

**SUBMITTAL TO THE BOARD OF COMMISSIONERS
HOUSING AUTHORITY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

826



FROM: Housing Authority

SUBMITTAL DATE:
June 19, 2014

SUBJECT: Agreement of Purchase and Sale and Joint Escrow Instructions between the Housing Authority of the County of Riverside, as Seller, and the County of Riverside, as Buyer, for the Sale of Assessor's Parcel Number 439-060-013, District 3/District 3, [\$220,000] Revenue; Project is Exempt Under CEQA

RECOMMENDED MOTION: That the Board of Commissioners:

1. Conduct a joint Public Hearing with the Board of Supervisors per Health and Safety Code Sections 33431 and 33433;
2. Find that the project is exempt from California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Existing Facilities; Section 15311, Accessory Structures; and Section 15061, General Rule Exemption;

(Continued)

[Signature]

Robert Field
Executive Director

FINANCIAL DATA	Current Fiscal Year	Next Fiscal Year	Total Cost	Ongoing Cost	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: N/A

Budget Adjustment: No

For Fiscal Year: 2014/15

C.E.O. RECOMMENDATION:

APPROVE

BY: Rohini Dasika
Rohini Dasika

County Executive Office Signature

MINUTES OF THE HOUSING AUTHORITY BOARD OF COMMISSIONERS

On motion of Supervisor Stone, seconded by Supervisor Benoit 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 1, 2014
xc: Housing, EDA

Kecia Harper-Ihem
Clerk of the Board
By: [Signature]
Deputy

(Comp. Item 9-2)

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

Prev. Agn. Ref.: 4.5 of 8/31/10

District: 3/3

Agenda Number:

10-1

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

Housing Authority

FORM 11: Agreement of Purchase and Sale and Joint Escrow Instructions between the Housing Authority of the County of Riverside, as Seller, and the County of Riverside, as Buyer, for the Sale of Assessor's Parcel Number 439-060-013, District 3/District 3, [\$220,000] Revenue; Project is Exempt Under CEQA

DATE: June 19, 2014

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RECOMMENDED MOTION: (Continued)

3. Adopt Housing Authority Resolution No. 2014-011 making certain findings for the sale of Assessor's Parcel Number 439-060-013, located at 723 North State Street, Hemet, CA, Riverside County (Property) to the County of Riverside under Health and Safety Code Section 33433, approving the sale of the Property by the Housing Authority to the County of Riverside, and making certain findings with respect to the Agreement of Purchase and Sale and Joint Escrow Instructions and such sale;
4. Approve the attached Agreement of Purchase and Sale and Joint Escrow Instructions (Agreement), Grant Deed and Notice of Use Restrictions;
5. Authorize the Chairman of the Board of Commissioners to sign the Agreement Grant Deed and Notice of Use Restrictions; and
6. Authorize the Executive Director or designee to take all necessary steps to implement the attached Agreement including, but not limited to, signing necessary, subsequent and relevant documents, subject to approval by County Counsel.

BACKGROUND:

Summary

On August 31, 2010, the former Redevelopment Agency for the County of Riverside (former RDA) acquired seven parcels of land consisting of a total of 8.46 acres (8.46 Acres) located at the northwest corner of State Street and Menlo Avenue in the City of Hemet, California. The former RDA acquired the 8.46 Acres for the purpose of eliminating blight and future development, including affordable housing. In anticipation of redeveloping the site, the former RDA demolished the existing dilapidated structures and parking lot and relocated the existing business as required by California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.). The 8.46 Acres are currently vacant and undeveloped.

Pursuant to Assembly Bill x1 26, the redevelopment dissolution bill, on February 1, 2012, all California redevelopment agencies, including the former RDA, were eliminated and the Housing Authority of the County of Riverside (Housing Authority) assumed the redevelopment housing functions and certain housing assets of the former RDA, including, but not limited to the 8.46 Acres.

Located adjacent to the 8.46 Acres, at 749 North State Street, is the Hemet Service Center (Hemet Center), owned by the County of Riverside (County), which provides social services including job development opportunities, transportation service to the elderly, and other services that improve community development and growth. Due to the vital need of community assistance in the Hemet area, the Hemet Center has expanded and is in need of additional parking. Housing Authority staff proposes to convey 0.91 acres of the 8.46 Acres, located at 723 North State Street also known as Assessor's Parcel Number 439-060-013 (Hemet Parcel) to the County for a governmental purpose which is the development of a public parking lot that will benefit the Hemet Center. The development of a public parking lot on the Hemet Parcel will eliminate conditions of blight and result in the development of much needed public parking that will benefit the Hemet community.

Pursuant to California Health and Safety Code Section 33334.16, property acquired with monies from the housing fund must be developed for affordable housing or the agency is required to sell the property at fair

(Continued)

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

Housing Authority

FORM 11: Agreement of Purchase and Sale and Joint Escrow Instructions between the Housing Authority of the County of Riverside, as Seller, and the County of Riverside, as Buyer, for the Sale of Assessor's Parcel Number 439-060-013, District 3/District 3, [\$220,000] Revenue; Project is Exempt Under CEQA

DATE: June 19, 2014

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BACKGROUND:

Summary (Continued)

market value in accordance with California Health and Safety Code Section 33433 and deposit the proceeds in the housing fund. An Appraisal Report prepared by Michael J. Francis, MAI, dated November 15, 2013 reported the fair market value of the Hemet Parcel at \$220,000. Housing Authority staff proposes that the County and the Housing Authority enter into the attached Agreement of Purchase and Sale and Joint Escrow Instructions (Purchase and Sale Agreement) to facilitate the sale of the Hemet Parcel from the Housing Authority to the County for the purchase price of \$220,000 (Purchase Price) which constitutes the fair market value. The County contemplates developing a new parking lot on the Hemet Parcel which will result in approximately 79 parking spaces. The County proposes using Community Development Block Grant funds to pay the Purchase Price which will be delivered to the Housing Authority upon the close of escrow, as more specifically discussed in the attached Purchase and Sale Agreement. All escrow and closing costs shall be paid by the County. Pursuant to Section 34176 of the California Health and Safety Code, the Housing Authority will place all net sale proceeds from the sale of the Hemet Parcel into the Housing Authority's Low and Moderate Income Housing Asset Fund to be used towards the development of affordable housing.

