

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



159

FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:

June 20, 2013

SUBJECT: Resolution No. 2013-139, Authorization to Purchase Real Property, 3450 and 3478 14th Street, City of Riverside, California

RECOMMENDED MOTION: That the Board of Supervisors:

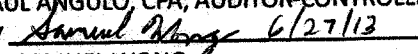
1. Find that the purchase of the building and improvements are exempt from CEQA pursuant to CEQA guidelines section 15061(b)(3) as it can be seen with certainty that there is no possibility the activity in question may have a significant effect on the environment; and section 15301, Class 1, as the project involves negligible or no expansion of an existing use;

(Continued)

REVIEWED BY CIP



Christopher Hans

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY  6/27/13
SAMUEL WONG



Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 30,127,700	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2013/14

COMPANION ITEM ON BOARD AGENDA: No

SOURCE OF FUNDS: County of Riverside Asset Leasing Corporation Bond Financing

Positions To Be Deleted Per A-30 ☐
Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE

BY

County Executive Office Signature


Jennifer L. Sargent


MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, seconded by Supervisor Ashley and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None

Date: July 2, 2013

xc: EDA, CIP, Auditor, RCIT

Kecia Harper-Ihem
Clerk of the Board
By: 
Deputy

Prev. Agn. Ref.: 3.27 of 3/3/09; 3-18 of 6/4/13

District: 2/2

Agenda Number:

3-49

RECOMMENDED MOTION: (Continued)

2. Adopt Resolution No. 2013-139, Authorization to Purchase Real Property known as Riverside County Assessor's Parcel Number 219-330-032, and adjacent parking areas situated on Assessor's Parcel Numbers 219-330-022 through 219-330-030 at a purchase price of \$30,000,000, plus miscellaneous escrow, title and due diligence costs in the amount \$127,700;
3. Approve the Agreement of Purchase and Sale with Joint Escrow Instructions between the County and AHC California Properties, LLC and authorize the Chairman to execute the documents necessary to complete the purchase of the real property; and
4. Authorize the Assistant County Executive Officer of the Economic Development Agency, or his designee, to certify acceptance of any documents in favor of the county, to execute any other documents and administer all actions necessary to complete this transaction.

BACKGROUND:

On June 4, 2013, the Board of Supervisors adopted Minute Order 3-18, Notice of Intention to Purchase Real Property, 3450 and 3478 14th Street, City of Riverside, California. On behalf of Riverside County Information Technology (RCIT) and the Executive Office, the Real Estate Division of the Economic Development Agency (EDA) has negotiated the purchase of a modern five story Class-A 140,000 square foot office building located in downtown Riverside subject to the necessary Board of Supervisor's approval. The property is located at 3450 and 3478 14th Street, Riverside (the Press Enterprise Building). The Press Enterprise Building was constructed in 2007 and, if acquired, will serve to consolidate and house RCIT and its collective staff. The consolidation move will provide efficiencies in location and substantial savings in operational costs and lease cost avoidance over the lifetime of the building. The Press Enterprise Building, as built, may not be sufficient or cost effective to house the warehouse and the data center, so additional options are being investigated, including tenant improvements, or the lease or purchase of an additional building consisting of approximately 20,000 to 30,000 square feet.

As part of this acquisition the County will also acquire a contiguous and secondary building on the property of approximately 7,500 square feet located at 3478 14th Street, Riverside, with potential historic value that can serve other County needs. The proposed purchase would serve to address the long-term needs and goals of both the County and RCIT to provide more efficient and effective services.

Authorization to Purchase Real Property and subsequent interior tenant improvements are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) as it can be seen with certainty that there is no possibility the activity in question may have significant impact on the environment; and Section 15301, Existing Facilities, Class 1 (a) as the project involves negligible or no expansion of an existing use. The County's approval of the activity does not create any reasonably foreseeable physical change to the environment.

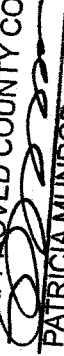
This resolution has been reviewed and approved by County Counsel as to legal form.

FINANCIAL DATA:

EDA/FM has already covered most of the costs for due diligence (appraisals, Phase I environmental report and preliminary title reports) and has been or will be reimbursed by Riverside County Information Technology.

Purchase Price	\$30,000,000
Estimated Escrow and Closing Charges	\$18,200
Preliminary Title Report	\$2,000
Environmental	\$18,000
Physical Inspection	\$25,000
Appraisal	\$9,500
Advertising Costs	\$3,000
Acquisition Administration	\$52,000
Total Estimated Acquisition Costs:	\$127,700
Grand total	\$30,127,700

Attachment:
Agreement of Purchase and Sale with Joint Escrow Instructions

FORM APPROVED COUNTY COUNSEL
BY:  PATRICIA MUNROE
DATE: 7/26/13

Board of Supervisors

County of Riverside

Resolution No. 2013-139

Authorization to Purchase Real Property

3450 & 3478 14th Street, City of Riverside, California

5.47+/- Acres of APN: 219-330-032 et. al.

BE IT RESOLVED, DETERMINED AND ORDERED by the Board of Supervisors of the County of Riverside in regular session assembled on July 2, 2013, and NOTICE IS HEREBY GIVEN, pursuant to Section 25350 of the Government Code that this Board at its public meeting on or after July 2, 2013, at 9:00 a.m. in the meeting room of the Board of Supervisors located on the 1st floor of the County Administrative Center, 4080 Lemon Street, Riverside, California, authorizes a transaction in which the County of Riverside will purchase certain real property located at 3450 14th Street and 3478 14th Street in the City of Riverside, County of Riverside, California, both situated on a portion of Assessor's Parcel Number 219-330-032, and adjacent parking areas situated on Assessor's Parcel Numbers 219-330-022 through 219-330-030, more particularly described as Parcel 2 in Exhibit "A" attached hereto and thereby made a part hereof consisting of approximately 5.47+/- acre site at a purchase price of thirty million dollars (\$30,000,000).

BE IT FURTHER RESOLVED AND DETERMINED that the Real Estate Division of EDA is expected to expend approximately forty-five thousand dollars (\$87,000) to complete due diligence on the property, consisting of a preliminary title report, appraisal costs, staff labor, an environmental survey and miscellaneous other studies as deemed necessary, plus miscellaneous escrow closing costs in the approximate amount of forty thousand dollars (\$40,000).

BE IT FURTHER RESOLVED AND DETERMINED that the Clerk of the Board of Supervisors gave notice as provided in Section 6063 of the Government Code.

JF:ra/062513/088IT/16.001

S:\Real Property\TYPING\Docs-16.000 to 16.499\16.001.doc

JUL 02 2013 349

Updated 08/2010

2 RESOLUTION NO. 2013 – 139

3 AUTHORIZATION TO PURCHASE REAL PROPERTY
4 3450 & 3478 14TH STREET, CITY OF RIVERSIDE, CALIFORNIA
5 5.47 +/- ACRES OF APN: 219-330-032 ET. AL.

6 ADOPTED by Riverside County Board of Supervisors on July 2, 2013.

7 ROLL CALL:

8 Ayes: Jeffries, Tavaglione, Stone, Benoit and Ashley
9 Nays: None
Absent: None

10
11
12 The foregoing is certified to be a true copy of a resolution duly adopted by said Board of
13 Supervisors on the date therein set forth.

14 KECIA HARPER-IHEM, Clerk of said Board

15
16 By: _____ Deputy

17
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21
22
23 07.02.13 3-49
24
25

EXHIBIT "A"
LEGAL DESCRIPTION
COUNTY PROPERTY

Lots 1, 2 and 7; a portion of Lots 3, 4 and Lots 8 through 13, inclusive all in Block 3 of D.C. Twogood's Orange Grove Tract as shown by map on file in Book 7 of Maps at page 42 thereof, Records of San Bernardino County, California and portions of Lots 3 through 12, inclusive all in a map of Bedford Place as shown by map on file in Book 5 of Maps at page 15 thereof, Records of said San Bernardino County, California and Lots 3 through 12, inclusive; portions of Lots 2 and 13 through 19, inclusive all in a map of Scotia Place as shown by map on file in Book 4 of Maps at page 14 thereof, Records of said San Bernardino County, California and a portion of Lemon Street (50.00 feet in full width) vacated per City of Riverside Resolution No. 16326, recorded February 10, 1987 as Instrument No. 38193 of Official Records, records of said Riverside County, California, lying within Section 26, Township 2 South, Range 5 West, San Bernardino Meridian, described as follows:

COMMENCING at the intersection of the centerline of Prospect Avenue (60.00 feet in full width) with the centerline of Olivewood Street (variable width) as shown on Record of Survey on file in Book 127 of Records of Survey at page 8 thereof, Records of said Riverside County, California;

Thence North 29°02'10" East along said centerline of Olivewood Avenue, a distance of 600.65 feet to a point on the southeasterly prolongation of the northeasterly line of said Lot 9 of Bedford Place;

Thence North 60°58'55" West along said southeasterly prolongation and said northeasterly line, a distance of 47.50 feet to the **TRUE POINT OF BEGINNING**, said point being the most westerly corner of that certain parcel of land granted to the City of Riverside by Grant Deed recorded December 05, 1986 as Instrument No. 310107 of Official Records of said Riverside County, California;

Thence North 60°58'55" West along said northeasterly line, a distance of 117.99 feet to the most northerly corner of said Lot 9;

Thence South 29°01'27" West along the southeasterly lines of said Lots 9 through 12 of Scotia Place and the southeasterly lines of said Lots 1 through 3 in Block 3 of D.C. Twogood's Orange Grove Tract, a distance of 334.50 feet;

Thence North 61°09'20" West, a distance of 140.68 feet to a point hereinafter referred to as **POINT "A"**;

Thence North 29°00'26" East, a distance of 353.50 feet to the beginning of a non-tangent curve, concave easterly, having a radius of 22.50 feet, the radial line to said point bears South 39°15'23" West;

Thence northwesterly, northerly and northeasterly along said curve, to the right, through a central angle of 71°14'15", an arc distance of 27.97 feet;

Thence North 20°29'38" East, a distance of 5.61 feet to the beginning of a tangent curve, concave southeasterly, having a radius of 4.75 feet;

Thence northeasterly and easterly along said curve, to the right, through a central angle of 70°03'15", an arc distance of 5.81 feet;

Thence North 29°19'34" East, a distance of 50.69 feet;

Thence North 61°06'57" West, a distance of 41.30 feet;

Thence North 29°01'27" East, a distance of 151.54 feet;

Thence South 61°06'57" East, a distance of 7.98 feet;

Thence North 29°01'27" East, a distance of 99.95 feet;

Thence North 61°00'00" West, a distance of 71.21 feet;

Thence North 29°01'27" East, a distance of 93.50 feet to the southwesterly line of that certain parcel of land granted to the City of Riverside by Grant Deed recorded February 11, 1966 as Instrument No. 16064 of Official Records of said Riverside County, California;

Thence South 61°00'00" East along said southwesterly line of parcel so conveyed and the along the southwesterly boundary line of that certain parcel of land conveyed to the City of Riverside by Grant Deed recorded July 31, 1987 as Instrument No. 222034 of Official Records of said Riverside County, California, a distance of 35.06 feet to an angle in said southwesterly boundary line;

Thence southerly along said southwesterly line, the following five (5) courses and distances:

1.) North 29°00'00" East, a distance of 3.00 feet;

2.) South 61°00'00" East, a distance of 17.70 feet;

3.) North 29°00'00" East, a distance of 2.50 feet;

4.) South 61°00'00" East, a distance of 11.40 feet;

5.) South 29°00'00" West, a distance of 5.50 feet to an angle point thereon, said angle point being on a line parallel with and distant southwesterly 50.00 feet, measured at right angles, from the centerline of Fourteenth Street as shown on said Scotia Place;

Thence South 61°00'00" East along said parallel line and said southwesterly boundary line, a distance of 7.60 feet to a point thereon, said point being the most southerly corner of said Deed;

Thence South 61°00'00" East along said parallel line, a distance of 120.20 feet the most easterly corner of said Lot 2 of Scotia Place;

Thence South 29°03'11" West along the southeasterly line of Lot 2 of said Scotia Place, a distance of 133.21 feet to the most southerly corner of said Lot 2 of Scotia Place;

Thence South 61°00'00" East along the northeasterly line of Lot 3 of said Scotia Place and the northeasterly line of Lot 3 of said Bedford Place, a distance of 184.27 feet to a point thereon, said point being the beginning of a non-tangent curve, concave northwesterly, having a radius of 396.00 feet, the radial line to said point bears South 68°41'22" East, said point also being the most northerly corner of that certain parcel granted to the City of Riverside by Grant Deed recorded December 24, 1986 as Instrument No. 330881 of Official Records, records of said Riverside County, California;

Thence southwesterly along said curve, to the right, and along the northwesterly boundary line of said Grant Deed through a central angle of 07°43'32", an arc distance of 53.39 feet to an angle point thereon;

Thence South 29°02'10" West, along said northwesterly boundary line of Grant Deed to the City of Riverside and the northwesterly boundary of that certain parcel granted to the City of Riverside by Grant Deed recorded December 05, 1986 as Instrument No. 310107 of Official Records, records of said Riverside County, California, a distance of 257.07 feet to the **TRUE POINT OF BEGINNING**.

TOGETHER with Lots 9 through 12 of Bedford Place, in the County of Riverside, State of California, as per map recorded in Book 5, Page 15 of Maps, Records of San Bernardino County, California.

EXCEPTING therefrom those portions of said Lots as shown in the Deed to the City of Riverside by Deed recorded January 10, 1969 as Instrument No. 2890 of Official Records.

TOGETHER with Lots 7 through 12 in Block 3, of D.C. Twogood's Orange Grove Tract, in the County of Riverside, State of California, as per map recorded in Book 7, Page 42 of Maps, Records of San Bernardino County, California.

EXCEPTING therefrom those portions of Lots 9 through 12 in Block 3, of D.C. Twogood's Orange Grove Tract as shown in the Deed to the City of Riverside by Deed recorded January 10, 1969 as Instrument No. 2890 of Official Records.

Also **EXCEPTING** therefrom that portion of Lot 8 in Block 3, of D.C. Twogood's Orange Grove Tract as described in the Deed to the City of Riverside by Deed recorded March 10, 1969 as Instrument No. 23126 of Official Records of Riverside County, California.

