC Unit no. 2)

The County of Riverside hereby consents to the assignment of Ouch Pro Cycling, LLC, a California limited liability company's, interest as sublessee in that certain Sublease (defined below) to Boris Mohorko, an individual, as set forth in the Assignment, dated April 8, 2014, attached hereto as Attachment "A" and incorporated herein by this reference ("Assignment"). Pursuant to the Assignment, Ouch Pro Cycling, LLC, a California limited liability company ("Assignor") transferred and assigned to Boris Mohorko ("Assignee") all of Assignor's rights, title, interest and obligations ("Rights and Obligations") under that certain Sublease dated December 2, 2002 ("Sublease") between Murrieta Executive Air Park MEA, LLC ("MEA") and Ouch Pro Cycling, LLC, Successor in Interest to French Valley Airpark, Inc. ("Sublessee"). The Sublease pertains to that certain Unit no. 2 (identified as Hangar 3B) located at French Valley Airport in Murrieta, California, as more particularly depicted in Exhibit "B" to the Sublease.

The Sublease is subject to that certain Lease (French Valley Airport) by and between the County of Riverside, (as Lessor) and MEA (as Lessee) ("Lease") dated October 1, 2001, as amended by that certain First Amendment to Lease dated March 23, 2004, and by that certain Second Amendment to Lease dated June 27, 2006, relating to the lease of approximately 152,460 square feet of vacant land, located at the French Valley Airport, as more fully described in Exhibit "A" to the Lease. French Valley Airpark, Inc., a California corporation, was the original Sublessee under the Sublease.

In reliance upon the assumption by Assignee of all Rights and Obligations under the Sublease as set forth in the attached Assignment, the County does hereby ratify and consent to the assignment of the Rights and Obligations by Assignor to Assignee and Assignee's assumption thereof. Ratification and consent hereof by the County shall not be construed to relieve or release (i) Assignor from its duty to comply with any obligations under the Sublease, and (ii) MEA from its duty to comply with any obligations under the Lease.

[Remainder of Page Intentionally Blank]

Date: _____

COUNTY OR RIVERSIDE, a political
Subdivision of the State of California

By: _____

Jeff Stone, Chairman
Board of Supervisors

ATTEST:
KECIA IHEM-HARPER
Clerk of the Board

APPROVED AS TO FORM
PAMELA J. WALLS, County Counsel

By: _____
Deputy

By: 
Jhaila R. Brown
Deputy County Counsel

(SEAL)

ATTACHMENT B

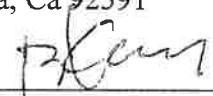
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ASSIGNMENT

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, The undersigned, OUCH PRO CYCLING, LLC hereby transfers and assigns to BORIS MOHORKO, all rights, title and interest of undersigned under that certain Sub Lease Between MURRIETA EXECUTIVE AIR PARK MEA , LLC, dated December 1,2002, pertaining to premises described as Murrieta Executive Air Park's Unit 2 consisting of approximately 1/12th acre/3600 square feet of land, including one metal construction aircraft hangar identified as Hangar 3B at French Valley Airport, County of Riverside, State of California, said Lease is attached as Exhibit "A". The execution of this Assignment and transfer of all rights, title and interest herein are contingent upon Acceptance and approval by the Riverside County Board of Supervisors.

Dated 4-8-14

Ouch Pro Cycling, LLC
27450 Ynez Road, Suite 128
Temecula, Ca 92591

By: 
Brent Kay

ACCEPTANCE AND AGREEMENT

The undersigned, BORIS MOHORKO, named in the foregoing Assignment, hereby Accepts said Assignment and hereby agrees to keep, perform and be bound by all of the terms, covenants and conditions in Sub Lease on the part of the Lessee therein to be kept and performed to all intents and purposes as though the undersigned Assignee was the original Sub Lessee there under.