Pursuant to Sections 33431 and 33433 of the California Health and Safety Code a public hearing notice for consideration of the proposed sale of the Hemet Parcel was published and the Summary Report and proposed draft Purchase and Sale Agreement, including attachment(s) have been made available for public review. Additionally, pursuant to the California Environmental Quality Act (CEQA), the County of Riverside Economic Development Agency, as the lead entity, reviewed the Purchase and Sale Agreement and determined it to be exempt from CEQA under CEQA Guidelines Section 15301, Existing Facilities; Section 15311, Accessory Structures; and Section 15061, General Rule Exemption. The proposed project involves the sale of the vacant Hemet Parcel by the Housing Authority to the County and, once purchased, the County proposes to have the vacant parcel (previously an existing structure and parking lot) paved for a new accessory parking lot and driveway, which will better serve the Hemet Center.

The Housing Authority staff recommends that the Board of Commissioners make the findings for the sale of the Hemet Parcel to the County and approve the Purchase and Sale Agreement, including the attachments. County Counsel has approved as to form the attached Housing Authority Resolution No. 2014-011 and the Purchase and Sale Agreement.

Impact on Residents and Businesses

The Hemet Service Center provides social services including job development opportunities, transportation service to the elderly, and other services that improve community development and growth. Due to the vital need of community assistance in the Hemet area, the Hemet Service Center has expanded and is in need of additional parking. The development of a public parking lot on the subject parcel will eliminate conditions of blight and result in the development of much needed public parking that will benefit the Hemet community.

Attachments:

1. Housing Authority Resolution No.2014-011
2. 33433 Summary Report
3. Agreement of Purchase and Sale and Joint Escrow Instructions, Grant Deed and Notice of Use Restrictions
4. Publication of Notice
5. Notice of Exemption

1 **BOARD OF COMMISSIONERS**

HOUSING AUTHORITY

2 **RESOLUTION NUMBER 2014-011**

3 **MAKING CERTAIN FINDINGS FOR THE SALE OF ASSESSOR'S PARCEL**
4 **NUMBER 439-060-013, LOCATED AT 723 NORTH STATE STREET, HEMET, CA,**
5 **RIVERSIDE COUNTY TO THE COUNTY OF RIVERSIDE UNDER HEALTH AND**
6 **SAFETY CODE SECTION 33433, APPROVING THE SALE OF THE PROPERTY**
7 **BY THE HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE TO THE**
8 **COUNTY OF RIVERSIDE, AND MAKING CERTAIN FINDINGS WITH RESPECT TO**
9 **THE AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW**
10 **INSTRUCTIONS AND SUCH SALE**

11 **WHEREAS**, the County of Riverside ("County") adopted the redevelopment
12 plan ("Redevelopment Plan") for the Mid-County Redevelopment Project Area
13 ("Project Area");

14 **WHEREAS**, in accordance with California Health and Safety Code Section
15 33490, the former Redevelopment Agency for the County of Riverside ("RDA")
16 adopted a five year Implementation Plan for the Project Area, as amended from time
17 to time ("Implementation Plan"), which established goals to support affordable
18 housing, economic development, community revitalization and other activities
19 necessary or appropriate to carry out the objectives of the Redevelopment Plan;

20 **WHEREAS**, Assembly Bill No. x1 26, as modified by Assembly Bill No. 1484
21 ("Dissolution Act"), added Parts 1.8 and 1.85 to Division 24 of the California
22 Community Redevelopment Law (Health and Safety Code sections 33000 et seq., the
23 "CRL"). As a result of the Dissolution Act, the RDA was dissolved on February 1,
24 2012 such that the RDA is now deemed a former redevelopment agency under
25 Health and Safety Code section 34173;

26 **WHEREAS**, pursuant to the Dissolution Act and Housing Authority of the
27 County of Riverside ("Housing Authority") Resolution Nos. 2012-035, 2012-001 and
28 2012-005, all housing functions previously performed by the former RDA, including
related rights, powers, duties, obligations, and housing assets were transferred to the
Housing Authority, including that certain vacant real property located in the City of
Jurupa Valley identified by Assessor's Parcel Numbers 439-060-013-4, which

1 consists of approximately 0.91 acres, as legally described in Exhibit "A" attached
2 hereto and incorporated herein by this reference (the "Property");

3 **WHEREAS**, the Housing Authority is now implementing certain proposed uses
4 in the Project Area including public infrastructure, which use will aid in carrying out the
5 Redevelopment Plan and Implementation Plan pursuant to its obligations under the
6 Dissolution Act;

7 **WHEREAS**, located adjacent to the Property is the Hemet Service Center,
8 owned by the County of Riverside ("County"), which provides social services including
9 job development opportunities, transportation service to the elderly, and other
10 services that improve community development and growth;

11 **WHEREAS**, due to the vital need of community assistance in the Hemet area,
12 the Hemet Service Center has expanded and is in need of additional parking;