TOGETHER with Lot 13 in Block 3 of D.C. Twogood's Orange Grove Tract, in the County of Riverside, State of California, as per map recorded in Book 7, Page 42 of Maps, Records of San Bernardino County, California.

EXCEPTING therefrom those portions of Lot 13 in Block 3 of D.C. Twogood's Orange Grove Tract as shown in the Deed to the City of Riverside by Deed recorded January 10, 1969 as Instrument No. 2890 of Official Records.

TOGETHER with Lot 4 in Block 3 of D.C. Twogood's Orange Grove Tract as shown by map on file in Book 7 of Maps at page 42 thereof, Records of San Bernardino County, California.

EXCEPTING therefrom the northwesterly 8.00 feet of said Lot 4 in Block 3 of D.C. Twogood's Orange Grove Tract.

Also **EXCEPTING** therefrom the northwesterly 8.00 feet of said Lot 3 in Block 3 of D.C. Twogood's Orange Grove Tract lying southwesterly of the following described line:

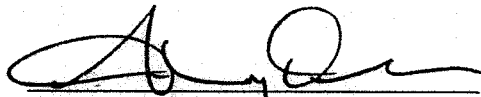
BEGINNING at above mentioned **POINT "A"**;

Thence South 61°09'20" East, a distance of 8.74 feet to a point on a line parallel with and distant southeasterly 8.00 feet, measured at a right angle, from the northwesterly line of said Lot 3.

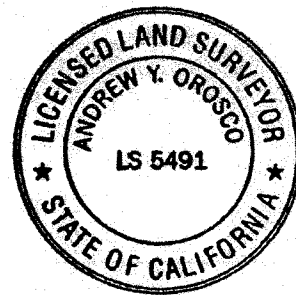
Containing 5.63 acres, more or less.

SEE PLAT ATTACHED HERETO AS EXHIBIT "B" AND MADE A PART HEREOF.

PREPARED UNDER MY SUPERVISION

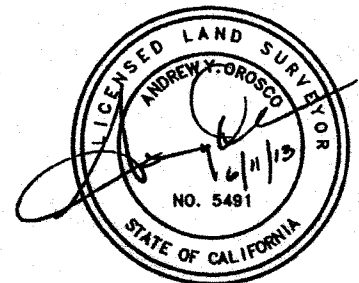
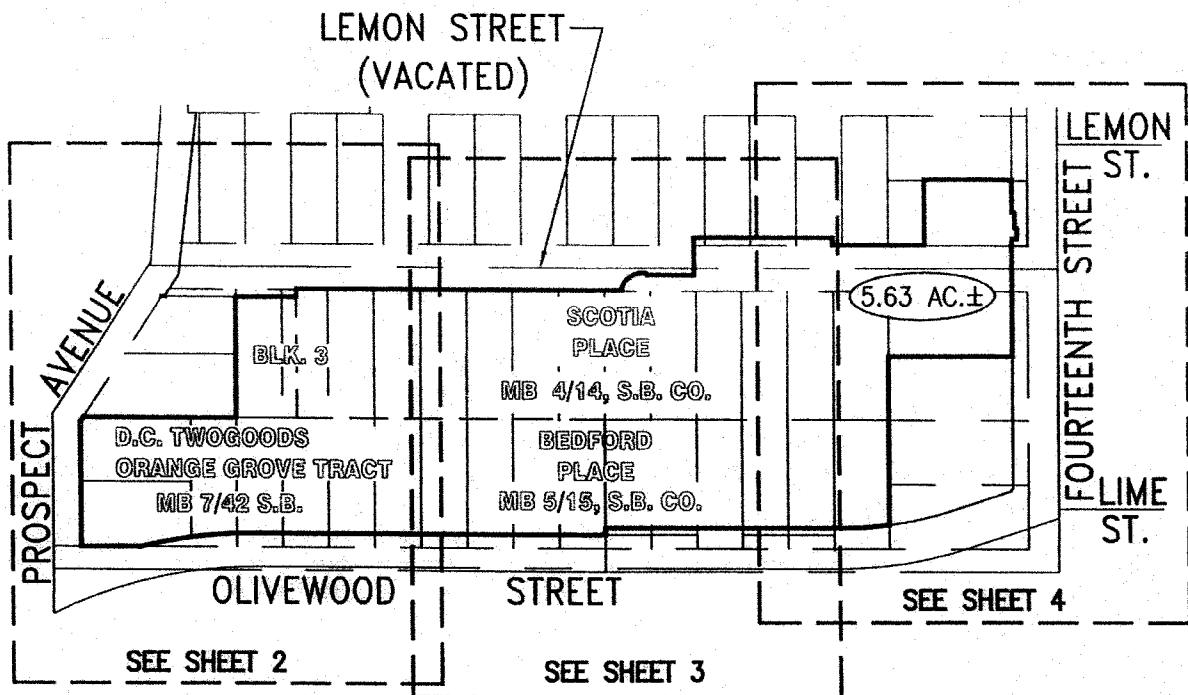
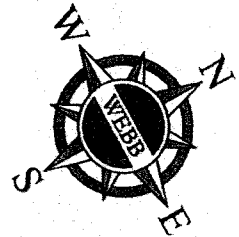

Andrew Y. Orosco, L.S. 5491

6/11/13
Date



Prepared by: KM
Checked by: AYO

EXHIBIT "B"
COUNTY PROPERTY
INDEX SHEET



SEC. 26, T2S, R5W, SBM

ALBERT A.
WEBB
ASSOCIATES

CITY OF RIVERSIDE

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THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) IN THE ATTACHED DOCUMENT. ALL PRIMARY CALLS ARE LOCATED IN THE WRITTEN DOCUMENT.

SHEET 1 OF 5

W.O.
13-0001

SCALE: 1"=200'

DRWN BY KM
 CHKD BY AYO

DATE 6-11-13
 DATE 6/11/13

SUBJECT: COUNTY PROPERTY

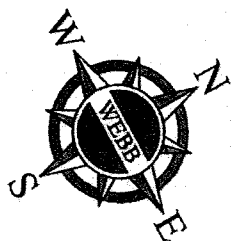
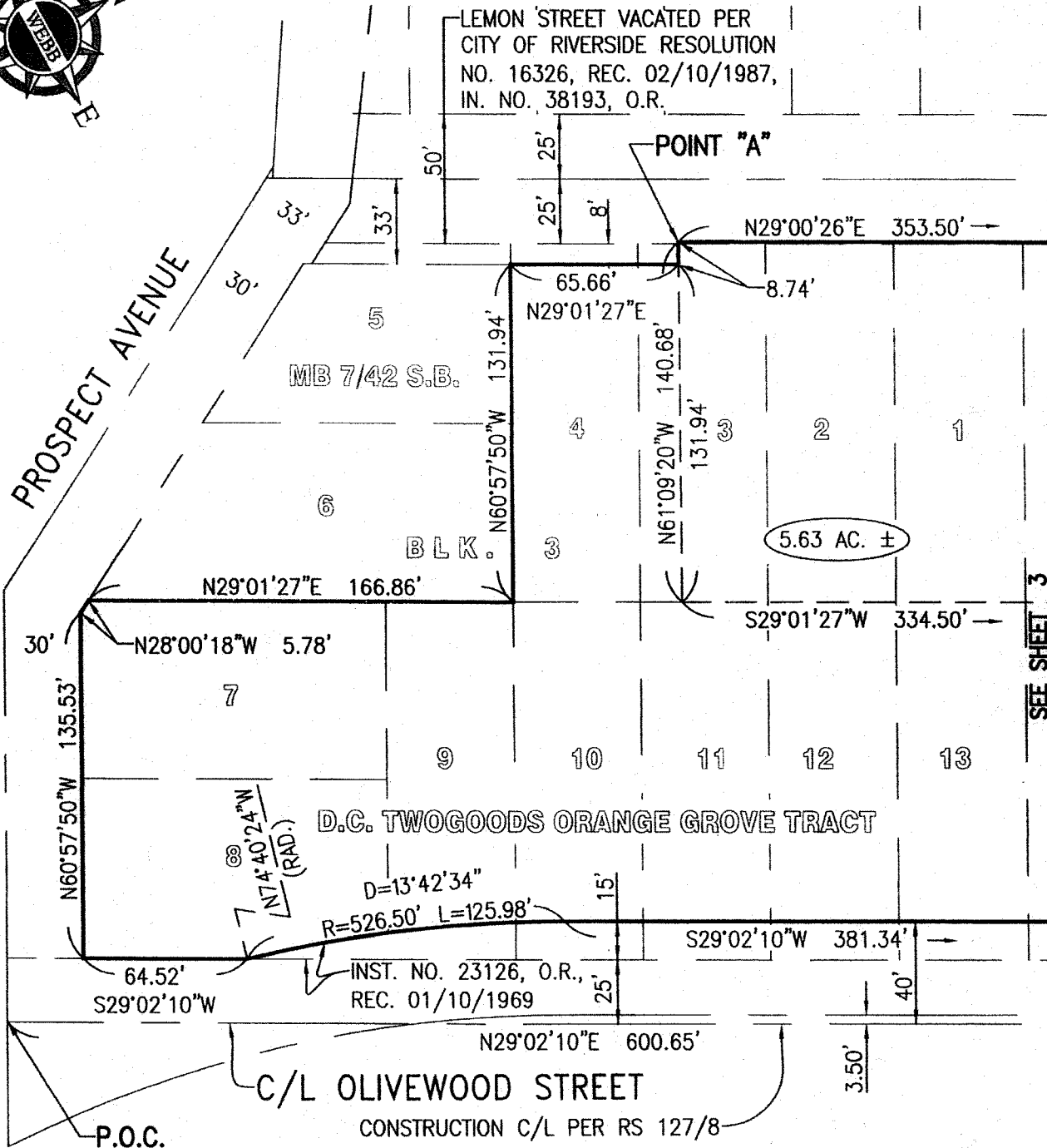


EXHIBIT "B"

COUNTY PROPERTY

LEMON STREET VACATED PER
CITY OF RIVERSIDE RESOLUTION
NO. 16326, REC. 02/10/1987,
IN. NO. 38193, O.R.



ALBERT A.
WEBB
ASSOCIATES

CITY OF RIVERSIDE

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THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) IN THE ATTACHED
DOCUMENT. ALL PRIMARY CALLS ARE LOCATED IN THE WRITTEN DOCUMENT.

SHEET 2 OF 5

W.O.
13-0001

SCALE: 1"=60'

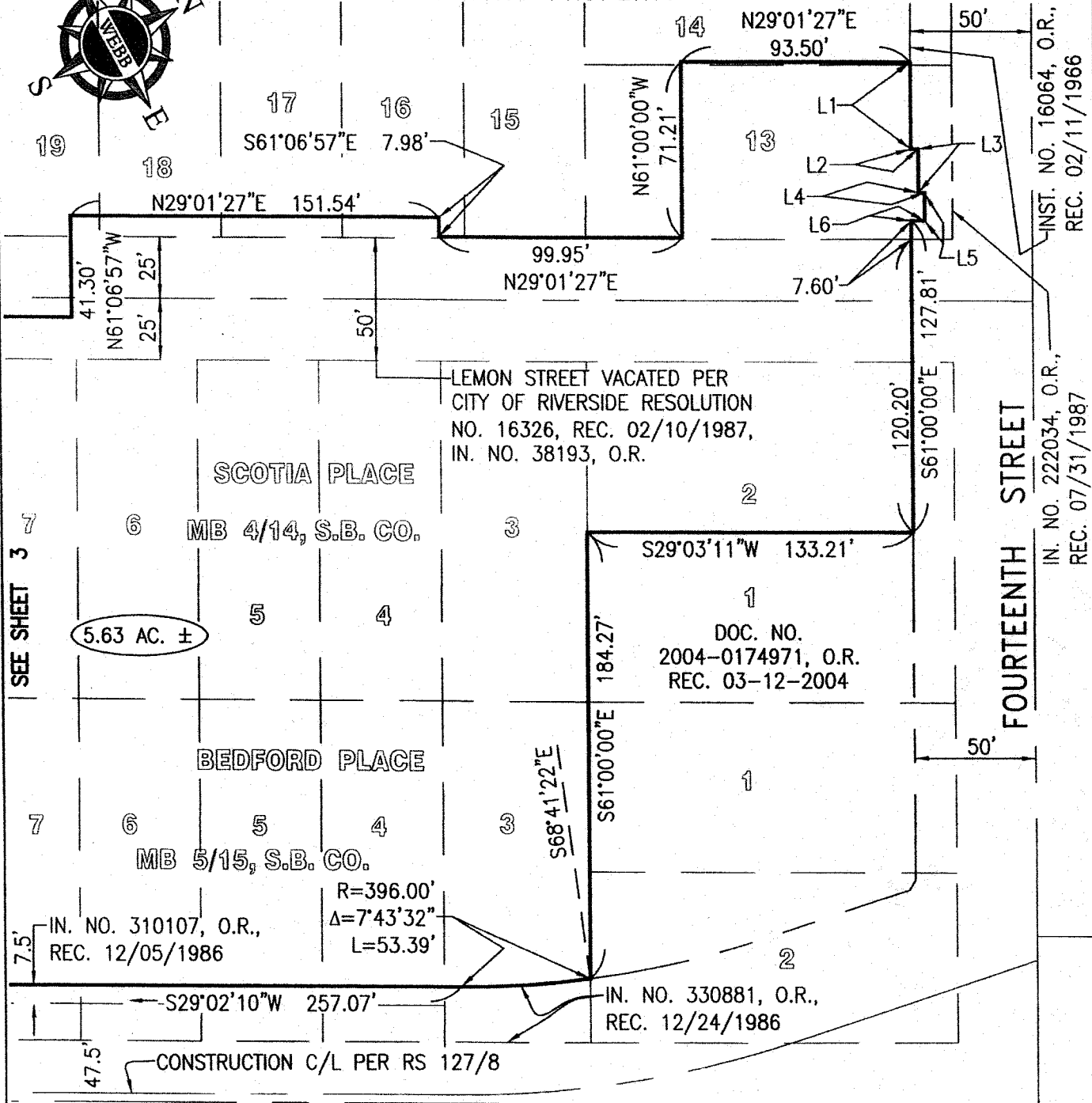
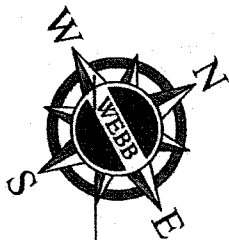
DRWN BY KM
CHKD BY AYD

DATE 6-11-13
DATE 6/11/13

SUBJECT: COUNTY PROPERTY

SUBJECT: COUNTY PROPERTY

EXHIBIT "B" COUNTY PROPERTY



SEC. 26, T2S, R5W, SBM

C/L OLIVEWOOD STREET

SEE SHEET 5 FOR LINE TABLE

ALBERT A.
WEBB
ASSOCIATES

CITY OF RIVERSIDE

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THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) IN THE ATTACHED DOCUMENT. ALL PRIMARY CALLS ARE LOCATED IN THE WRITTEN DOCUMENT.