Dated 4/8/2014


BORIS MOHORKO

4316 La Canada Rd
Fallbrook
California , 92028

DECLINE OF RIGHT OF FIRST REFUSAL

AND

CONSENT TO ASSIGNMENT OF SUBLEASE

Reference is made to certain Sublease dated December 1, 2002 (Sublease), by and between Murrieta Executive Air Park MEA, LLC, a California limited liability company (MEA) as Sublessor, and Ouch Pro Cycling, LLC a California corporation, as Sublessee, pertaining to The premises described as Murrieta Executive Air Park's Unit 2, consisting of approximately 1/12 acre/3600 square feet of land, including one metal construction hangar identified as Hangar 3B, located on French Valley Airport, City of Murrieta, County of Riverside, State of California.

1. MEA confirms that is was informed of offer to purchase Hangar 3B, pursuant to Section 13.04 of the Sublease, by Ouch Pro Cycling, LLC. MEA hereby declines To exercise it right of refusal to purchase Hangar 3B
2. Ouch Pro Cycling, LLC, hereby request MEA's consent to assign the Sublease by Ouch Pro Cycling, LLC as Transferor and Sublessee, to Boris Mohorko, as Transferee, Under the terms and conditions of the Sublease, a copy of which is attached here to As Exhibit A and made part hereof.

DECLINE OF RIGHT OF FIRST REFUSAL

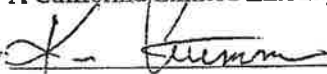
AND

CONSENT TO ASSIGNMENT OF SUBLEASE

THE UNDERSIGNED HEREBY CONSENTS TO DECLINE OF THE ABOVE RIGHT OF FIRST REFUSAL AND CONSENTS TO ABOVE ASSIGNMENT OF SUBLEASE.

MURRIETA EXECUTIVE AIR PARK MEA,
A California Limited Liability Company

Executed on: 4-4-14

By: 

Kevin Stumm, President

Exhibit A--Master Sublease

Exhibit B--Aircraft Hangar Purchase Agreement

ATTACHMENT C

(Behind this Page)

CONSENT TO BILL OF SALE

The County of Riverside (County) hereby consents to the Bill of Sale, dated April 8, 2014, for the aircraft storage hangar known as Unit no. 2 (identified as Hangar 3B), located at French Valley Airport, Murrieta, California, between Ouch Pro Cycling, LLC, a California limited liability company, as Seller, and Boris Mohorko, as Buyer. The Bill of Sale is attached hereto as Exhibit "A".

By consenting to the Bill of Sale, the County neither undertakes nor assumes nor will have any responsibility or duty to Boris Mohorko or to any third party to review, inspect, supervise, pass judgment upon or inform Boris Mohorko or any third party of any matter in connection with subject aircraft storage hangar, whether regarding the quality or adequacy or suitability of the subject hangar for Boris Mohorko's proposed use or otherwise. Boris Mohorko and all third parties shall rely upon its or their own judgment regarding such matters. The County makes no representations, express or implied, with respect to the legality, fitness, or desirability of the subject aircraft storage hangar for Boris Mohorko's intended use.

Date: _____


COUNTY OF RIVERSIDE, a political
Subdivision of the State of California

By: _____
Jeff Stone, Chairman
Board of Supervisors

ATTEST:
KECIA IHEM-HARPER
Clerk of the Board

APPROVED AS TO FORM
PAMELA J. WALLS, County Counsel

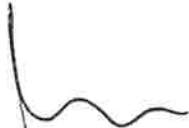
By: _____
Deputy

By:  _____
Jhaila R. Brown
Deputy County Counsel

(SEAL)

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Boris Mohorko hereby acknowledge and consent to all of the terms set forth in this Consent to Bill of Sale.

By: 

Boris Mohorko

Dated: 5.25.14

ATTACHMENT D

(Behind this Page)

BILL OF SALE

KNOW ALL PERSONS BY THES PRESENTS: Concurrently with the execution and delivery hereof, Ouch Pro Cycling, LLC (Seller) is conveying to Boris Mohorko, (Purchaser), those improvements on the Land located in the county of Riverside, State of California as more particularly described as Exhibit A attached hereto (the Improvements).