13 **WHEREAS**, the proposed project involves the sale of the vacant Property by
14 the Housing Authority to the County and, once purchased, the County proposes to
15 have the vacant parcel (previously an existing structure and parking lot) paved for a
16 new accessory parking lot and driveway, which will better serve the Hemet Service
17 Center ("Project");

18 **WHEREAS**, the proposed development of Project will eliminate existing blight
19 and result in the development of much needed public parking that will benefit the
20 Hemet community;

21 **WHEREAS**, pursuant to CRL section 33433, Housing Authority staff prepared a
22 Summary Report dated May 29, 2014 ("Summary Report") which is attached hereto
23 and incorporated herein by this reference;

24 **WHEREAS**, in accordance with CRL section 33431 and 33433, the Housing
25 Authority and the County held a joint public hearing on the proposed sale of the
26 Property pursuant to such Agreement of Purchase and Sale and Joint Escrow
27 Instructions ("Agreement"), having duly published notice of such public hearing and
28 made copies of the proposed Agreement, Summary Report and other documents

1 available for public inspection, and comment in accordance with CRL section 33433;

2 **WHEREAS**, pursuant to CRL section 33433, the Board of Commissioners
3 considered the information in the Summary Report and has made the findings
4 required by CRL section 33433 with respect to the Agreement;

5 **WHEREAS**, the Board of Commissioners has also duly considered all the terms
6 and conditions of the proposed sale of the Property set forth in the proposed
7 Agreement, and the information contained in the submittal to the Board of
8 Commissioners by Housing Authority staff and provided at the public hearing, and
9 believes that development of the Property in accordance with the Agreement, is in the
10 best interests of the County of Riverside and the health, safety and welfare of its
11 residents, and in accord with the public purposes and provisions of applicable State
12 and local law and requirements; and

13 **WHEREAS**, pursuant to the California Environmental Quality Act (CEQA), the
14 County of Riverside Economic Development Agency, as the lead entity, reviewed the
15 Agreement and determined it to be exempt from CEQA under CEQA Guidelines
16 Section 15301, Existing Facilities; Section 15311, Accessory Structures; and Section
17 15061, General Rule Exemption.

18 **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND**
19 **ORDERED** by the Board of Commissioners of the Housing Authority of the County of
20 Riverside, State of California, in regular session assembled on July 1, 2014, as
21 follows:

- 22 1. The foregoing recitals are true and correct.
- 23 2. The Board of Commissioners has reviewed and approves the Summary
24 Report.
- 25 3. The Board of Commissioners hereby finds and determines that the sale
26 of the Property to County and the development of the public parking lot
27 in accordance with the Agreement of Purchase and Sale and Joint
28 Escrow Instructions ("Agreement") will assist in the elimination of blight

1 and result in the development of much needed public parking that will
2 benefit the Hemet community.

3 4. The Board of Commissioners hereby finds and determines that the sale
4 of the Property to County in accordance with the Agreement is consistent
5 with the Implementation Plan adopted pursuant to California Health and
6 Safety Code Section 33490.

7 5. The Board of Commissioners hereby finds and determines that the
8 consideration to be paid by the County for the acquisition of the Property
9 as described in the Agreement is not less than the fair market value at its
10 highest and best use in accordance with the plan and as permitted by
11 the current zoning.

12 6. The Board of Commissioners hereby approves the sale of the Property
13 to the County in accordance with the Agreement.

14 7. The Board of Commissioners hereby finds and determines that the
15 Agreement, between the Housing Authority and County, including all
16 attachments thereto, attached hereto as Exhibit "B" is approved.

17 8. The Board of Commissioners hereby authorizes the Chairman of the
18 Board of Commissioners to execute the Agreement.

19 9. The Board of Commissioners hereby authorizes the Executive Director,
20 or designee, to sign all documents necessary and appropriate to carry
21 out and implement the Agreement including, but not limited to
22 subsequent and relevant documents such as the Grant Deed and to
23 administer the Housing Authority's obligations, responsibilities, and
24 duties to be performed under said Agreement, subject to approval by
25 County Counsel.

26 ///

27 ///

28 ///

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III

BY: Frank R. Brown 6-16-74
JAILA R. BROWN DATE

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

KECIA HARPER-THOM, Clerk of said Board

By [Signature]
Deputy

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

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

THE SOUTH 150.00 FEET OF THE FOLLOWING DESCRIBED PARCEL, IN THE CITY OF HEMET,
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA:

BEGINNING AT THE INTERSECTION OF THE CENTER LINES OF STATE STREET AND MENLO
AVENUE, SAID POINT BEING THE SOUTHEAST CORNER OF FARM LOT 125 OF THE ESTUDILLO
LAND AND WATER COMPANY'S ADDITION TO SAN JACINTO, AS SHOWN BY MAP ON FILE IN
BOOK 9, PAGE 410 OF MAPS, RECORD OF SAN DIEGO COUNTY, CALIFORNIA;

THENCE NORTH ALONG THE CENTER LINE OF STATE STREET, 156.00 FEET TO THE POINT OF
BEGINNING.