SHEET 4 OF 5

W.O.
13-0001

SCALE: 1"=60'

DRWN BY KM
CHKD BY AYD

DATE 6-11-13
DATE 6/11/13

SUBJECT: COUNTY PROPERTY

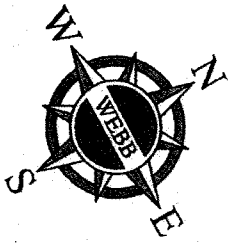


EXHIBIT "B"
COUNTY PROPERTY

LINE TABLE		
LINE #	BEARING	DISTANCE
L1	S61°00'00"E	35.06
L2	N29°00'00"E	3.00
L3	S61°00'00"E	17.70
L4	N29°00'00"E	2.50
L5	S61°00'00"E	11.40
L6	S29°00'00"W	5.50

SEC. 26, T2S, R5W, SBM

ALBERT A.
WEBB
ASSOCIATES

CITY OF RIVERSIDE

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THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) IN THE ATTACHED DOCUMENT. ALL PRIMARY CALLS ARE LOCATED IN THE WRITTEN DOCUMENT.

SHEET 5 OF 5

W.O.
13-0001

SCALE: 1"=60'

DRWN BY KM
CHKD BY AYO

DATE 6-11-13
DATE 6/11/13

SUBJECT: COUNTY PROPERTY



Original Negative Declaration/Notice of
Determination was routed to County
Clerks for posting on.

Date: June 27, 2013

7/2/13
Date

kb
Initial

To: Mary Ann Meyer, Office of the County Clerk

From: John Alfred, Acting Senior Environmental Planner, Project Management Office

Subject: County of Riverside Economic Development Agency Project # FM04107400088

The Riverside County's Economic Development Agency's Project Management Office is requesting that you post the attached Notice of Exemption. Attached you will find an authorization to bill by journal voucher for your posting fee.

After posting, please return the document to Mail Stop #1330 Attention: John Alfred, Acting Senior Environmental Planner, Economic Development Agency, 3403 10th Street, Suite 400. Riverside, CA 92501. If you have any questions, please contact John Alfred at 955-4844.

Attachment

cc: file

Signed: _____ Date: _____

John Alfred, Acting Senior Environmental Planner
County of Riverside, Economic Development Agency

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: Resolution No. 2013-139 Authorization to Purchase Real Property

Accounting String: 524830-47220-7200400000-FM04107400088

DATE: July 1, 2013

AGENCY: Riverside County Economic Development Agency

THIS AUTHORIZES THE COUNTY CLERK & RECORDER TO BILL FOR FILING AND HANDLING FEES FOR THE ACCOMPANYING DOCUMENT(S).

NUMBER OF DOCUMENTS INCLUDED: One (1)

AUTHORIZED BY: Vince Yzaguirre, Deputy Director, Economic Development Agency

Signature:

PRESENTED BY: James Force, Supervising Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



NOTICE OF EXEMPTION

June 27, 2013

Project Name: County of Riverside, Resolution No. 2013-139 Authorization to Purchase Real Property

Project Number: FM04107400088

Project Location: APN: 219-330-032; 219-330-022; 219-330-030, 3450 & 3478 14th Street, Riverside, CA.
Latitude: 33° 58' 25.27"N, Longitude: -117° 22' 33.05"W. (See attached exhibit).

Description of Project: The County of Riverside Economic Development Agency proposes the acquisition, lease and tenant improvements of two already existing buildings located at 3450 and 3478 14th Street, in the City of Riverside, California. The parcel houses two existing buildings, one is a five-story Class-A office structure and the other is an ancillary structure consisting of approximately 7,500 sqft, both have associated parking. The five-story building is currently known as the Press Enterprise Building and the 7,500 sqft ancillary structure is a former church building. The acquisition of these buildings will provide the necessary space to house Riverside County Information Technology (RCIT) Department and serve other county needs. The five-story building will temporarily continue to function as administrative offices for the Press Enterprise newspaper during a temporary lease and transition period. There will be minor tenant improvements within both buildings. The project does not involve any changes to land use, the existing building or environment. There will be minor tenant improvements within both buildings. The project does not involve any changes to land use, the existing buildings or the environment.

Name of Public Agency Approving Project: County of Riverside

Name of Person or Agency Carrying Out Project: County of Riverside, Economic Development Agency

Exempt Status: California Environmental Quality Act (CEQA) Guidelines, Section 15301, Existing Facilities, Class 1 and General Rule Exemption Section 15061(b)(3)

Reasons Why Project is Exempt: The project is exempt from the provisions of CEQA specifically by CEQA Guidelines:

- Section 15301, Class 1 - The project described above is exempt from CEQA pursuant to Section 15301 because it does not change the use of the existing buildings, does not change the existing buildings' foot print and does not involve changes to the existing environment. The project only changes the ownership of the existing buildings, creates a leasehold interest and makes minor interior tenant improvements to the existing buildings.
- Section 15061 (b) (3) – The project described above is exempt from CEQA pursuant to Section 15061(b)(3) because it can be seen with certainty that there is no possibility the project may have a significant effect on the environment. The project only changes the ownership of the existing buildings, creates a leasehold interest and makes minor interior tenant improvements. Accordingly, the project does not create either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

JUL 02 2013 3-49

P.O. Box 1180 • Riverside, California • 92502 • T: 951.955.8916 • F: 951.955.6686

www.rivcoeda.org

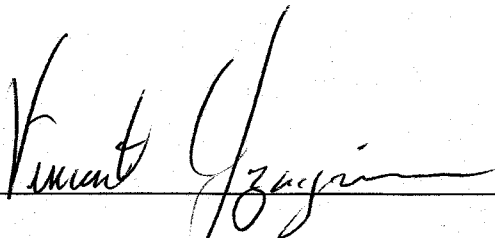
Administration
Aviation
Business Intelligence
Cultural Services
Community Services
Custodial

Housing
Housing Authority
Information Technology
Maintenance
Marketing

Economic Development
Edward-Dean Museum
Environmental Planning
Fair & National Date Festival
Foreign Trade
Graffiti Abatement

Parking
Project Management
Purchasing Group
Real Property
Redevelopment Agency
Workforce Development

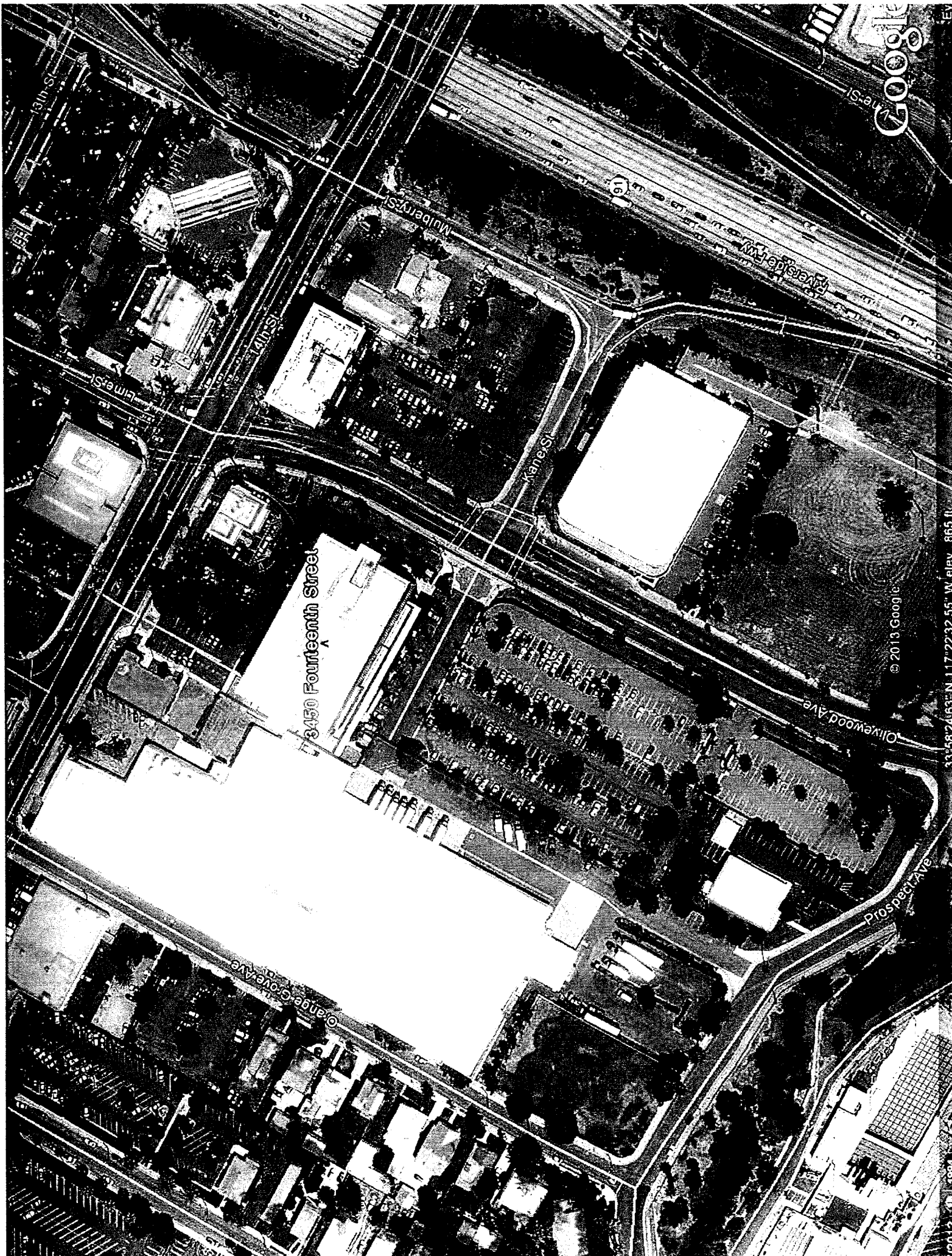
Signed:

A handwritten signature in black ink, appearing to read "Vincent Yzaguirre", written over a horizontal line.

Date:

7-1-13

Vincent Yzaguirre, EDA Deputy Director
County of Riverside, Economic Development Agency



Lease Agreement

INTERIM LEASE

County of Riverside, and

Press Enterprise Company

3450 Fourteenth Street, Riverside, California

THIS INTERIM LEASE ("Lease") is entered into to be effective as of the 2nd day of June, 2013 ("Effective Date"), by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California (herein called "County"), and Press Enterprise Company (herein called "Lessee"). Hereafter, County and Lessee are sometimes individually referred to as a "party," and collectively, the "parties."

RECITALS. This Lease is made with reference to the following facts:

(a) Lessee has sold to County and County has purchased from Lessee that certain building situated at 3450 Fourteenth Street, Riverside, California, and ("Building");

(b) Lessee currently occupies the entire Building and desires to lease back a portion of the Building including the entire third floor and portions of the first and fourth floors for six (6) months from the Close of Escrow (as defined in Section 1(b), below) during which time Lessee will locate and occupy permanent quarters elsewhere for its operational needs;

(c) County and Lessee acknowledge that a third party tenant ("Existing Tenant") occupies a portion of the fourth floor of the Building ("Existing Tenant Premises") and will continue to occupy the Existing Tenant Premises during the Term of this Lease; and

(d) County and Lessee desire to enter into this Lease and to cooperate by sharing the Building for the benefit of both Parties.

OPERATIVE PROVISIONS.

Now, therefore, in consideration of the foregoing Recitals, which Recitals are incorporated herein by this reference, and for other good and valuable consideration, the receipt of which are hereby acknowledged, and for the mutual covenants contained herein, County and Lessee agree as follows:

1. Description.

(a) County hereby leases to Lessee approximately 39,490 square feet of floor space in the Building, consisting of a portion of the first and fourth floors and the entire third floor, as more particularly depicted on Exhibits A-1, A-2 and A-3 attached hereto and incorporated herein by this reference ("Premises"). Lessee shall have the exclusive use of the Premises, and, with the exception of the County and the Existing Tenant, the exclusive use of the restrooms and data, electrical, and HVAC rooms on the third and fourth floors.

(b) County acknowledges that, following the close of escrow for the sale of the Building by Lessee to County ("Close of Escrow"), Lessee will be required to consolidate its operations (which currently occupy the majority of the Building) into the Premises which comprise only the third floor and portions of the first and fourth floors ("Consolidation"). In that regard, Lessee shall complete the Consolidation on or before the date which is forty-five (45) days following the Effective Date of this Lease; provided that the Close of Escrow occurs on or before August 15, 2013. During the forty-five (45) day period within which Lessee is effecting the Consolidation, County shall not occupy the Building, nor permit the tenancy of any new tenants to commence, in order to eliminate any disruption to, or delay in the completion of Lessee's Consolidation efforts.

(c) Lessee shall have common usage of the interior Fourteenth Street lobby, cafeteria, elevator systems, stairwells, and exterior walkways, driveways, vehicular parking spaces, and other similar facilities maintained by the County for other tenants and the public. In addition, Lessee shall have access rights to the County's Data Center located on the first floor of the Building ("Main Data Center") twenty-four (24) hours a day, seven (7) days a week. Otherwise, County agrees that, during the Term (as defined in Section 3, below) and any holdover period (referenced in Section 4, below), the standard operating hours of the Building shall be from 7:00 a.m. to 12:00 a.m. seven (7) days a week.

2. Use.

(a) Lessee shall use the Premises for purposes of general office use and for operating a data center on a portion of the first floor.