NOW, THEREFORE, in consideration of the receipt of Ten and no/100 Dollars (\$10.00) and other good and valuable consideration in hand paid by Purchaser to Seller, the receipt and sufficiency of which are hereby acknowledged and confessed by Seller, Seller does hereby sell, transfer, set over and deliver to Purchaser, its successors and assigns, all of Seller's right, title and interest, in and to the Improvements, without any representation or warranty of any kind as to title or condition which Improvements are situated upon the real property located in the County of Riverside, State of California. The Improvements are conveyed subject to that certain sublease dated December 1, 2002 by and between Seller and MURRIETA EXECUTIVE AIR PARK MEA, LLC and any other encumbrances, easements, regrets of any kind or nature or other matters of record pertaining to or affecting the Land. The estate of the Improvements shall not merge with the Land or any leasehold estate.

PURCHASER ACKNOWLEDGES THAT THE IMPROVEMENTS ARE TRANSFERRED AS IS, WHERE IS, AND ALL FAULTS AND THAT NEITHER SELLER NOR ANY SELLER AFFILIATE HAS MADE ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT TO ANY OF THE IMPROVEMENTS, INCLUDING ANY WARRANTY OR REPRESENTATION AS TO (a) ITS FITNESS, DESIGN OR CONDITION, FOR ANY PARTICULAR USE OR PURPOSE, (b) THE EXISTENCE OF ANY DEFECT, LATENT OR PATENT, (c) COMPLIANCE WITH LAWS, OR (d) THE EXISTENCE OF ANY HAZARDOUS SUBSTANCE; AND ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY THE PURCHASER. PURCHASER ACKNOWLEDGES THAT THE PREMISES HAVE BEEN INVESTIGATED AND INSPECTED BY PURCHASER AND ARE SATISFACTORY TO IT. IN THE EVENT OF ANY DEFECT OR DEFICIENCY IN ANY OF THE PREMISES OF ANY NATURE, WHETHER LATENT OR PATENT, SELLER SHALL NOT HAVE ANY RESPONSIBILITY OR LIABILITY FOR ANY DAMAGES, INCLUDING INCIDENTAL OR CONSEQUENTIAL DAMAGES. PURCHASER, ON ITS OWN BEHALF AND ON BEHALF OF ITS SUCCESSORS AND ASSIGNS EXPRESSLY WAIVES ANY RIGHT OF RESCISSION HEREUNDER AND RELEASES AND DISCHARGES SELLER FROM ANY AND ALL CLAIMS OR CAUSES OF ACTION THAT PURCHASER MAY NOW HAVE OR HEREAFTER HAVE AGAINST SELLER AND PURCHASER SHALL INDEMNIFY, DEFEND AND HOLD SELLER AND ALL SELLER'S OFFICERS AND AFFILIATES HARMLESS FROM AND AGAINST ALL COST, CLAIMS, OR CAUSES OF ACTION, ARISING IN CONNECTION WITH OR OUT OF THE CONDITION OF THE PREMISES. PURCHASER'S WAIVERS AND INDEMNIFICATION OBLIGATIONS HEREUNDER SHALL SURVIVE THE TERMINATION OF THIS LEASE.