THENCE NORTH ALONG THE CENTERLINE OF STATE STREET, A DISTANCE OF 150.00 FEET;
THENCE WEST AND PARALLEL WITH THE CENTERLINE OF MENLO AVENUE, A DISTANCE OF
320.00 FEET;

THENCE NORTH AND PARALLEL WITH THE CENTERLINE OF STATE STREET, A DISTANCE OF
119.00 FEET;

THENCE WEST AND PARALLEL WITH CENTER LINE OF MENLO AVENUE, A DISTANCE OF 10.00
FEET;

THENCE SOUTH AND PARALLEL WITH THE CENTER LINE OF STATE STREET, A DISTANCE OF
269.00 FEET;

THENCE EAST AND PARALLEL WITH THE CENTER LINE OF MENLO AVENUE, A DISTANCE OF
330.00 FEET, TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION THEREOF INCLUDED IN STATE STREET, AS CONVEYED TO THE
COUNTY OF RIVERSIDE, BY DOCUMENTS RECORDED JUNE 23, 1965 AS INSTRUMENT NO. 72678
AND JUNE 2, 1971 AS INSTRUMENT NO. 58757, BOTH OF OFFICIAL RECORDS OF RIVERSIDE
COUNTY, CALIFORNIA.

APN: 439-060-013-4

EXHIBIT "B"

AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS

(Behind this page)

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

Address: 723 N. State Street, Hemet, CA
County of Riverside

APN : 439-060-013

Escrow No. _____

This AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS ("Agreement") is made and entered into as of this ____ day of _____ 2014, and constitutes an agreement by which the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic, in its capacity as housing successor to the former Redevelopment Agency for the County of Riverside ("Seller") agrees to sell to, and THE COUNTY OF RIVERSIDE, a political subdivision of the State of California ("Buyer") agrees to purchase, on the terms and conditions hereinafter set forth, that certain real property described in the "Legal Description" attached hereto as Exhibit "A" and incorporated herein by this reference, and shown on the "Property Map" attached hereto as Exhibit "B" and incorporated herein by this reference, together with all Improvements as hereinafter defined (collectively, the "Property").

RECITALS

WHEREAS, Assembly Bill No. x1 26, as modified by Assembly Bill No. 1484 ("Dissolution Act"), added Parts 1.8 and 1.85 to Division 24 of the California Community Redevelopment Law (Health and Safety Code sections 33000 et seq., the "CRL"). The Redevelopment Agency for the County of Riverside ("RDA") was dissolved on February 1, 2012 such that the RDA is now deemed a former redevelopment agency under Health and Safety Code section 34173; and

WHEREAS, pursuant to Health and Safety Code Section 34176 (a), and Seller Resolution Nos. 2012-035, 2012-001 and 2012-005, all housing functions previously performed by the former RDA, including related rights, powers, duties, obligations, and housing assets (excluding amounts in the Low and Moderate Income Housing Fund and enforceable obligations retained by the successor agency) were transferred to Seller, including the Property (defined below); and

WHEREAS, Seller now owns the Property and desires to convey the Property to Buyer and Buyer desires to acquire the Property from Seller pursuant to the CRL, and the terms and provisions set forth below.

The terms and conditions of this Agreement and the instructions to Lawyers Title Company, or such other title or escrow company mutually agreed to by the parties ("Escrow Holder") with regard to the escrow ("Escrow") created pursuant hereto are as follows:

1. Property.

a. The Property to be acquired by Buyer from Seller under this Agreement consists of a parcel of land approximately .91 acres in size located at 723 N. State Street, Hemet, California 92543, also known as Assessor Parcel Number 439-060-013 and Improvements, if any, located on the Property. Seller currently owns fee title to the Property and all of the Improvements. For purposes of this Agreement, the term "Improvements" shall mean and include all buildings, structures, improvements, pavement, areas improved with asphalt, concrete or similar materials, and fixtures and equipment installed upon or located in or on the Property. For purposes of this Agreement, the term "Property" shall mean and include the above-referenced parcel of land, the Improvements, and all and singular estates, rights, privileges, easements and appurtenances owned by Seller and belonging or in any way appertaining to the Property. The Property is subject to the CRL.

2. Acquisition.

a. Board and Commission Approval. The conveyance of the Property by Seller shall be subject to the approval of Seller's Board of Commissioners and the County of Riverside Board of Supervisor's as the "legislative body" pursuant to Health and Safety Code Section 33433. The acquisition of the Property by Buyer shall be subject to the approval by the Buyer's Board of Supervisors of an Authorization to Purchase and this Agreement.

b. Purchase Price. The purchase price to be paid by Buyer to Seller for the Property shall be Two Hundred and Twenty Thousand Dollars (\$220,000) ("Purchase Price"), which Seller and Buyer agree is the fair market value of the Property based on an Appraisal Report prepared by Michael J. Francis, MAI, dated November 15, 2013.

3. Payment of Purchase Price. The Purchase Price for the Property shall be payable by Buyer as follows:

a. Buyer's Deposit. On the Opening Date, Buyer shall deposit two Hundred and Twenty Thousand Dollars (\$ 220,000) (the "Escrow Deposit") with the Escrow Holder. The Escrow Deposit shall be refundable in full if Buyer terminates the Escrow.

b. Closing Funds. Within five (5) days of written request from Escrow Holder, and in any event prior to the Close of Escrow, Buyer shall deposit or cause to be deposited with Escrow Holder, in cash or by a certified or bank cashier's check made payable to Escrow Holder or a confirmed wire transfer of funds, any remaining escrow fees and/or costs.

All escrow, recording and title insurance costs shall be paid by Buyer in accordance with Paragraph 10 below.