(b) The Premises shall not be used for any other purpose without first obtaining the written consent of County, which consent shall not be unreasonably withheld, conditioned, or delayed.

(c) Lessee shall have the exclusive use of the Premises.

3. **Term.** The term of this Lease shall be for a period of one hundred eighty (180) days ("Term"), effective as of the close of escrow for the sale of the Building by Lessee to County and expiring at midnight on the one hundred eightieth (180th) day thereafter. Notwithstanding the foregoing, Lessee shall have the unrestricted right to terminate this Lease upon thirty (30) days' written notice to County at any time during the Term.

4. **Holdover.** In the event Lessee continues to occupy the Premises after the expiration of this Lease, the tenancy shall thereafter be from month to month, and the monthly rental increased to 125% of the monthly rent set forth herein.

5. **Rent.**

(a) Lessee shall pay Fifty-Nine Thousand Two Hundred Thirty-Five and No/100 Dollars (\$59,235.00) per month to County ("Rent"), computed by multiplying One and 50/100 Dollars (\$1.50) by 39,490 square feet of floor area of the Premises, payable, in advance, on the first (1st) day of each month; provided, however, that in the event the Term commences or expires on a date which is not the first or last date of the month, the Rent payable for said month shall be pro-rated based upon the actual number of days in such month.

6. **On-Site Improvements by Lessee.**

(a) Lessee shall have the right to make alterations or improvements to the Premises, provided that Lessee obtains the prior written consent of the County for any structural alterations or improvements or the installation of fixtures to be undertaken by Lessee, and provided further that Lessee's request for County's consent shall be accompanied by proposed plans for such alterations, improvements or fixtures for County's review and approval. County's consent shall not be unreasonably withheld, conditioned or delayed.

(b) All alterations and improvements to be made, and fixtures installed, or caused to be made and installed by Lessee shall become the property of County with the exception of trade fixtures as such term is used in Section 1019 of the Civil Code. At or prior to the expiration or earlier termination of this Lease, Lessee shall have the right to remove such trade fixtures; provided, however, that such removal does not cause injury or damage to the Premises, or in the event it does, Lessee shall restore the Premises to, as nearly as practicable, its condition upon delivery to Lessee. In the event such trade fixtures are not removed, County may, at its election, either: (1) remove and store such trade fixtures and restore the Premises for the

account of Lessee, and in such event, Lessee shall within thirty (30) days after billing and accounting therefor, reimburse County for the costs so incurred, or (2) take and hold such trade fixtures as its sole property.

7. **Signs.** With the exception of Lessee's existing sign as of the Effective Date ("Existing Sign"), Lessee shall not erect, maintain or display any signs or other forms of advertising upon the Premises without first obtaining the written approval of County, which approval shall not be unreasonably withheld, conditioned or delayed. Lessee shall remove its Existing Sign no later than thirty (30) days following Lessee's vacation of the Premises, and shall patch and repair any holes left by such removal, to the reasonable satisfaction of County.

8. **Utilities.**

(a) Except as set forth in Section 8(b), below, County shall provide and pay for all utilities necessary for Lessee's operations on the Premises during the Term and any holdover period.

(b) Lessee shall provide and pay for all telephone services necessary for Lessee's operations on the Premises during the Term and any holdover period.

9. **Maintenance.**

(a) County shall be responsible, at its sole cost and expense, for all maintenance of the Premises and common areas during the Term and any holdover period.

(b) County shall be responsible, at its sole cost and expense, for providing routine monitoring and maintenance of the fire alarm system, fire extinguishers, and the fire sprinkler system serving the Premises and common areas, if applicable, during the Term and any holdover period.

(c) County shall maintain, at its sole cost and expense, the mechanical room and other major equipment serving the Premises and common areas during the Term and any holdover period.

(d) Notwithstanding any other provision of this Lease, County acknowledges that certain building services are critical to Lessee's time-sensitive publishing operations and that County's immediate response to any disruption of critical services (such as electrical and HVAC) is necessary. Accordingly, if any services deemed by Lessee to be critical are interrupted and County has not responded within (i) sixty (60) minutes from Lessee's notice related to electrical and HVAC outages in the Data Center located on the first floor of the Building or (ii) sixty (60) minutes from Lessee's notice related to HVAC outages in Lessee's newsroom located on the south end of the third floor of the Building and Lessee's Call Center located on the fourth floor of the Building, then Lessee shall have the right to engage service providers to restore such

services and, in that event, County shall reimburse Lessee for the reasonable cost of restoration of such services.

(e) In the event any damage or injury to the Premises is caused by the negligent acts of Lessee, its officers, employees, clients, agents, guests, invitees, subcontractors or independent contractors, any repairs made, or caused to be made by County as may be necessary to restore the Premises as a result of such damage or injury shall be paid forthwith by Lessee to County upon a billing and accounting thereof, in writing, by County to Lessee.

10. **Custodial Services.** County shall provide, or cause to be provided, and pay for all custodial services in connection with the Premises and common areas during the Term and any holdover period.

11. **Inspection of Premises.** Upon forty-eight (48) hours' prior notice, County, through its duly authorized agents, shall have the right to enter the Premises for the purpose of inspecting, monitoring, and evaluating the obligations of Lessee hereunder and for carrying out its obligations hereunder.

12. **Quiet Enjoyment.** Lessee shall have, hold and quietly enjoy the use of the Premises so long as it shall fully and faithfully perform the terms and conditions that it is required to do under this Lease.

13. **Compliance with Government Regulations.** Lessee shall, at Lessee's sole cost and expense, comply with the requirements of all local, state and federal statutes, regulations, rules, ordinances and orders now in force or which may be hereafter in force, pertaining to the Premises.

14. **Termination by County.** County shall have the right to terminate this Lease forthwith:

(a) In the event a petition is filled for voluntary or involuntary bankruptcy for the adjudication of Lessee as debtors.

(b) In the event that Lessee makes a general assignment, or Lessee's interest hereunder is assigned involuntarily or by operation of law, for the benefit of creditors.

(c) In the event of abandonment of the Premises by Lessee.

(d) In the event Lessee fails or refuses to perform, keep or observe any of Lessee's duties or obligations hereunder; provided, however, that Lessee shall have thirty (30) days in which to correct Lessee's breach or default after written notice thereof has been served on Lessee by County (or if the breach or default cannot be cured within thirty (30) days, Lessee shall commence such correction within thirty (30) days and thereafter diligently complete the same).

15. Termination by Lessee. Lessee shall have the right to terminate this Lease:

(a) In the event County fails to perform, keep or observe any of its duties or obligations hereunder; provided, however, that County shall have thirty (30) days in which to correct its breach or default after written notice thereof has been served on it by Lessee; provided, further, however, that in the event such breach or default is not corrected, Lessee may elect to terminate this Lease in its entirety or as to any portion of the Premises affected thereby, and such election shall be given by an additional fifteen (15) days' written notice to County. However, in the event the County's failure to perform any obligation described herein (including without limitation, County's failure to make repairs or replacements), which, in Lessee's opinion, constitutes an emergency or poses a risk to any person, the Premises or Lessee's property (specifically, HVAC or electric outages), then Lessee shall have the right, but not the obligation, to make the necessary repairs or replacements, in which event, County shall reimburse Lessee for the reasonable, out-of-pocket costs expended by Lessee in making said repairs. If County fails to reimburse Lessee for the cost of such repairs within fifteen (15) days after Lessee has provided an invoice to County therefor, Lessee shall have the right to deduct the total amount of such cost from the Rent thereafter to become due under this Lease, without waiving any other rights of Lessee.

16. Insurance. Lessee shall during the Term of this Lease procure at its sole cost and expense and keep in full force and effect from the commencement date of this Lease continuing until the end of the Term of the Lease the following insurance provisions:

(a) Workers' Compensation. Procure and maintain Workers' Compensation Insurance as prescribed by the laws of the State of California.

(b) Comprehensive General Liability. Procure and maintain Comprehensive Broad Form General Liability insurance coverage that shall protect Lessee from claims including, but not limited to, damages for Premises liability, contractual liability, personal and advertising injury (broad form) which may arise from or out of Lessee's operation, use and management of the Premises, whether such operations and use be by Lessee, by any subcontractor, vendor, or by anyone employed directly or indirectly by either of them or volunteers serving either of them. Such insurance shall name County of Riverside, its Directors, Officers, Special Districts, Board of Supervisors, employees, agents or representatives as additional insureds with respect to this Lease and the obligations hereunder with limits not less than \$1,000,000 per occurrence

combined single limit. Policy shall provide for \$5,000 in medical payments coverage per occurrence, and fire legal liability in an amount not less than \$50,000 per occurrence.

(c) Vehicle Liability. Lessee shall procure auto liability as required by the State of California.

(d) All Risk Real and Personal Property.

(1) The Premises will continue to remain insured by the County Property Program at no additional cost to Lessee. The County of Riverside shall continue to be responsible for all risk, earthquake and flood deductibles.

(2) The Premises will continue to remain insured by the County Boiler and Machinery Program. The County of Riverside shall continue to be responsible for any and all deductibles relating to Boiler and Machinery insurance coverage.

(e) General Insurance Provisions.

(1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California unless waived, in writing, by County Risk Manager, and such carrier(s) shall have an A.M. BEST rating of not less than an A:VII (A:8). In addition, any deductibles or self-insured retentions must be declared by such carrier(s) and such deductibles and retentions shall have the prior consent, in writing, from the County Risk Manager and, at the election of the County Risk Manager, such carriers shall be notified in writing and shall either: (1) reduce or eliminate such deductibles or self-insured retentions relating to the County of Riverside, its officers, employees or agents, or (2) procure a bond which guarantees payment of losses and related investigations, claim(s) administration and defense expenses and costs. If no written notice is received from County Risk Manager within ten (10) days of the acceptance of agreement then such deductibles or self-insured retentions shall be deemed acceptable.

(2) Lessee shall cause its insurance carrier(s) to furnish the County of Riverside with either (1) properly executed original Certificate(s) of Insurance and certified original copies of endorsements effecting coverage as required herein, or (2) if requested to do so, in writing, by County Risk Manager, provide original Certified copies of policies including all endorsements and any and all attachments thereto, showing that such insurance is in full force and effect, and County of Riverside, its Directors, Officers, Special Districts, Board of Supervisors, elected officials, employees, agents or representatives are named as additional insureds with respect to this Lease and the obligations of Lessee hereunder. Further, said

Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days' written notice shall be given to the County of Riverside prior to any modification, cancellation, expiration or reduction in coverage of such insurance. In the event of any such modification, cancellation, expiration or reduction in coverage and on the effective date thereof, this Lease shall terminate forthwith, unless the County of Riverside receives prior to such effective date another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies including all endorsements and attachments thereto evidencing coverages set forth herein and the insurance required herein is in full force and effect. Lessee shall not take possession or otherwise use the Premises until the County of Riverside has been furnished original Certificate(s) of Insurance and certified original copies of endorsements or policies of insurance including all endorsements and any and all other attachments as required in this Section. The original endorsements for each policy and the Certificate of Insurance shall be signed by an individual authorized by the insurance carrier to do so on its behalf.

(3) It is understood and agreed to by the parties hereto, and the insurance company(s), Certificate(s) of Insurance and policies shall so covenant and shall be construed as primary and County's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

17. Hold Harmless.

(a) Lessee represents that it has inspected the Premises, accepts the condition thereof and fully assumes any and all risks incidental to the use thereof. County shall not be liable to Lessee, its officers, agents, employees, subcontractors or independent contractors for any personal injury or property damage suffered by them which may result from hidden, latent or other dangerous conditions in, on, upon or within the Premises, except to the extent that such dangerous conditions are caused by the negligence or intentional acts of County, its officers, agents or employees.

(b) Lessee shall indemnify and hold County, its officers, agents, employees and independent contractors free and harmless from any liability whatsoever, based or asserted upon any act or omission of Lessee, its officers, agents, employees, subcontractors and independent contractors, for property damage, bodily injury, or death (Lessee's employee included) or any other element of damage of any kind or nature, relating to or in anywise connected with or arising from its use and responsibilities in connection therewith of the Premises or the condition thereof, and Lessee shall defend, at its expense, including without

limitation, attorney fees, expert fees and investigation expenses, County, its officers, agents, employees and independent contractors in any legal action based upon such alleged acts or omissions. The obligations to indemnify and hold County free and harmless herein shall survive until any and all claims, actions and causes of action with respect to any and all such alleged acts or omissions are fully and finally barred by the applicable statute of limitations.

(c) The specified insurance limits required in Section 16, above shall in no way limit or circumscribe Lessee's obligations to indemnify and hold County free and harmless herein.

18. **Assignment.** Lessee shall not assign, sublet, mortgage, hypothecate or otherwise transfer in any manner any of its rights, duties or obligations hereunder to any person or entity without the written consent of County being first obtained, which consent shall be in the absolute discretion of County. In the event of any such transfer, as provided in this Section, Lessee expressly understands and agrees that it shall remain liable with respect to any and all of the obligations and duties contained in this Lease. Notwithstanding the foregoing, Lessee shall have the unrestricted right to assign or otherwise transfer this Lease to an affiliate which owns or controls, or is owned or controlled by Lessee ("Affiliate"), in which event, Lessee shall not remain liable for the obligations and duties contained in this Lease upon the effective date of such transfer to said Affiliate.

19. **Toxic Materials.** During the Term of the Lease and any extensions thereof, Lessee shall not violate any federal, state or local law, ordinance or regulation, relating to industrial hygiene or to the environmental condition on, under or about the Premises, including, but not limited to, soil and groundwater conditions. Further, Lessee, its successors, assigns and sublessees, shall not use, generate, manufacture, produce, store or dispose of on, under or about the Premises or transport to or from the Premises any flammable explosives, asbestos, radioactive materials, hazardous wastes, toxic substances or related injurious materials in quantities which are in violation of law, whether injurious by themselves or in combination with other materials (collectively, "hazardous substances", "hazardous materials" or "toxic substances") as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq; and those substances defined as "Hazardous Wastes" in Section 25117 of the California Health and Safety Code

or as "Hazardous Substances" in Section 25316 of the California Health and Safety Code; and in the regulations adopted in publications promulgated pursuant to said laws.