All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, Seller has caused this Bill of Sale and General Assignment to be Executed this 8th day of April 2014

Ouch Pro Cycling LLC



By Dr Brent Kay

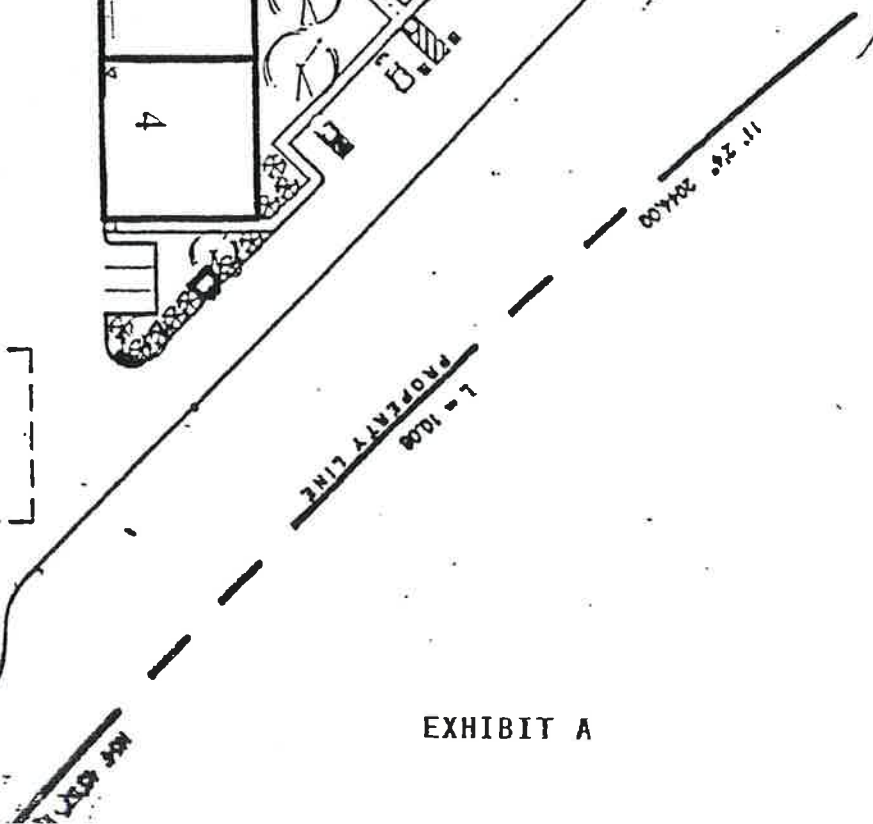
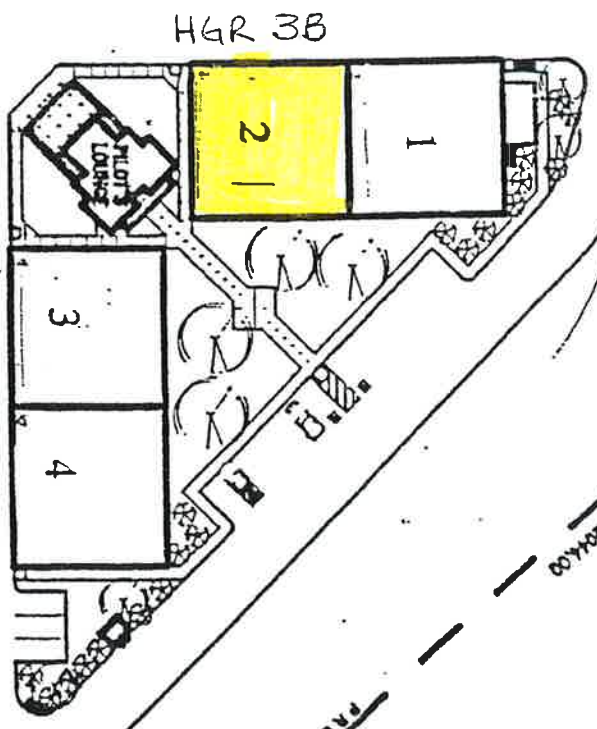
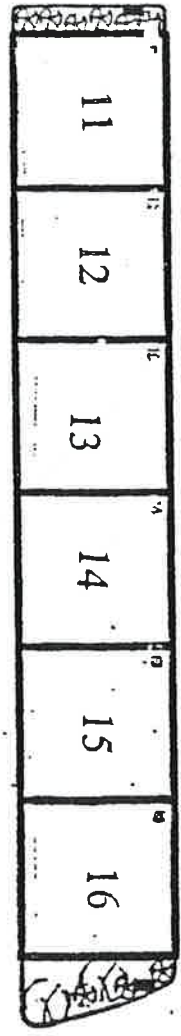
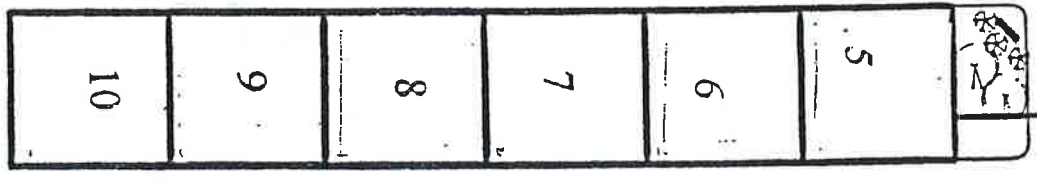
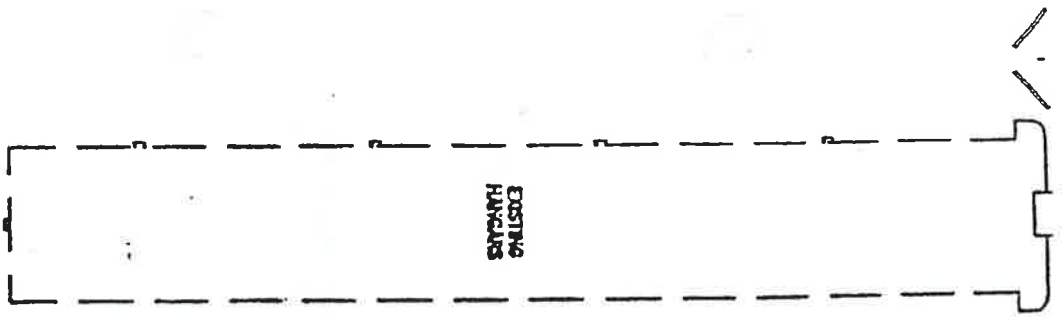