4. Escrow.

a. Opening of Escrow. For purposes of this Agreement, the Escrow shall be deemed opened on the date Escrow Holder shall have received an executed counterpart of this Agreement from both Buyer and Seller ("Opening Date"). Escrow Holder shall notify Buyer and Seller, in writing, of the Opening Date and the Closing Date, as defined in paragraph 4.b, below. In addition, Buyer and Seller agree to execute, deliver, and be bound by any reasonable or customary supplemental joint order escrow instructions of Escrow Holder, or other instruments as may reasonably be required by Escrow Holder, in order to consummate the transaction contemplated by this Agreement. Any such supplemental instructions shall not conflict with, amend, or supersede any portion of this Agreement. If there is any inconsistency between such supplemental instructions and this Agreement, then this Agreement shall control.

b. Close of Escrow. For purposes of this Agreement, "Close of Escrow" shall be defined as the date the Grant Deed, the form of which is attached hereto as Exhibit "C" and incorporated herein by this reference ("Grant Deed") conveying the Property to Buyer, is recorded in the Official Records of Riverside County, California. The Close of Escrow shall occur on or before thirty (30) days after the Opening Date, unless extended in writing by the mutual written agreement of the parties ("Closing Date"). In the event the Close of Escrow does not occur thirty (30) days after the Opening Date, Escrow Holder shall deposit the Escrow Deposit and any other funds deposited by Buyer to be used towards the Purchase Price and the Escrow, in an interest bearing account. Any interest accrued in such account shall be applied toward payment of the Purchase Price and any remaining balance shall be returned to Buyer upon the Close of Escrow.

c. Due Diligence Period. Buyer shall have fifteen (15) days from the Opening Date (the "Due Diligence Period") to inspect the Property and Due Diligence Materials. In the event Buyer finds the Property unsatisfactory for any reason, Buyer at its sole discretion, shall notify Seller and Escrow Holder in writing prior to expiration of the Due Diligence Period. Thereafter, Buyer and Seller shall have no obligation to each other (except as otherwise set forth herein) and Buyer shall be entitled to the return of its Escrow Deposit. In the event of a cancellation of Escrow, Buyer and Seller shall each bear one-half of any Escrow cancellation fees.

5. Conditions of Title. It shall be a condition to the Close of Escrow and a covenant of Seller that Seller shall convey good and marketable fee simple title to the Property by the Grant Deed, subject only to the following approved conditions of title ("Approved Condition of Title"):

- a. A lien to secure payment of real estate taxes, not delinquent.

- b. Matters created by or with the written consent of Buyer.
- c. Exceptions which are disclosed by the Title Report described in Paragraph 7. a. (1) hereof and which are approved or deemed approved by Buyer in accordance with Paragraph 7. a. (2) hereof.

Seller covenants and agrees during the term of this Escrow, Seller will not cause or permit title to the Property to differ from the Approved Condition of Title described in this Paragraph 5. Any liens, encumbrances, easements, restrictions, conditions, covenants, rights, rights-of-way, or other matters affecting the Approved Condition of Title which may appear of record or be revealed after the date of the Title Report described in Paragraph 7. a. (1) below, shall also be subject to Buyer's approval and must be eliminated or ameliorated to Buyer's satisfaction by Seller prior to the Close of Escrow as a condition to the Close of Escrow for Buyer's benefit.

6. Title Policy. Title shall be evidenced by the willingness of the Title Company to issue its ALTA Policy of Title Insurance ("Title Policy") in the amount of the Purchase Price showing title to the Property vested in Buyer subject only to the Approved Condition of Title.

7. Conditions to Close of Escrow.

a. Conditions to Buyer's Obligations. The Close of Escrow and Buyer's obligation to consummate the transaction contemplated by this Agreement are subject to the satisfaction of the following conditions for Buyer's benefit on or prior to the dates designated below for the satisfaction of such conditions:

(1) Due Diligence Materials/Title. Within ten (10) days of the Opening Date, Seller will deliver to Buyer copies of the following items, if and to the extent such items are in Seller's possession (collectively referred to herein as the "Due Diligence Materials"): (i) a Preliminary Title Report dated December 10, 2013 ("Title Report") for the Property and legible copies of all documents, whether recorded or unrecorded, referred to in the Title Report; and (ii) any and all environmental reports relating to the Property.

(2) Review and Approval of Due Diligence Materials. Prior to the expiration of the Due Diligence Period, Buyer shall have the right to review and approve or disapprove, in its discretion, at Buyer's sole cost and expense, the Due Diligence Materials. Failure of Buyer to give disapproval of the Due Diligence Materials, in a writing delivered by Buyer to Seller on or before the expiration of the Due Diligence Period, shall be deemed to constitute Buyer's approval of all Due Diligence Materials. If Buyer disapproves or conditionally approves any matters

of title shown in the Title Report, then Seller may, within five (5) days after its receipt of Buyer's notice of disapproval of the Due Diligence Materials, elect to eliminate or ameliorate to Buyer's satisfaction the disapproved or conditionally approved title matters. Seller shall thereupon give Buyer written notice of those disapproved or conditionally approved title matters, if any, which Seller covenants and agrees to either eliminate from the Title Policy as exceptions to title to the Property or to ameliorate to Buyer's satisfaction by the Closing Date as a condition to the Close of Escrow for Buyer's benefit. If Seller does not elect to eliminate or ameliorate to Buyer's satisfaction any disapproved or conditionally approved title matters, or if Buyer disapproves of Seller's notice, or if, despite its reasonable efforts, Seller is unable to eliminate or ameliorate to Buyer's satisfaction all such disapproved matters prior to the Closing Date, then Buyer shall have the right to, by a writing delivered to Seller and Escrow Holder: (i) waive its prior disapproval, in which event the disapproved matters shall be deemed approved; or (ii) terminate this Agreement and the Escrow created pursuant thereto, in which event Buyer shall be entitled to the return of all monies previously deposited with Escrow Holder or released to Seller pursuant to this Agreement, and the Escrow and the rights and obligations of the parties hereunder shall thereafter terminate.