20. **Free From Liens.** Lessee shall pay, when due, all sums of money that may become due for any labor, services, material, supplies, or equipment, alleged to have been furnished or to be furnished to Lessee, in, upon, or about the Premises, and which may be secured by a mechanic's, material man's or other lien against the Premises or County's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by such lien matures or becomes due; provided, however, that if Lessee desires to contest any such lien, it may do so, but notwithstanding any such contest, if such lien shall be reduced to final enforcement thereof is not promptly stayed, or if so stayed, and said stay thereafter expires, then and in such event, Lessee shall forthwith pay and discharge said judgment.

21. **Employees and Agents of Lessee.** It is understood and agreed that all persons hired or engaged by Lessee shall be considered to be employees or agents only of Lessee and not of County.

22. **Binding on Successors.** Subject to the restriction on assignment set forth in Section 18, above, Lessee, its assigns and successors in interest, shall be bound by all the terms and conditions contained in this Lease, and all the parties thereto shall be jointly and severally liable hereunder.

23. **Waiver of Performance.** No waiver by County at any time of any of the terms and conditions of this Lease shall be deemed or construed as a waiver at any time thereafter of the same or of any other terms or conditions contained herein or of the strict and timely performance of such terms and conditions.

24. **Severability.** The invalidity of any provision in this Lease as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

25. **Venue.** Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this Lease shall be tried in a court of competent jurisdiction in the County of Riverside, State of California.

26. **Attorneys' Fees.** In the event of any litigation or arbitration between Lessee and County to enforce any of the provisions of this Lease or any right of either party hereto, the unsuccessful party to such litigation or arbitration agrees to pay to the successful party all costs and expenses, including reasonable attorneys' fees, incurred therein by the successful party, all of which shall be included in and as a part of the judgment or award in such litigation or arbitration.

27. **Notices.** All notices and other communications required or permitted to be given hereunder shall be in writing and shall be sent by: (a) certified or registered mail, postage prepaid, return receipt requested, (b) personal delivery, or (c) a recognized overnight carrier that provides proof of delivery, and shall be addressed as follows:

County:

County of Riverside
Economic Development Agency
3403 10th Street, Suite 500
Riverside, California 92501

Lessee:

Press Enterprise Company
3512 14th Street
Riverside, CA 92501

Or to such other addresses as from time to time shall be designated by the respective parties.

28. **Permits, Licenses and Taxes.** Lessee shall secure and maintain, at its expense, all necessary permits and licenses as it may be required to obtain and/or hold, and Lessee shall pay for all fees and taxes levied or required by any authorized public entity. Lessee recognizes and understands that this Lease may create a possessory interest subject to property taxation and that Lessee may be subject to the payment of property taxes levied on such interest.

29. **Paragraph Headings.** The paragraph headings herein are for the convenience of the parties only, and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions or language of this Lease.

30. **County's Representative.** County hereby appoints the Assistant County Executive Officer/EDA as its authorized representatives to administer this Lease.

31. **Agent for Service of Process.** It is expressly understood and agreed that in the event Lessee is not a resident of the State of California or it is an association or partnership without a member or partner resident of the State of California, or it is a foreign corporation, then in any such event, Lessee shall file with the Assistant County Executive Officer/EDA, upon its execution hereof, a designation of a natural person residing in the State of California, giving his or her name, residence and business addresses, as its agent for the purpose of services of process in any court action arising out of or based upon this Lease, and the delivery to such agent of a copy of any process in any such action shall constitute valid service upon Lessee. It is further expressly understood and agreed that if for any reason service of such process upon such agent is not feasible, then, in such event, Lessee may be personally served with such process out of this County and that such service shall constitute valid service upon Lessee. It is further expressly understood

and agreed that Lessee is amenable to the process so served, submits to the jurisdiction of the court so obtained and waives any and all objections and protests thereto.

32. **Entire Agreement; Amendment.** This Lease is intended by the parties hereto as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous leases, agreements and understandings, oral or written, in connection therewith. This Lease may be changed or modified only upon the written consent of the parties hereto.

33. **Approval.** This Lease shall not be binding or consummated until its approval by the County of Riverside Board of Supervisors.

Dated: JUL 02 2013

LESSOR:
COUNTY OF RIVERSIDE

By: John J. Benoit
John J. Benoit, Chairman
Board of Supervisors

LESSEE:
PRESS ENTERPRISE COMPANY

By: Pan
Title: Secretary + Assistant
Treasurer

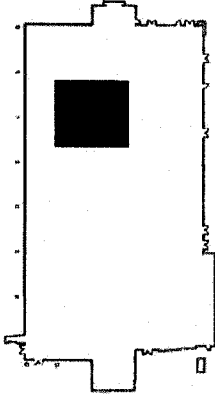
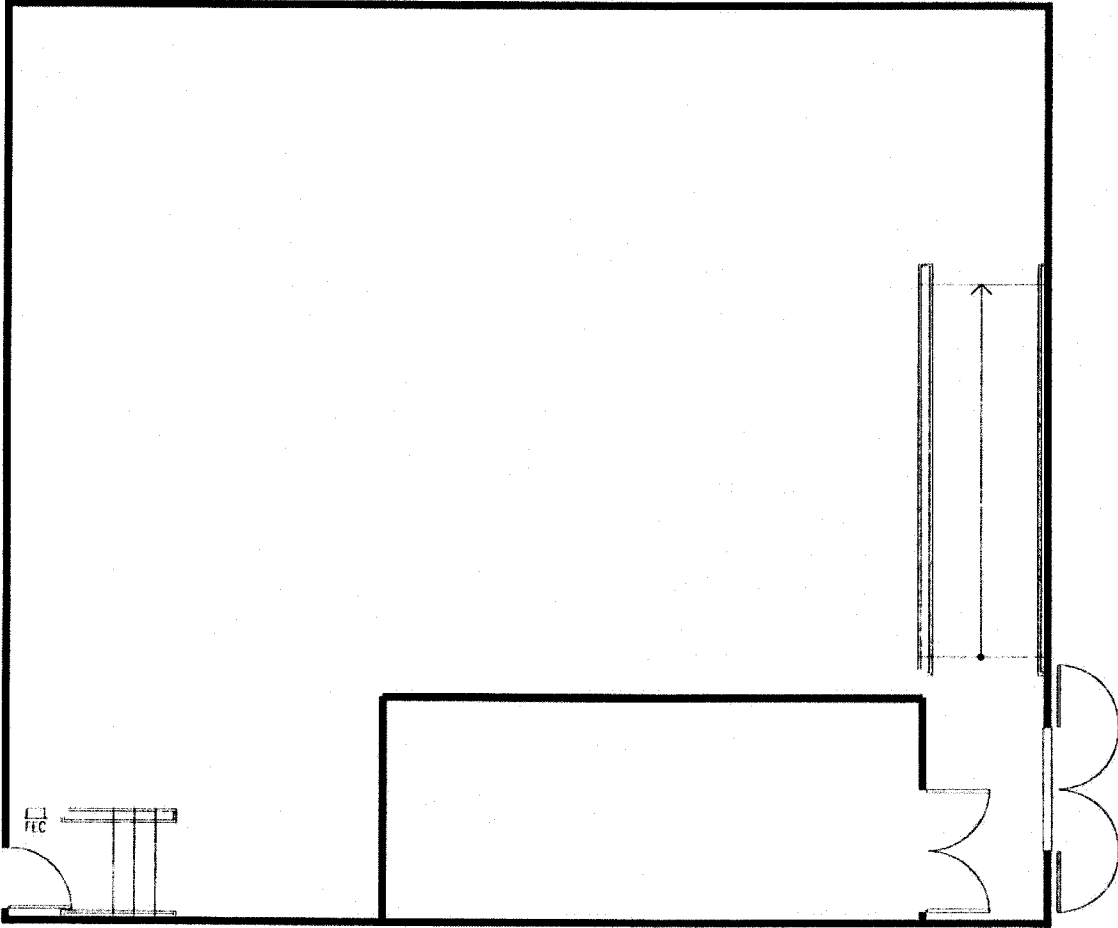
APPROVED AS TO FORM:
Pamela J. Walls
County Counsel

By: [Signature]
Deputy

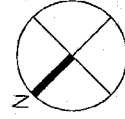
ATTEST:
KECIA HARPER-IHEM, Clerk
By: [Signature]
DEPUTY

Exhibit “A-1”

DEPICTION OF FIRST FLOOR OF THE PREMISES



FLOOR LOCATION PLAN



SHLEMMER • ALGAZE • ASSOCIATES

3450 14th STREET
RIVERSIDE, CA

1st FLOOR
DATA CENTER
2,212 USF

18201 Von Karman, Suite 120
Irvine, CA 92612
T (949) 724-9858
F (949) 724-1981

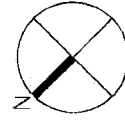
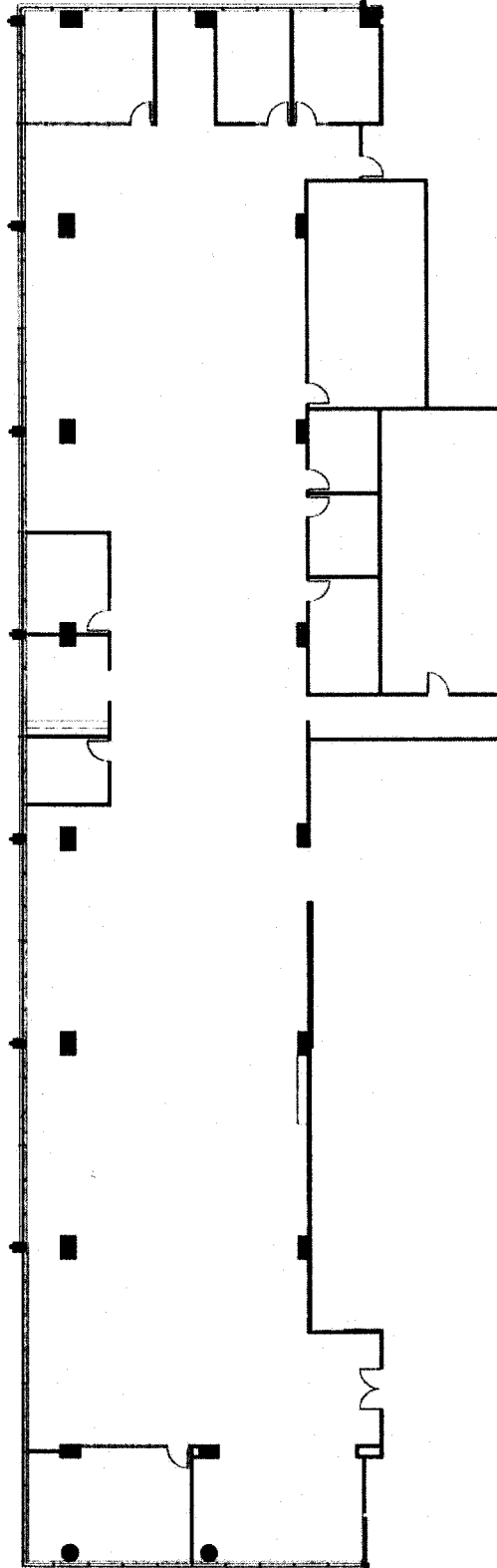
05/21/13

Exhibit “A-2”

DEPICTION OF FOURTH FLOOR OF THE PREMISES



FLOOR LOCATION PLAN



SHLEMMER • ALKAZE • ASSOCIATES

18201 Von Karman, Suite 120
Irvine, CA 92612
T (949) 724-9958
F (949) 724-1981

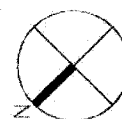
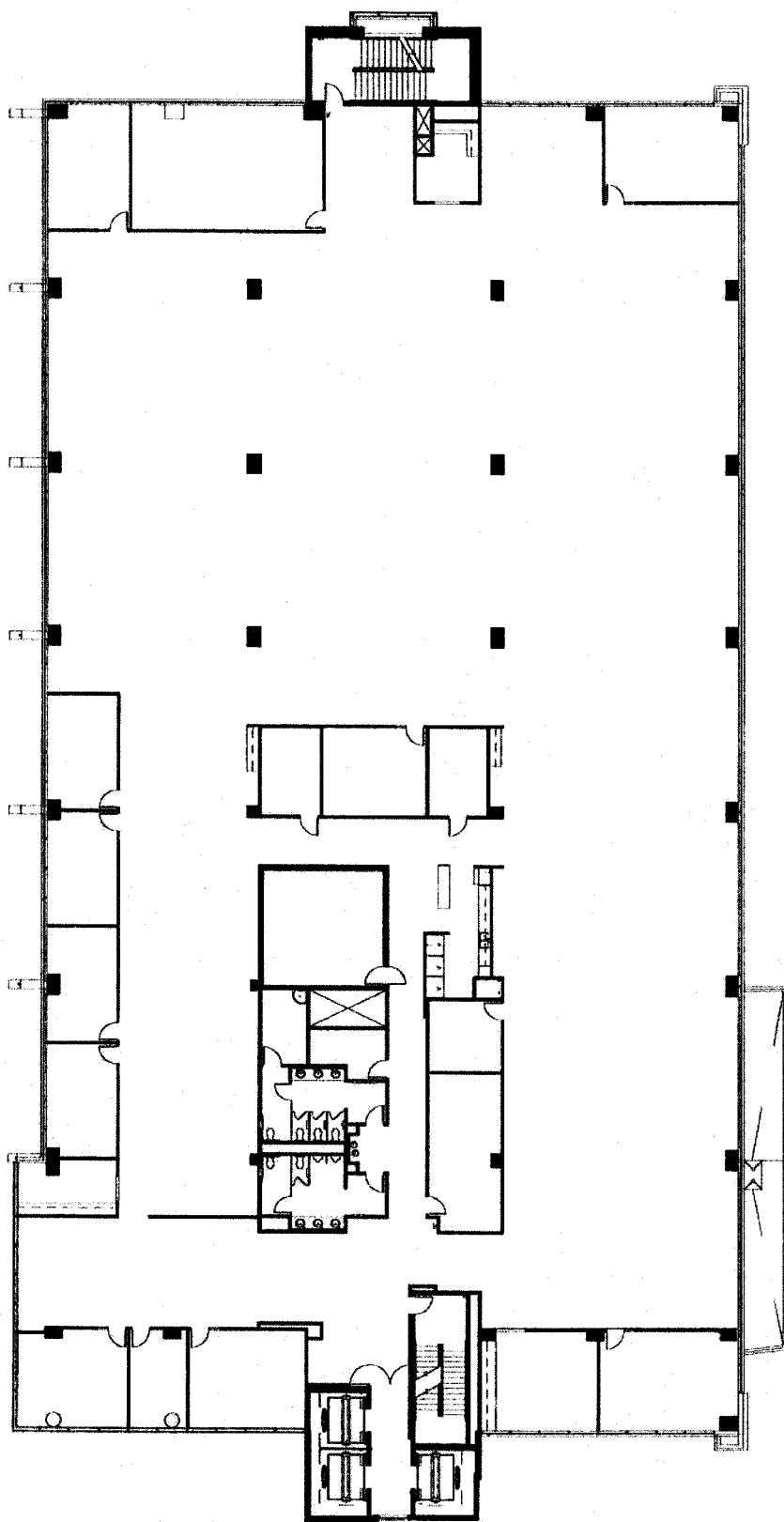
05/21/13

4th FLOOR
PRESS ENTERPRISE
12,011 USF

3450 14th STREET
RIVERSIDE, CA

Exhibit “A-3”

DEPICTION OF THIRD FLOOR OF THE PREMISE



saa

SHLEMMER • ALGAZE • ASSOCIATES

18201 Von Karman, Suite 120
Irvine, CA 92612
T (949) 724-8858
F (949) 724-1981

3rd FLOOR
25,267 USF

3450 14th STREET
RIVERSIDE, CA

05/21/13

**LICENSE AGREEMENT
(UTILITIES)**

by and between

**AHC CALIFORNIA PROPERTIES, LLC,
a Delaware limited liability company
("AHC")**

and

**COUNTY OF RIVERSIDE,
a political subdivision of the State of California
("County")**

LICENSE AGREEMENT (UTILITIES)

This License Agreement related to common utilities ("**Agreement**") is made and entered into this _____ day of _____, 2013, by and between AHC California Properties, LLC, a Delaware limited liability company ("**AHC**"), and The County of Riverside, a political subdivision of the State of California ("**County**"). Hereafter, AHC and County are sometimes referred to individually as a "**Party**," and collectively, as the "**Parties**."