EXHIBIT A

2003-190934
62/19/2003 68.69A
99 of 107



LEGAL DESCRIPTION
AIRPLANE HANGER NO. 2

A PARCEL FOR AIRPLANE HANGER NO. 10 OVER THAT PORTION OF SECTION 7, TOWNSHIP 7 SOUTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, RIVERSIDE COUNTY, CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 7, SAID CORNER BEING A ¾" I.P. WITH TAG L.S. 3968;

THENCE, S 00°35'35" E (BASIS OF BEARINGS BEING THE WEST LINE OF SECTION 7, T7S, R2W, SBM PER THE RECORD OF SURVEY FILED IN BOOK 57 OF RECORDS OF SURVEY AT PAGE 81, RECORDS OF RIVERSIDE COUNTY BEING N 00°35'35" W) ALONG THE WEST LINE A DISTANCE OF 2644.42 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 7;

THENCE, CONTINUING S 00°35'35" E ALONG SAID WEST LINE A DISTANCE OF 2644.41 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 7;

THENCE, S 89°53'17" E ALONG THE SOUTH LINE OF SAID SECTION 7 A DISTANCE OF 999.66 FEET TO A POINT;

THENCE, DEPARTING SAID SOUTH LINE N 12°17'07" E A DISTANCE OF 4439.85 FEET TO A POINT;

THENCE, S 77°42'53" E A DISTANCE OF 32.00 FEET TO A POINT;

THENCE, CONTINUING S 77°42'53" E A DISTANCE OF 559.00 FEET TO A POINT;

THENCE, N 12°17'07" E A DISTANCE OF 570.00 FEET TO A POINT;

THENCE, N 77°42'53" W A DISTANCE OF 323.53 FEET TO A POINT, SAID POINT BEING THE POINT OF BEGINNING;

THENCE, CONTINUING N 77°42'53" W A DISTANCE OF 63.00 FEET TO A POINT:

THENCE, N 12°17'07" E A DISTANCE OF 60.00 FEET TO A POINT;

THENCE S 77°42'53" E A DISTANCE OF 63.00 FEET TO A POINT;

THENCE, S 12°17'07" W A DISTANCE OF 60.00 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINING 3,780 SQUARE FEET, MORE OR LESS.