(3) Representations, Warranties, and Covenants of Seller. Seller shall have duly performed each and every agreement to be performed by Seller hereunder and Seller's representations, warranties, and covenants set forth in Paragraph 14 shall be true and correct in all material respects as of the Closing Date.

(4) No Material Changes. At the Closing Date, there shall have been no material adverse changes in the physical condition of the Property.

(5) Inspections and Studies. Prior to the expiration of the Due Diligence Period, Buyer shall have approved the results of any and all inspections, investigations, tests and studies (including, without limitation, investigations with regard to zoning, building codes and other governmental regulations, architectural inspections, engineering tests, economic feasibility studies and soils, seismic and geologic reports) with respect to the Property (including all structural and mechanical systems and leased areas) as Buyer may elect to make or obtain. The failure of Buyer to disapprove the results of said inspections, investigations, tests and studies in writing on or prior to the expiration of the Due Diligence Period shall be deemed to constitute Buyer's approval of the results. The cost of any such inspections, tests and studies shall be borne by Buyer. During the term of this Escrow, Buyer, its agents, contractors and subcontractors shall have the right to enter upon the Property, at reasonable times during ordinary business hours, to make any and all inspections and tests as may be necessary or desirable in Buyer's sole judgment and discretion. Buyer shall use care and consideration in connection with any of its inspections. Buyer hereby indemnifies Seller and

Seller's directors, officers, shareholders, employees and agents from and against any and all personal injuries, damage to the Property and mechanics' liens, arising out of any such entry by Buyer or its agents, designees, contractors, subcontractors, or representatives onto the Property. From and after the Opening Date, Buyer and Buyer's representatives, agents and designees shall have the right to (a) consult with any party for any purpose relating to the Property, and (b) enter upon the Property during normal business hours, at Buyer's sole cost and expense, for any reasonable purpose in connection with Buyer's proposed purchase, development or operation of the Property, including, without limitation, to examine all books, records and files of Seller (or its agents) relating to the Property and to make such inspections, investigations and tests as Buyer may elect to make.

b. Conditions Precedents to Seller's Obligation. For the benefit of Seller, the Close of Escrow shall be conditioned upon the occurrence and satisfaction of each of the following conditions (or Seller's waiver thereof, it being agreed Seller may waive any or all of such conditions):

(1) Buyer's Obligations. Buyer shall have timely performed all of the obligations required by the terms of this Agreement to be performed by Buyer; and

(2) Buyer's Representations. All representations and warranties made by Buyer to Seller in this Agreement shall be true and correct in all material respects as of the Close of Escrow.

8. Deposits by Seller. At least three (3) business days prior to the Close of Escrow, Seller shall deposit or cause to be deposited with Escrow Holder the following documents and instruments:

a. Seller's Nonforeign Affidavit. A Certificate of Nonforeign Status (Seller's Certificate), duly executed by Seller.

b. Grant Deed. The Grant Deed conveying the Property to Buyer duly executed by Seller, acknowledged and in recordable form, substantially similar to Exhibit C. Upon receiving said executed Grant Deed, escrow holder is instructed to forward a copy of Grant Deed to Buyer so that an original Certificate of Acceptance can be attached.

9. Deposits by Buyer. At least three (3) business days prior to the Close of Escrow, Seller shall deposit or cause to be deposited with Escrow Holder the following documents and instruments:

a. Funds. the funds which are to be applied toward the payment of the Purchase Price in the amounts and at the times designated in Paragraph 3 above.

b. Certificate of Acceptance to Grant Deed. an original Certificate of Acceptance, acknowledged and in recordable form, substantially similar to Exhibit C.

10. Costs and Expenses. The cost and expense of the Title Policy attributable to ALTA coverage, plus the cost attributable to an endorsement insuring Buyer's title against any mechanics' liens as of the Closing Date, shall be paid by Buyer. The escrow fee of Escrow Holder shall be paid by Buyer. Buyer shall pay all documentary transfer taxes, if any, payable in connection with the recordation of the Grant Deed. The amount of such transfer taxes shall not be posted on the Grant Deed, but shall be supplied by separate affidavit. Buyer shall pay the Escrow Holder's customary charges to Buyer and Seller for document drafting, recording, and miscellaneous charges, including, but not limited to the cost of the Title Report.

11. Prorations.

a. Method of Proration. For purposes of calculating proration, Buyer shall be deemed to own fee title to the Property (and therefore entitled to all revenue therefrom and responsible for expenses thereon) commencing on the date the Close of Escrow occurs. All proration will occur on the date of the Close of escrow based on a thirty (30) day month. The obligations of the parties pursuant to this subparagraph shall survive the Close of Escrow and shall not merge into the Close of Escrow and the recording of the Grant Deed in the Official Records.

12. Taxes. Buyer and Seller acknowledge that both parties are public entities exempt from payment of any real property taxes. As such, there will be no proration of taxes through Escrow.

13. Disbursements and Other Actions by Escrow Holder. Upon the Close of Escrow, the Escrow holder shall promptly undertake all of the following in the manner indicated:

a. Prorations. Prorate all matters referenced herein, based upon the statement delivered into Escrow signed by the parties.

b. Recording. Cause the Grant Deed and any other documents which the parties hereto may mutually direct, to be recorded in the Official Records of Riverside County, California ("Official Records"). Escrow Holder is instructed not to affix the amount of documentary transfer tax on the face of the Deed, but to supply same by separate affidavit.

c. Funds. From funds deposited by Buyer with Escrow Holder, disburse balance of the Purchase Price, after deduction for all items chargeable to the account of Buyer, to Seller; and disburse funds for all items chargeable to the account of Seller in payment of such

costs from funds deposited by Seller over and above the Purchase Price; and disburse the balance of such funds, if any, to Buyer.

d. Documents to Buyer. Deliver the Seller's Certificate, executed by Seller, and, when issued, the Title Policy, to Buyer.

e. Documents to Seller. Deliver, when issued, the Title Policy, to Seller.

f. Reporting Person. Buyer and Seller hereby acknowledge and agree that the Escrow Holder is designated as the "Reporting Person" for the transaction which is the subject of this Agreement pursuant to Section 6045(e) of the Internal Revenue Code.