RECITALS

WHEREAS, AHC (as "Seller" thereunder) and County (as "Buyer" thereunder) are parties to that certain Agreement of Purchase and Sale and Joint Escrow Instructions dated _____, 2013 ("**Purchase Agreement**"). Pursuant to the terms of the Purchase Agreement, County will acquire from AHC approximately 5.25 acres of land, together with a 138,889 square foot building ("**2007 Building**") and a 7,839 square foot building ("**Former Church**") in the City of Riverside ("**City**"), County of Riverside, State of California, in the location depicted on Exhibit "A" attached hereto and incorporated herein by this reference ("**Site Plan**"), and as more specifically described in Exhibit "B," attached hereto and incorporated herein by this reference ("**County Property**");

WHEREAS, AHC will remain the owner of the real property immediately adjacent to the County Property, together with a 45,358 square foot building ("**1955 Building**"), a 15,488 square foot building ("**1963 Building**"), a 26,178 square foot building ("**1966 Building**"), a 31,767 square foot building ("**1981 Building**"), and a 108,810 square foot building ("**1988 Building**," and together with the 1955 Building, the 1963 Building, the 1966 Building, and the 1981 Building, the "**AHC Buildings**") in the City of Riverside, County of Riverside, State of California, in the location depicted on the Site Plan, and as more specifically described in Exhibit "C," attached hereto and incorporated herein by this reference ("**AHC Property**");

WHEREAS, the County Property and the AHC Property will share common utility services ("**Common Utilities**" or "**Common Utility Services**") following the closing of the sale contemplated under the Purchase Agreement, and the Parties have agreed to the joint use of said Common Utility Services temporarily, until such time as AHC may complete the division of such Common Utilities serving the County Property and the AHC Property;

WHEREAS, the Parties desire to grant one another reciprocal, non-exclusive licenses for access to and use of the other's property for purposes of utilizing the Utility Services (as

defined in Section 1, below), upon and subject to the terms, covenants and conditions set forth herein;

WHEREAS, AHC also desires a non-exclusive license for access to and use of the County Property for purposes of the installation and operation of a data communications line and related facilities to serve the AHC Buildings and for purposes of increasing the fire rating of certain interior walls within the elevator core of the 2007 Building; and

WHEREAS, County and AHC desire to enter into this Agreement to memorialize the terms and conditions upon which each shall have a license to enter upon and use the other Party's property in connection with the Common Utility Services, and AHC shall have an additional license to enter upon and use the County Property in connection with the Data Facilities (as defined in Section 8, below).

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the foregoing Recitals, which Recitals are incorporated herein by this reference, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Reciprocal Licenses.** AHC, for and in consideration of the mutual covenants contained herein, hereby grants to County a non-exclusive license ("**Electrical Service License**") to use that certain portion of the AHC Property necessary to make use of the electrical service and disconnect located in the basement of the 1955 Building which serves the Former Church as well as all of the AHC Buildings ("**Electrical Service**"). The County, for and in consideration of the mutual covenants contained herein, hereby grants to AHC a non-exclusive license ("**Fire Riser License**") to use that certain portion of the County Property necessary to make use of the post-indicator valve located in front of the 2007 Building serving three (3) fire risers, two (2) of which serve the 1988 Building, and one (1) of which serves the 2007 Building ("**Fire Risers**"; and together with the Electrical Service, the "**Utility Services**"). The licenses granted pursuant to this Section 1 shall collectively be referred to herein as the "**Reciprocal Licenses.**"

2. **Maintenance and Service Fees.** The Parties shall continue the joint use of the Common Utilities throughout the Reciprocal License Term. Each Party shall maintain and repair, or cause the responsible utility service company to maintain and repair, the Utility Services located on each Party's respective property, to ensure that there is no interruption in service to the other Party's property. AHC hereby agrees that the County will not be required to reimburse AHC for the County's pro-rata share of the Electrical Service during the Reciprocal

License Term (as defined in Section 4, below). The Parties acknowledge and agree that the Fire Risers do not generate any service fees for which the County or AHC will be responsible.

3. **Scope of Reciprocal Licenses.** In the event that either Party fails to repair and maintain the Utility Services on its respective property ("**Defaulting Party**"), then the other Party ("**Non-Defaulting Party**") shall have the right to enter the property of the Defaulting Party and conduct such maintenance and repair as is necessary to continue uninterrupted service to the Non-Defaulting Party's property; provided that the Non-Defaulting Party (a) complies with Sections 8, 9 and 10, below; (b) repairs any damage to the Defaulting Party's Property caused by the Non-Defaulting Party or any of its agents; and (c) does not unreasonably interfere with the use and enjoyment of the Defaulting Party's Property by the Defaulting Party or by lessees or other occupants of the Defaulting Party's Property.

4. **Term of Reciprocal Licenses.** The term of the Reciprocal Licenses ("**Reciprocal License Term**") shall commence on the Effective Date of this Agreement and shall terminate on the earlier of (a) the mutual written agreement of the Parties, or (b) the date upon which AHC has completed the separation of the Common Utilities as contemplated in Section 5, below, but in no event later than one (1) year following the Effective Date.

5. **Division of Common Utilities.** On or before the first (1st) anniversary of the Effective Date of this Agreement, AHC shall have completed the division of the Common Utilities, at its expense. The County acknowledges, however, that the foregoing action may result in the need for certain restoration activity on the AHC Property and the County Property (collectively, "Restoration"), in which event, the County agrees to cooperate with AHC to effect said Restoration, which cooperation shall include, without limitation, sharing in the costs incurred to accomplish the Restoration in a timely manner.

6. **Interior Work.** County acknowledges that AHC will require access to the elevator core of the 2007 Building in order to increase the fire rating of certain interior walls within such elevator core and County, for and in consideration of the mutual covenants contained herein, hereby grants to AHC a limited non-exclusive license to modify certain interior walls within the elevator core of the 2007 Building in order to increase the fire rating of such walls (collectively, "**Interior Work License**"; and together with the Reciprocal Licenses, the "**Licenses**"), together with the right of access, ingress and egress, in, upon, along, through and across that portion of the County Property necessary to exercise the rights granted under the Interior Work License. All work performed under the Interior Work License will be carried out in accordance with plans and specifications which are acceptable to County in its reasonable discretion.

The term of the Interior Work License shall commence on the Effective Date of this Agreement and shall terminate upon the mutual written agreement of the Parties, but in no event later than one (1) year following the Effective Date. AHC shall comply with Sections 8, 9 and 10 below in the exercise of its rights under the Interior Work License. In exercising its rights under the Interior Work License, AHC shall not unreasonably interfere with the use and enjoyment of the County Property by County or by lessees or other occupiers of the County Property.

7. **Data Facility.** County, for and in consideration of the mutual covenants contained herein, hereby grants to AHC a limited non-exclusive license to construct, install, operate, inspect, repair, replace, maintain and remove a data communications line and any related facilities (collectively, "**Data Facilities**") to serve the AHC Buildings ("**Data Facilities License**"; and together with the Reciprocal Licenses, the "**Licenses**"), together with the right of access, ingress and egress, in, upon, along, through and across that portion of the County Property necessary to exercise the rights granted under the Data Facilities License.

a. **Term.** The term of the Data Facilities License shall commence on the Effective Date of this Agreement and shall terminate upon the mutual written agreement of the Parties, but in no event later than one (1) year following the Effective Date.

b. **Ownership of Data Facilities.** The Data Facilities shall be the sole and exclusive property of AHC. County shall not have, nor shall it assert, any right, title or interest in or to the Data Facilities.

c. **Installation and Operation.** Prior to installation or construction, AHC shall deliver to County copies of the plans and specifications for the installation of the Data Facilities, detailing the type, size and location(s) of the Data Facilities ("**Plans and Specifications**"). AHC shall be solely responsible for all costs and expenses associated with the installation, operation, maintenance and repair of the Data Facilities, including, without limitation, any telephone or internet connectivity charges.

d. **Maintenance.** AHC shall be solely responsible for the maintenance and repair of the Data Facilities, and shall maintain the same in good repair and condition at all times during the term of the Data Facilities License. AHC shall, at its sole cost and expense, repair any damage to the County Property where such damage is caused by AHC or any of its agents. County shall have no liability for damages to the Data Facilities, except in the event such damages are caused by County's negligence or willful misconduct.

e. **Insurance and Indemnity.** AHC shall comply with Sections 8, 9 and 10, below in the exercise of its rights under the Data Facilities License.

f. **Non-interference.** In exercising its rights under the Data Facilities License, AHC shall not unreasonably interfere with the use and enjoyment of the County Property by County or by lessees or other occupiers of the County Property.

8. **Insurance.** Each Party shall procure and pay the premium for commercial general liability insurance with limits of not less than Five Million and No/100 Dollars (\$5,000,000.00) with respect to each occurrence and not less than Five Million and No/100 Dollars (\$5,000,000.00) in the aggregate, to protect AHC and County against liability for such injury to persons and such damage within the AHC Property and the County Property and the activities of or on behalf of the Parties in or about the AHC Property and the County Property. The foregoing limits may be provided through a combination of primary and excess coverage. Prior to the commencement of any work on, or entry upon, the other Party's Property, each Party shall deliver to the other a certified copy of the policy of such insurance or a certificate evidencing: (a) the existence and amounts of the required insurance; (b) that the other Party is an additional insured on the policy; (c) that the policy may not be cancelled or subject to modification without thirty (30) days' prior written notice to the other Party; (d) that the policy is written on an occurrence basis (not a claims-made basis); and (e) that the policy is primary and non-contributory with any insurance carried by the other Party.

9. **Release and Waiver of Subrogation.** To the extent allowable under the laws governing the writing of insurance, the Parties release each other and their respective agents and employees from all liability to each other, or anyone claiming through or under them, by way of subrogation or otherwise, for any loss or damage to property caused by or resulting from risks insured or required to be insured against under this Agreement, pursuant to insurance policies carried by the Parties which are in force and effect at the time of the loss or damage. The Parties shall each request their respective insurance carrier to include in policies provided pursuant to this Agreement an endorsement recognizing this waiver of subrogation. This Section shall survive the termination of this Agreement.

10. **Indemnification.** Each Party shall indemnify, defend and hold the other harmless from and against all damages, losses, claims, suits or actions of any kind and nature whatsoever, including reasonable attorneys' fees (collectively, "**Claims**"), associated with damage to the other Party's Property or the injury to or death of any person resulting from or alleged to have resulted from, directly or indirectly, the indemnifying Party's acts or omissions under this Agreement. Nothing in this Agreement will be construed to require a Party to indemnify or hold harmless the other Party from and against Claims arising out of any negligent or wrongful acts or omissions of the other Party.

11. **Licenses Not Assignable.** The Licenses are personal to AHC and the County and shall not be assigned. Any attempt to assign the Licenses by AHC or the County shall result in automatic termination of the Licenses. No legal title or leasehold interest in the AHC Property is created or vested in County by the grant of the Electrical Services License, and no legal title or leasehold interest in the County Property is created or vested in AHC by the grant of the Fire Riser License or the Data Facilities License. Notwithstanding the foregoing, this License may be assigned by either Party (a) as part of a reorganization of such Party's business structure, provided that no change of control occurs; or (b) in connection with a sale or other transfer of a Party's respective property upon the consent of the other Party, which consent shall not be unreasonably withheld.

12. **Notices.** All notices and other communications required or permitted to be given hereunder shall be in writing and shall be sent by: (a) certified or registered mail, postage prepaid, return receipt requested, (b) personal delivery, or (c) a recognized overnight carrier that provides proof of delivery, and shall be addressed as follows:

If to AHC:

A.H. Belo Corporation
Attn: Daniel J. Blizzard, Secretary &
Assistant Treasurer
508 Young Street
Dallas, Texas 75202-4808
Telephone: (214) 977-7246

If to County:

County of Riverside
Attn: Vincent Yzaguirre
3403 10th Street, Suite 500
Riverside, California 92501
Telephone: (951) 955-9011

Notices shall be deemed effective upon receipt or rejection only.

13. **Memorandum of Agreement.** This Agreement shall not be recorded; however, concurrently with the execution of this Agreement, the Parties shall execute and record a Memorandum of Agreement in the Official Records of Riverside County in a form mutually acceptable to the Parties.