EXHIBIT A

Improvements

HANGAR 3B, together with an undivided interest in the common wall between HANGAR 3B and the adjacent hangar or hangars, if any, but specifically excluding all Utilities, utility lines, sprinkling systems, conduits and any other building systems, which do not exclusively serve the Hangar 3B or is not within Hangar 3B and further subject to the terms and conditions of that certain sublease by and between OUCH PRO CYCLING, LLC and MURRIETA EXECUTIVE AIR PARK MEA, LLC dated as of December 1, 2002 and the terms and conditions of that certain lease dated October 1, 2001, and any amendments by and between MURRIETA EXECUTIVE AIR PARK MEA, LLC (Lessee) and the County of Riverside, State of California (Lessor) which was previously Reviewed and accepted by Purchaser.

CORNER ESCROW



27450 YNEZ ROAD, SUITE 124, TEMECULA CA 92591
TEL: (951) 694-6300 • FAX: (951) 694-6320

SALE ESCROW INSTRUCTIONS

TO: Corner Escrow, Inc.

Date: March 25, 2014

Escrow Officer: Judy Maus

Escrow Number: 200-05361-JM

CORNER ESCROW, INC. IS LICENSED AS AN ESCROW AGENT BY THE DEPARTMENT OF CORPORATIONS OF THE STATE OF CALIFORNIA, LICENSE # 963 2489.

Boris Mohorko, (hereinafter known as Buyer) agree to purchase from Ouch Pro Cycling, LLC (hereinafter known as Seller) the real property set forth herein per the terms, conditions, consideration and instructions hereinafter stated. The Seller and Buyer herein shall deliver these signed escrow instructions to Corner Escrow, Inc., (hereinafter known as Escrow Holder), within 5 calendar days after receipt of same.

Terms of Transaction		
Buyer has deposited with escrow	\$	30,000.00
	\$	
Buyer will deposit prior to close of escrow	\$	150,000.00
	\$	
	\$	
	\$	
	\$	
	\$	
TOTAL CONSIDERATION	\$	180,000.00

Furthermore, I will execute and deliver any instruments and/or funds which this escrow requires to show title as called for, all of which you are instructed to use on or before May 26, 2014, provided you hold funds in the amount of \$180,000.00

COMMONLY KNOWN AS AIRCRAFT HANGER 3B

See attached Exhibit "A" and Legal Description which are made a part hereof

SHOWING TITLE VESTED IN Boris Mohorko

SUBJECT TO:

1. First Right of Refusal being signed by Murrieta Executive Airpark.
2. Ground Lease Transfer being approved by Riverside County..

INSTRUCTIONS TO ESCROW:

Seller has agreed to sell to Buyer that certain aircraft hanger facility at the French Valley Airport, Murrieta, California, within and a part of Murrieta Air Park, identified as Hanger 3B. The hanger building will be conferred to Buyer by a Bill of sale, and the Sublease Sublease will be conferred to Buyer by a Sublease Assignment, upon such Sublease Assignment being duly approved by Murrieta Executive Air Park MEA, LLCF as Sublessor, and the County of Riverside (County) as Lessee.

In the event the assignment of the lease is withheld by MEA or County, Buyer is release from the obligation to purchase said Hanger. Both Buyer and Seller agree to execute the Sublease Assignment documents in a timely manner.