14. Seller's Representations and Warranties. In consideration of Buyer entering into this Agreement, and as an inducement to Buyer to purchase the Property, Seller makes the following representations and warranties, each of which is material and is being relied upon by Buyer (and the continued truth and accuracy of which shall constitute a condition precedent to Buyer's obligations hereunder).

a. Authorization. This Agreement has been duly and validly authorized, executed and delivered by Seller, and no other action is requisite to the execution and delivery of this Agreement by Seller.

b. Threatened Actions. There are no actions, suits or proceedings pending against, or, to the best of Seller's knowledge, threatened or affecting the Property in law or equity.

c. Third Party Consents. No consents or waivers of, or by, any third party are necessary to permit the consummation by Seller of the transactions contemplated pursuant to this Agreement.

d. Violations of Law. Seller has not received notice of any outstanding violations, past or present, of any governmental laws, ordinances, rules, requirements or regulations of every governmental agency, body or subdivision thereof bearing on the Property, and Seller has no knowledge or reason to have knowledge of any condition which constitutes such a violation.

e. Condemnation. There are no pending, or, to the best of Seller's knowledge, threatened proceedings in eminent domain or otherwise, which would affect the Property or any portion thereof.

f. Compliance with Law. To the best of Seller's knowledge, all laws, ordinances, rules, and requirements and regulations of every governmental agency, body, or subdivision thereof bearing on the Property have been complied with by Seller.

g. Agreements. There are no agreements (whether oral or written) affecting or relating to the right of any party with respect to the possession of the Property, or any portion thereof, which are obligations which will affect the Property or any portion thereof subsequent to the recordation of the Grant Deed, except as may be reflected in the Title Report, which shall have been approved by Buyer pursuant to the terms of this Agreement.

h. Documents. To the best of Seller's knowledge, all documents delivered to Buyer pursuant to this Agreement are true and correct copies of originals, and any and all information supplied to Buyer by Seller in accordance with Paragraph 8.a hereof is true and correct.

i. Occupancy Agreements. There are no leases, subleases, occupancies or tenancies in effect pertaining to the Property, and Seller has no knowledge of any oral agreements with anyone, with respect to the occupancy of the Property.

Seller's representations and warranties made in this Paragraph 14 shall be continuing and shall be true and correct as of the Close of Escrow with the same force and effect as if remade by Seller in a separate certificate at that time and shall not merge into the Close of Escrow and the recording of the Grant Deed in the Official Records.

15. Buyer's Representations and Warranties. In consideration of Seller entering into this Agreement, and as an inducement to Seller to sell the Property to Buyer, Buyer makes the following representations and warranties, each of which is material and is being relied upon by Seller:

a. This Agreement has been duly and validly authorized, executed and delivered by Buyer, and no other action is requisite to the execution and delivery of this Agreement by Buyer.

b. This Agreement has been, and all documents executed by Buyer under this Agreement which are to be delivered to Seller at the time of Close of Escrow will be, duly authorized, executed, and delivered by Buyer, and is, or, as to all documents to be executed by Buyer at the Close of Escrow, will be, legal, valid, and binding obligations of Buyer, and do not, and at the Close of Escrow will not violate any provisions of any agreement or judicial order to which Buyer is a party or to which it is subject.

c. Buyer's representations and warranties made in this Paragraph 15 shall be continuing and shall be true and correct as of the Close of Escrow with the same force and effect as if remade by Buyer in a separate certificate at that time.

16. Private Business Test; Private Loan Test. On and after the Close of Escrow, Buyer hereby acknowledges, covenants, warrants, and agrees not take any deliberate action in connection with Property or to allow any use of the Property in any manner that would cause the use of the proceeds of the Redevelopment Agency for the County of Riverside 2010 Tax Allocation Housing Bonds, Series A (the "Bonds"), to satisfy the private business test of Internal Revenue Code Section 141(b) or the private loan financing test of Internal Revenue Code Section 141(c).

In order to avoid satisfying the private business test, Buyer shall not use the Property or allow the Property to be used for any private business use. Consequently, Buyer shall not allow any nongovernmental person to have a special legal entitlement to use the property in furtherance of any business or trade. Buyer is expressly forbidden from leasing, conveying, transferring, or alienating any of Buyer's interest in the Property to a nongovernmental person while the Bonds remain outstanding unless the Seller has first obtained an unqualified approving opinion from Bond Counsel for the Bonds. Buyer shall pay any and all costs associated with obtaining such an opinion.

In order to avoid satisfying the private loan test, Buyer shall not loan any part of the Property to a nongovernmental person for any purpose. Nor shall Buyer lease, convey, transfer, or alienate any of Buyer's interest in the Property for consideration which is in turn loaned to any nongovernmental person.

Because the Property is intended to be used for the governmental purpose of a public parking lot, to the extent that no private business user has a special legal entitlement to the Property, the Property may be used by the general public as a parking lot. However, use by the general public contemplates use by individuals not acting in a trade or business. Buyer shall not allow the Property to be used to facilitate any private trade or business.