14. **Attorneys' Fees.** In the event of a suit by either Party against the other arising out of this Agreement, each Party shall bear its own expense and cost of suit, unless fees or costs are awarded by a court of competent jurisdiction.

15. **Entire Agreement; Amendment.** This Agreement contains the entire agreement between the Parties with respect to the subject matter herein and supersedes any and all prior or contemporaneous negotiations, correspondence, or oral or written agreements between the Parties. No supplement, amendment, or modification of any provision of this Agreement shall be effective unless it is in writing and executed by both Parties.

16. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. Venue shall lie exclusively in the courts of the County of Riverside, California.

17. **Severability.** If any provision of this Agreement is found by any court of competent jurisdiction to be invalid, illegal, or unenforceable, then such portion shall be deemed severed from this Agreement and the Parties shall negotiate in good faith to modify this Agreement to fulfill as closely as possible the original intent and purpose of this Agreement.

18. **No Partnership.** Nothing in this Agreement shall be construed to create a partnership or joint venture between the Parties.

19. **Successors and Assigns.** Without limiting the effect of Section 12, above, this Agreement shall be binding upon, and inure to the benefit of the Parties hereto and their respective successors, heirs, administrators, and assigns.

20. **Counterparts.** This Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same Agreement.

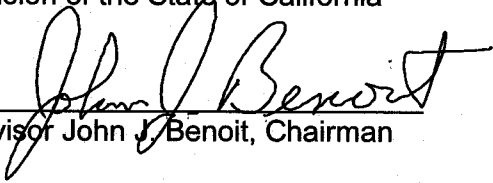
21. **Authority.** Each individual executing this Agreement on behalf of a Party which is not a natural person represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of said Party.

[SIGNATURES TO FOLLOW]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year signed by the Board of Supervisors of the County of Riverside ("**Effective Date**").

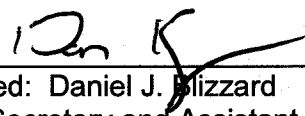
"COUNTY":

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

By: 
Supervisor John J. Benoit, Chairman

"AHC":

AHC CALIFORNIA PROPERTIES, LLC, a
Delaware limited liability company

By: 
Printed: Daniel J. Blizzard
Its: Secretary and Assistant Treasurer

APPROVED AS TO FORM:

Pamela J. Walls
County Counsel

By: 
Patricia Munroe
Deputy County Counsel

ATTEST:

Kecia Harper-Ihem
Clerk of the Board

By: 
Deputy

CERTIFICATE OF ACCEPTANCE

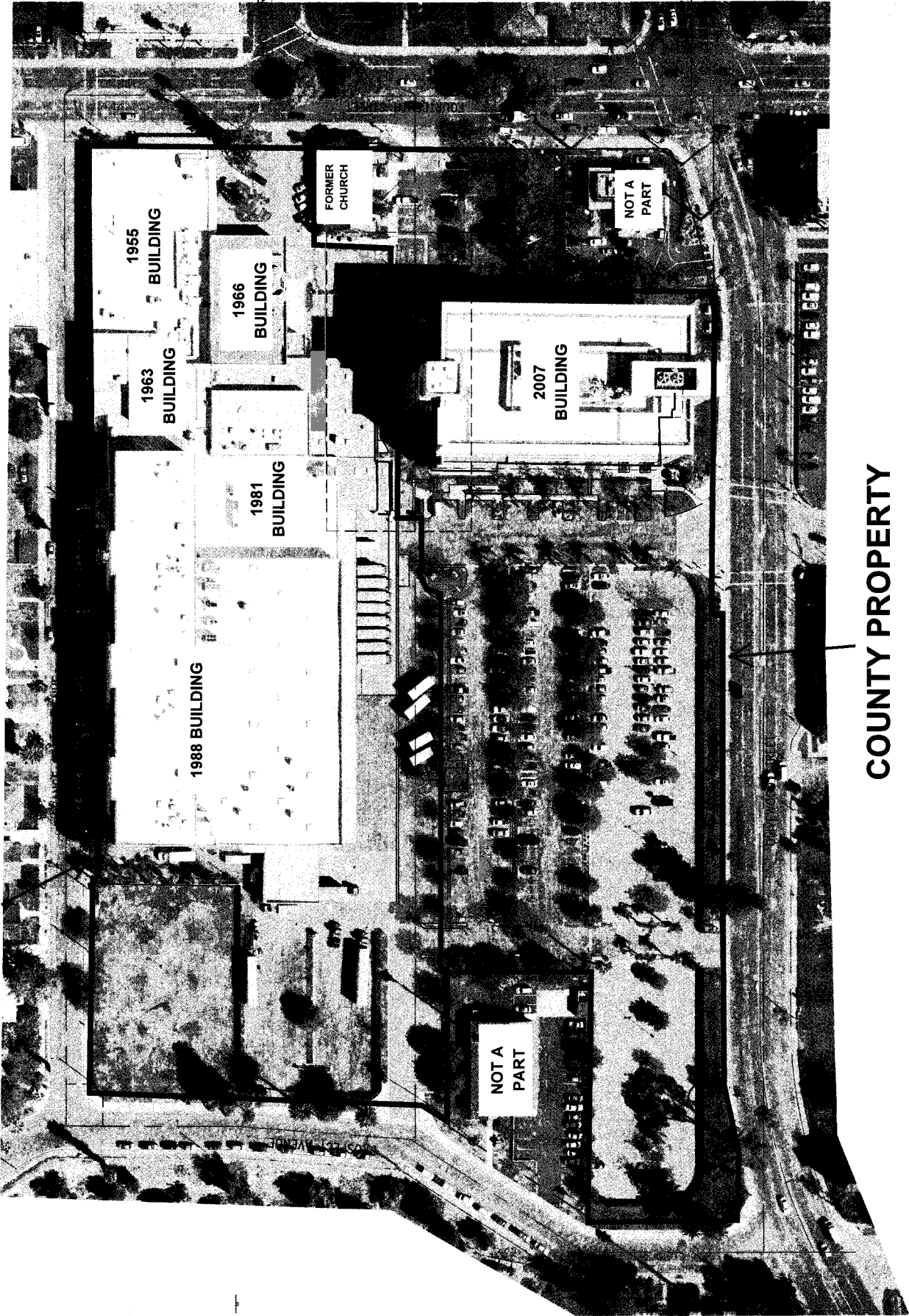
This is to certify that the interest in real property conveyed by the attached License Agreement to the COUNTY OF RIVERSIDE, a political subdivision, is hereby accepted by order of the Board of Supervisors on the date below and the COUNTY OF RIVERSIDE consents to the recordation of a memorandum of such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

Date_____

COUNTY OF RIVERSIDE:

By: _____
Robert Field, Assistant County Executive
Officer/EDA

AHC PROPERTY



COUNTY PROPERTY

EXHIBIT "B"

LEGAL DESCRIPTION OF COUNTY PROPERTY

All that certain real property in the City of Riverside, County of Riverside, State of California, more particularly described as follows:

That portion of Parcel 1 of Certificate of Compliance for a Waiver of Parcel Map for Lot Line Adjustment per document recorded March 17, 1989 as Instrument No. 083685 of Official Records of Riverside County, California, lying within Section 26, Township 2 South, Range 5 West, San Bernardino Meridian, described as follows:

COMMENCING at the most northerly corner of said Parcel 1, said corner also being on a line parallel with and distant southwesterly 50.00 feet, measured at a right angle, from the centerline of Fourteenth Street, as shown on Record of Survey on file in Book 127 of Record of Surveys at Page 8 thereof, Records of Riverside County, California;

Thence South 61°00'00" East along said parallel line, a distance of 210.08 feet to a point thereon, said point being the **TRUE POINT OF BEGINNING**;

Thence leaving said parallel line, South 29°01'27" West, a distance of 93.50 feet;

Thence South 61°00'00" East, a distance of 71.21 feet; Thence South 29°01'27" West, a distance of 99.95 feet; Thence North 61°06'57" West, a distance of 7.98 feet; Thence South 29°01'27" West, a distance of 151.54 feet; Thence South 61°06'57" East, a distance of 41.30 feet;

Thence South 29°19'34" West, a distance of 50.69 feet to the beginning of a non-tangent curve concave southeasterly, having a radius of 4.75 feet, the radial line to said point bears North 00°32'53" East;

Thence westerly and southwesterly along said curve, to the left, through a central angle of 70°03'15", an arc distance of 5.81 feet;

Thence South 20°29'38" West, a distance of 5.61 feet to the beginning of a tangent curve concave easterly, having a radius of 22.50 feet;

Thence southerly and southeasterly along said curve, to the left, through a central angle of 71°14'15", an arc distance of 27.97 feet;

Thence South 29°00'26" West, a distance of 353.50 feet to a point on the northwesterly prolongation of that certain course described as "North 61°08'35" West, a distance of 132.13 feet" in the southeasterly boundary line of said Parcel 1;

Thence South 61°09'20" East along said northwesterly prolongation, a distance of 8.73 feet to an angle point on said southeasterly boundary line of Parcel 1, said point also being the most northerly corner of Parcel 1 as described in Certificate of Compliance for a Waiver of Parcel Map for Lot Line Adjustment per document recorded March 17, 1989 as Instrument No. 083684 of Official Records of Riverside County, California;

Thence along the southerly boundary line, the southeasterly boundary line and the northeasterly boundary lines of said Parcel 1 of Instrument No. 083685 of Official Records, the following fourteen (14) bearings and distances:

- 1.) South 61°09'20" East, a distance of 131.94 feet;
- 2.) North 29°01'27" East, a distance of 334.50 feet;
- 3.) South 60°58'55" East, a distance of 117.99 feet;
- 4.) North 29°02'10" East, a distance of 257.07 feet to the beginning of a tangent curve concave northwesterly, having a radius of 396.00 feet;
- 5.) Northeasterly along said curve, to the left, through a central angle of 07°43'32", an arc distance of 53.39 feet;
- 6.) North 61°00'00" West, a distance of 184.27 feet;
- 7.) North 29°03'11" East, a distance of 133.21 feet to an angle point in said northeasterly boundary line of Parcel 1, said point also being in said line parallel with and distant southwesterly 50.00 feet, measured at a right angle, from the centerline of Fourteenth Street;
- 8.) North 61°00'00" West, a distance of 127.81 feet;
- 9.) North 29°00'00" East, a distance of 5.50 feet;
- 10.) North 61°00'00" West, a distance of 11.40 feet;
- 11.) South 29°00'00" West, a distance of 2.50 feet;
- 12.) North 61°00'00" West, a distance of 17.70 feet;
- 13.) South 29°00'00" West, a distance of 3.00 feet to an angle point in said northeasterly boundary line of Parcel 1, said point also being in said line parallel with and distant southwesterly 50.00 feet from the centerline of Fourteenth Street;
- 14.) North 61°00'00" West, a distance of 35.06 feet to the **TRUE POINT OF BEGINNING.**

End of Legal Description

EXHIBIT "C"

LEGAL DESCRIPTION OF AHC PROPERTY

All that certain real property in the City of Riverside, County of Riverside, State of California, more particularly described as follows:

That portion of Parcel 1 of Certificate of Compliance for a Waiver of Parcel Map for Lot Line Adjustment per document recorded March 17, 1989 as Instrument No. 083685 of Official Records of Riverside County, California, together with portions of Lots 2 through 4, inclusive and Lot 10, in Block 2 of D.C. Twogood's Orange Grove Tract as shown by map on file in Book 7 of Maps at Page 42 thereof, Records of San Bernardino County, California, lying within Section 26, Township 2 South, Range 5 West, San Bernardino Meridian, described as follows:

BEGINNING at the most northerly corner of said Parcel 1, said corner also being on a line parallel with and distant southwesterly 50.00 feet, measured at a right angle, from the centerline of Fourteenth Street, as shown on Record of Survey on file in Book 127 of Record of Surveys at Page 8 thereof, Records of Riverside County, California;

Thence South $61^{\circ}00'00''$ East along the northeasterly line of said Parcel 1, a distance of 210.08 feet to a point thereon;

Thence leaving said parallel line, South $29^{\circ}01'27''$ West, a distance of 93.50 feet;

Thence South $61^{\circ}00'00''$ East, a distance of 71.21 feet;

Thence South $29^{\circ}01'27''$ West, a distance of 99.95 feet;

Thence North $61^{\circ}06'57''$ West, a distance of 7.98 feet;

Thence South $29^{\circ}01'27''$ West, a distance of 151.54 feet;

Thence South $61^{\circ}06'57''$ East, a distance of 41.30 feet;

Thence South $29^{\circ}19'34''$ West, a distance of 50.69 feet to the beginning of a nontangent curve concave southeasterly, having a radius of 4.75 feet, the radial line to said point bears North $00^{\circ}32'53''$ East;

Thence westerly and southwesterly along said curve, to the left, through a central angle of $70^{\circ}03'15''$, an arc distance of 5.81 feet;

Thence South $20^{\circ}29'38''$ West, a distance of 5.61 feet to the beginning of a tangent curve concave easterly, having a radius of 22.50 feet;

Thence southerly and southeasterly along said curve, to the left, through a central angle of $71^{\circ}14'15''$, an arc distance of 27.97 feet;

Thence South $29^{\circ}00'26''$ West, a distance of 353.50 feet to a point on the northwesterly prolongation of that certain course described as "North $61^{\circ}08'35''$ West, a distance of 132.13 feet" in the southeasterly boundary line of said Parcel 1;

Thence South $61^{\circ}09'20''$ East along said northwesterly prolongation, a distance of 8.73 feet to an angle point on said southeasterly boundary line of said Parcel 1, said point being the most northerly corner of Parcel 1 as described in that certain parcel of land described in Certificate of

Compliance for a Waiver of Parcel Map for Lot Line. Adjustment per document recorded March 17, 1989 as Instrument No. 083684 of Official Records of Riverside County, California;

Thence along the southeasterly, southerly and southwesterly boundary lines of said Parcel 1 of Instrument No. 083685 of Official Records, the following three (3) bearings and distances:

- 1.) South 29°01'27" West, a distance of 143.59 feet;
- 2.) North 28°00'18" West, a distance of 27.97 feet;
- 3.) North 54°18'28" West, a distance of 176.30 feet to a point on the southeasterly line of said Lot 10, said point also being an angle point in said southwesterly boundary line;

Thence leaving said southwesterly boundary line of Parcel 1 of Instrument No. 083685 of Official Records, South 28°57'33" West along said southeasterly line, a distance of 6.00 feet to a point on a line parallel with and distant northeasterly 33.00 feet, measured at a right angle, from the centerline of Prospect Avenue, as shown on said Record of Survey;

Thence North 60°55'57" West along said parallel line, a distance of 119.91 feet to a point thereon, said point being distant thereon southeasterly 11.97 feet from the intersection of said parallel line with a line parallel with and distant southeasterly 33.00 feet, measured at a right angle, from the centerline of Orange Grove Avenue, as shown by said Record of Survey;

Thence North 15°59'57" West, a distance of 16.95 feet a point on said line parallel with the centerline of Orange Grove Avenue, said point also being distant thereon northeasterly 11.97 feet from the intersection of said parallel lines;

Thence North 28°56'04" East along said line parallel with and distant 33.00 feet, measured at a right angle, from the centerline of Orange Grove Avenue and along the northwesterly boundary of said Parcel 1 of Instrument No. 083685 of Official Records, a distance of 565.08 feet to the most easterly corner of Parcel 1 of those certain parcels of land described in Grant Deed to the City of Riverside by document recorded September 18, 1981, as Instrument No. 176759 of Official Records of said Riverside County;

Thence North 61°03'58" West, along the northeasterly line of said Parcel 1 of Instrument No. 176759 of Official Records and continuing along said northwesterly boundary, a distance of

8.00 feet to the most northerly corner of said Parcel 1 of said Instrument No. 176759 of Official records;

Thence North 28°56'04" East, continuing along said northwesterly boundary, a distance of 314.96 feet to the **POINT OF BEGINNING**.