Buyer has been provided with copies of the Sublease to be assigned that is in effect between Seller and MEA, and exhibits thereto, including the "Master Lease" between MEA and County. Buyer has inspected aircraft hanger 3B and accepts it in its current condition. Buyer has been provided with common area maintenance expenses and a letter from MEA specifying such expenses which include the ground lease payment. Buyer, upon completing its due diligence process, agrees to purchase the hanger in its current condition and to accept Sblease, upon its assignment, as it is currently written.

FACSIMILE SIGNATURES: In the event any party utilizes "Facsimile" transmitted signed instructions to Escrow Holder, you are to rely on same for all escrow instruction purposes and the closing of escrow as if they bore original signatures. Said party shall provide to Escrow Holder, within 72 hours after transmission, original signatures. Notwithstanding the foregoing, any and all escrow

ATTACHED HERETO AND MADE A PART HEREOF

My initials below represent my agreement and acknowledgement of the foregoing

Page 1

BUYER INITIALS

SELLER INITIALS

instructions pertaining to the release or disbursement of funds from escrow prior to close of escrow requires original, NOTARIZED signatures. Parties herein are advised that documents with non-original signatures may not be accepted for recording by the County Recorder, thus making impossible the closing of this escrow without the submission of original documents.

SUPPLEMENTAL TAX INFORMATION: The tax assessor has the right to reassess the subject property after close of escrow and issue a supplemental tax bill to the Buyer, who shall be solely responsible for same. In the event the Seller receives a supplemental tax bill for prior tax year(s) before close of escrow, charge Seller's account. Supplemental tax bills for any tax period prior to close of escrow is the sole responsibility of the Seller. If any such supplemental tax bill has been issued for this current tax year, it is the Seller's responsibility to forward said bill to the new Buyer, and the Buyer's responsibility for payment of same. In such event said supplemental bill will be added to the current tax bill and prorated accordingly at close of escrow. **TAX BILLS ISSUED AFTER THE CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER.**

INSTRUCTIONS NOT TO SUPERSEDE: These escrow instructions are executed for the sole purpose of enabling the Escrow Holder to complete this transaction, and are not intended to amend, modify, supersede or in any way change that certain agreement entered into by the parties hereto and dated prior to these escrow instructions. Corner Escrow, Inc., its officers and/or employees shall not be concerned with said agreement or any matters as contained therein and is responsible only for such matters as are specifically set out above in the instructions.

CHANGES DURING ESCROW: Prior to the close of escrow, Seller agrees not to (1) rent or lease any vacant unit, or other part of the premises, (2) alter, modify or extend any existing lease agreements or (3) enter into, after, modify or extend any service contract(s), without first having obtained Buyer's written approval.

THE FOLLOWING PRORATIONS AND/OR ADJUSTMENTS ARE TO BE MADE AS OF: **CLOSE OF ESCROW**

- 1. Property Taxes based on latest available tax bills.

WE, JOINTLY AND SEVERALLY, ACKNOWLEDGE RECEIPT OF A COMPLETE COPY OF THE WITHIN ESCROW INSTRUCTIONS AND BY OUR SIGNATURES SET FORTH BELOW, ACKNOWLEDGE THAT WE HAVE READ, UNDERSTAND AND AGREE TO BE BOUND BY THE TERMS AND CONDITIONS CONTAINED THEREIN, IN THEIR ENTIRETY.

Buyer's Signature:

Boris Mohorko

The foregoing terms, provisions, conditions and instructions are hereby approved and accepted in their entirety and concurred with by me. I will hand you necessary documents called for on my part to cause title to be shown as set out herein, which you are authorized to deliver when you hold or have caused to be applied to funds set forth herein within the time as herein provide

You are further authorized and instructed to pay commission as set forth on separate instructions made a part hereof.

Seller's Signature:

Ouch Pro Cycling, LLC

By: Brent Kay, Authorized Signer

ATTACHED HERETO AND MADE A PART HEREOF
My initials below represent my agreement and acknowledgement of the foregoing
Page 2

BUYER INITIALS

SELLERS INITIAL

ATTACHMENT E

(Behind this Page)