End of Legal Description

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

BY AND BETWEEN

**AHC CALIFORNIA PROPERTIES, LLC, a Delaware limited liability company, which acquired title
as PRESS ENTERPRISE COMPANY, a California corporation**

AS SELLER

AND

**THE COUNTY OF RIVERSIDE
a political subdivision of the State of California**

AS BUYER

RELATING TO

**Assessor's Parcel Numbers 219-330-032 (portion) and 219-330-023 through 030
3450 Fourteenth Street & 3478 Fourteenth Street, Riverside, California**

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

THIS AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS ("**Agreement**") is made and entered into this _____ day of _____, 2013, by and between COUNTY OF RIVERSIDE, a political subdivision of the State of California ("**Buyer**") and AHC CALIFORNIA PROPERTIES, LLC, a Delaware limited liability company, which acquired title as PRESS ENTERPRISE COMPANY, a California corporation ("**Seller**").

Buyer and Seller agree as follows:

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

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

(b) **Property:** Seller is the owner of certain real property consisting of approximately 5.25 acres of land with a 138,889 square foot building known as 3450 Fourteenth Street and a 7,839 square foot building known as 3478 Fourteenth Street in City of Riverside ("**City**"), County of Riverside, California, both situated on a portion of Assessor's Parcel Number 219-330-032, and adjacent parking areas situated on Assessor's Parcel Numbers 219-330-022 through 219-330-030, as further described or depicted in Exhibit "A" attached hereto and incorporated herein;

In addition, the purchase price shall include the personal property consisting of furniture and fixtures located at 3450 Fourteenth Street, Riverside and as listed and described on Exhibit "E" attached hereto and incorporated herein.

(c) **Purchase Price:** The Purchase Price for the Property is Thirty Million Dollars (\$30,000,000.00).

(d) **Escrow Holder:** First American at the address set forth in subparagraph (h) below. The escrow has been assigned to Debra Dunn as the Escrow Officer;

(e) **Title Company:** First American Title Insurance Company at the address set forth in subparagraph (h) below. David Hughes is assigned as the Title Officer;

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

(g) **Closing Date:** The Closing Date shall be on or before July 15, 2013 and Seller shall grant Buyer one 30-day extension to close Escrow, if requested by Buyer, or as otherwise agreed to by both parties;

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

Seller: A.H. Belo Corporation
Attn: Daniel J. Blizzard, Secretary & Assistant Treasurer
508 Young Street
Dallas, Texas 75202-4808
Telephone: (214) 977-7246
Email: dblizzard@ahbelo.com

Buyer: County of Riverside
Attn: Vincent Yzaguirre
3403 10th Street, Suite 500
Riverside, California 92501
Telephone: (951) 955-9011
Fax: (951) 955-4837
Email: vyzaguirre@rivcoeda.org

Escrow Holder: First American SC RCY
Attn: Debra Dunn
3400 Central Avenue, Suite 100
Riverside, CA 92506
Telephone: (951) 787-1757
Email: ddunn@firstam.com

Title Company: First American Title Insurance Company
3281 East Guasti Road, Suite 440
Ontario, CA 91761
Attn: David Hughes
Email: dhughes@firstam.com

- (i) **Exhibits:**
Exhibit A - Legal Description of Property
Exhibit B - Form of Deed
Exhibit C - Assignment and Assumption of Lease
Exhibit D - Short Term Lease Agreement
Exhibit E - Bill of Sale
Exhibit F – Utility Agreement

1.B Transaction Schedule. As more particularly set forth in Paragraphs 1.A(a), 1.A(g), 3.1, 3.2 and 8.1 below, the transaction which is the subject of this Agreement shall proceed according to the following schedule:

(a) As set forth in Paragraph 3.1, this Agreement shall be signed by the Chairman of the Board when the Board of Supervisors has approved the Agreement and the Authorization to Purchase the Property.

(b) As set forth in Paragraph 8.1, within ten (10) days following the Effective Date (as set forth in Paragraph 1.A(a), the Effective Date is the date when the Agreement has been signed by both parties), Buyer's due diligence shall have been completed and Buyer's due diligence period shall expire.

(c) As set forth in Paragraph 3.2, on or about May 21, 2013, Buyer provided Seller with documentation verifying the County of Riverside's ability to finance this transaction and proving its best efforts to consummate financing, and/or the bond sales necessary to close this transaction.

(d) As set forth in Paragraph 3.3, on or about June 4, 2013, the Board of Supervisors approved the Intent to Purchase with respect to the transaction contemplated under this Agreement.

(e) As set forth in Paragraph 3.1, ten (10) business days after the Board of Supervisors approves the Agreement and the Authorization to Purchase the Property, Buyer shall deposit with Escrow Holder the Purchase Price and a good faith estimate of Buyer's share of all costs, expenses and prorations required by this Agreement.

(f) As set forth in Paragraph 1.A(g), on or before July 15, 2013, the Closing Date shall occur, unless extended for thirty (30) days pursuant to Paragraph 1.A(g).

2. **Purchase and Sale.** Upon and subject to the terms and conditions set forth in this Agreement, Seller agrees to sell the Property to Buyer and Buyer agrees to buy the Property from Seller, together with all easements, appurtenances thereto, and all improvements and fixtures situated thereon with the exception of any covenants, conditions and restrictions which must be removed by Seller prior to the purchase.

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

3.1 Within ten (10) business days following the occurrence of both of the following: (a) the Riverside County Board of Supervisors ("Board of Supervisors") has provided the Authorization to Purchase the Property, and (b) the Board of Supervisors has approved this Agreement, Buyer shall deposit an amount equal to the sum of the Purchase Price plus a good faith estimate of Buyer's share of all costs, expenses and prorations under this Agreement with Escrow Holder, in the form of a wire transfer or other immediately available funds. Escrow Holder shall deposit said funds in an interest bearing account which shall be applied against the Purchase Price at closing and any overages including the interest shall be returned to Buyer at Close of Escrow.

3.2 Seller acknowledges that on or about May 21, 2013, Buyer provided Seller with documentation verifying the County of Riverside's ability to finance this transaction and proving its best efforts to consummate financing, and/or the bond sales necessary to close this transaction.

3.3 Seller acknowledges that on or about June 4, 2013, the Board of Supervisors approved the Intent to Purchase with respect to the transaction contemplated under this Agreement.

4. **Escrow.** Buyer and Seller shall open an escrow (the "**Escrow**") with Escrow Holder within five (5) business days after the Effective Date by delivery to Escrow Holder, fully executed original or originally executed counterparts of this Agreement which date shall be the official Opening Date of Escrow referenced herein. This purchase shall be contingent upon the approval of the Board of Supervisors of the Authorization to Purchase and the approval of the Purchase and Sale Agreement and Joint Escrow Instructions document. This contingency will be removed from Escrow upon the receipt of the executed Purchase and Sale Agreement and Joint Escrow Instructions document signed by the Board of Supervisors. Buyer and Seller agree to execute any additional instructions, reasonably required by the Escrow Holder. If

there is a conflict between any printed escrow instructions and this Agreement, the terms of this Agreement will govern.

5. Deliveries to Escrow Holder.

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

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

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

(c) Any necessary or mutually agreed Easement Agreements with regard to entryways and driveways or utility access (as attached hereto and incorporated herein Exhibit "F").

(d) An Assignment and Assumption of the Lease with Atkinson, Andelson, Loya, Ruud & Romo (AALRR), a law firm, in a form attached hereto and incorporated herein as Exhibit "C." The 3450 Fourteenth Street building will be conveyed subject to an existing lease to Atkinson, Andelson, Loya, Ruud & Romo (AALRR), a law firm. Seller shall provide buyer with a copy of the lease.

(e) The \$35,000.00 security deposit paid to seller by AALRR pursuant to the lease agreement between AALRR and Seller.

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

(a) The Purchase Price in accordance with Paragraph 3, above;

(b) The amount due Seller and any third parties, if any, after the prorations are computed in accordance with Paragraph 13 below;

(c) The Utility Agreement (as defined in paragraph 8.3(b), below).

(d) A fully-executed copy of the Board of Supervisors' approval of the Authorization to Purchase and a fully-executed copy of Board of Supervisors' approval of the Purchase and Sale Agreement and Joint Escrow Instructions document; and

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

6. Condition of Title.

6.1 At the Close of Escrow, free and clear fee simple title to the Property will be conveyed to Buyer by the Seller by Grant Deed, subject only to the following matters ("**Permitted Exceptions**"):

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

(b) Matters of title respecting the Property approved or deemed approved by Buyer in accordance with this Agreement, specifically, the following "exceptions to coverage" set forth on pages 2 through 6, inclusive, of the Preliminary Title Report issued by the Title Company under its Order No. 586434-A, Update 1, dated May 30, 2013: 1, 12, 13, 14, 15, 16, 17, 18, 19, 23, 24, 25, 26, 27, 29, 32, 35, 37, 38, 39, 40, 41, 42, 43, 44, 45, and 46; and

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

7. Conditions to the Close of Escrow.

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

(a) Intentionally Deleted.

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

(c) Delivery of Information. Seller shall deliver to Buyer, copies of all surveys, past hazardous material studies, soils reports, including engineers' reports, and studies and similar information which Seller may have in its possession relating to the Property (collectively, "**Due Diligence Materials**") and, except as specifically set forth herein, Seller makes no warranty regarding the contents of such items. If the Escrow shall fail to close for any reason, all such items shall be immediately returned to Seller.

The conditions set forth in this Paragraph 7.1 are solely for the benefit of Buyer and may be waived only by Buyer. At all times Buyer has the right to waive any condition. Such waiver or waivers must be in writing to Seller and Escrow Holder.

The Close of Escrow and Buyer's obligations with respect to this transaction are subject to Seller's delivery to Escrow Holder on or before the Closing Date the items described in Paragraph 5.1 and 5.3 above and the delivery or waiver of the items described in this Paragraph 7.1.

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

(a) Buyer shall have delivered to Escrow Holder, prior to the Closing, for disbursement as directed hereunder, an amount equal to the Purchase Price and any other funds in accordance with this Agreement;

(b) Buyer shall have delivered to Escrow Holder the items described in Paragraphs 5.2 and 5.3 above; and

(c) The conditions set forth in this Paragraph 7.2 are solely for the benefit of Seller and may be waived only by the Seller. At all times Seller has the right to waive any condition. Such waiver or waivers must be in writing to Buyer and Escrow Holder.

7.3 Termination of Agreement. Buyer will have 10 business days from the mutual execution of this Agreement Purchase and Sale to approve or disprove of the condition of the property. During this contingency period Buyer may cancel escrow for any reason whatsoever, by providing written notice to Seller and Escrow of its intention to cancel said escrow.

8. **Due Diligence by Buyer.**

8.1 Matters To Be Reviewed. Within ten (10) days following the Effective Date, Buyer will have completed its due diligence investigation of, and will have approved each of the following matters:

(a) The physical condition of the Property, including without limitation, any soil conditions, the status of the Property with respect to hazardous and toxic materials, if any, and in compliance with all applicable laws including any laws relating to hazardous and toxic materials and all applicable laws;

(b) All applicable government ordinances, rules and regulations of Seller's compliance therewith including, but not limited to, zoning and building regulations; and

(c) Subject to the Lot Line Adjustment (as defined in Paragraph 8.3(a) below), all licenses, permits and other governmental approvals and/or authorizations relating to the Property which shall remain in effect after the Close of Escrow.

8.2 Material New Matters. If Buyer discovers any new matter prior to close of Escrow which was:

(a) Not disclosed by Seller prior to the Close of Escrow;

(b) Not reasonably discoverable prior to the Effective Date and that matter is one which:

(i) Would appear as an exception to the Title Policy; or

(ii) Is materially inconsistent with a disclosure by Seller or with any representations or warranties contained in Paragraph 18.2 below; and

(iii) Such new matter is of such a nature that, in Buyer's reasonable judgment, it would materially and adversely, affect the acquisition, development, sale or use of the Property for Buyer's intended purpose; then Buyer shall be entitled to treat such new matter as a failure of condition to the Close of Escrow. If Buyer elects to treat such new matter as a failure of condition to the Close of Escrow, then Buyer shall give notice to Seller of Buyer's election to terminate this Agreement within fifteen (5) days of Buyer's obtaining knowledge of such new matter, but in no event later than the Closing Date.

(c) However, if Buyer gives Seller notice of its election to terminate this Agreement, under this Paragraph 8.2, Seller may elect, in its sole and absolute discretion by written notice to Buyer and to Escrow Holder within five (5) business days following Seller's