If any fees are charged for the use of the Property as a public parking lot, Buyer shall ensure that such fees shall be generally applied. In no case shall Buyer approve a fee arrangement that authorizes a private person to use the Property for parking for more than 180 consecutive days of use. Buyer may charge a monthly parking fee as long as the terms are month-to-month with no requirement for Buyer to renew the privilege to park at the end of any month. In no case shall Buyer use or allow the use of the Property by a private valet or parking attendant.

Should Buyer have any questions concerning a proposed use of the Property, Buyer shall contact Riverside County Counsel who may request an opinion from Bond Counsel for the Bonds. Buyer shall pay any and all costs associated with obtaining such an opinion.

17. Reserved

18. Damage or Condemnation Prior to Closing. Seller shall promptly notify Buyer of any knowledge by Seller of casualty to the Property or any condemnation proceeding

safekeeping of all monies, instruments, or other documents received by it as Escrow Holder, and for their disposition in accordance with the terms of this Agreement.

[Remainder of page intentionally blank]

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

SELLER:

HOUSING AUTHORITY OF
THE COUNTY OF RIVERSIDE, a public
entity, corporate and politic, in its capacity
as housing successor to the Redevelopment
Agency for the County of Riverside

By: _____
Jeff Stone, Chairman
Board of Commissioners

Dated: _____

ATTEST:
KECIA HARPER-IHEM

Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:
PAMELA J. WALLS
COUNTY COUNSEL

By: _____
Jhaila R. Brown,
Deputy County Counsel

BUYER:

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

By: _____
Jeff Stone, Chairman
Board of Supervisors

Dated: _____

ATTEST:
KECIA HARPER-IHEM

Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:
PAMELA J. WALLS
COUNTY COUNSEL

By: _____
Patricia Munroe,
Deputy County Counsel

Acceptance by Escrow Holder:

_____ hereby acknowledges that it has received a fully executed counterpart of the foregoing Agreement of Purchase and Sale and Joint Escrow Instructions and agrees to act as Escrow Holder thereunder and to be bound by and perform the terms thereof as such terms apply to Escrow.

Dated: _____

Lawyers Title Company

By: _____

Name: _____

Its: _____

EXHIBIT A

LEGAL DESCRIPTION

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

THE SOUTH 150.00 FEET OF THE FOLLOWING DESCRIBED PARCEL, IN THE CITY OF HEMET, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA:

BEGINNING AT THE INTERSECTION OF THE CENTER LINES OF STATE STREET AND MENLO AVENUE, SAID POINT BEING THE SOUTHEAST CORNER OF FARM LOT 125 OF THE ESTUDILLO LAND AND WATER COMPANY'S ADDITION TO SAN JACINTO, AS SHOWN BY MAP ON FILE IN BOOK 9, PAGE 410 OF MAPS, RECORD OF SAN DIEGO COUNTY, CALIFORNIA;

THENCE NORTH ALONG THE CENTER LINE OF STATE STREET, 156.00 FEET TO THE POINT OF BEGINNING.

THENCE NORTH ALONG THE CENTERLINE OF STATE STREET, A DISTANCE OF 150.00 FEET;

THENCE WEST AND PARALLEL WITH THE CENTERLINE OF MENLO AVENUE, A DISTANCE OF 320.00 FEET;

THENCE NORTH AND PARALLEL WITH THE CENTERLINE OF STATE STREET, A DISTANCE OF 119.00 FEET;

THENCE WEST AND PARALLEL WITH CENTER LINE OF MENLO AVENUE, A DISTANCE OF 10.00 FEET;

THENCE SOUTH AND PARALLEL WITH THE CENTER LINE OF STATE STREET, A DISTANCE OF 269.00 FEET;

THENCE EAST AND PARALLEL WITH THE CENTER LINE OF MENLO AVENUE, A DISTANCE OF 330.00 FEET, TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION THEREOF INCLUDED IN STATE STREET, AS CONVEYED TO THE COUNTY OF RIVERSIDE, BY DOCUMENTS RECORDED JUNE 23, 1965 AS INSTRUMENT NO. 72678 AND JUNE 2, 1971 AS INSTRUMENT NO. 58757, BOTH OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

APN: 439-060-013-4

EXHIBIT B

PROPERTY MAP

(Behind this page)

EXHIBIT C

GRANT DEED
(Behind this page)

OFFICIAL BUSINESS

Document entitled to free recording

Per Government Code Section 6103 and 27383

**RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:**

County of Riverside

Economic Development Agency

3403 Tenth Street, Suite 400

Riverside, CA 92501

Attn: Jim Force

APN: 439-060-0130-4

above space for recorder's use only

GRANT DEED
(723 N. State Street, Hemet, CA)

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, THE HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic, in its capacity as housing successor to the former Redevelopment Agency for the County of Riverside ("Grantor"), hereby grants to the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("Grantee"), the real property located in the City of Hemet, County of Riverside, State of California, as more particularly described in that certain legal description attached hereto as Exhibit "A" and incorporated herein by this reference, together with all appurtenant easements and access rights and other rights and privileges appurtenant to the land, and subject only to matters of records ("Property").

Said Property is conveyed in accordance with and subject to the Agreement of Purchase and Sale and Joint Escrow Instructions entered into by and between Grantor and Grantee, dated as of June 17, 2014, including, but not limited to Grantee's obligations under Section 16, Private Business Test; Private Loan Test, which document is a public record on file in the offices of the Clerk of the County of Riverside, and is incorporated herein by reference.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

[SIGNATURE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Grantor has caused this instrument to be executed on its behalf.

"GRANTOR"

HOUSING AUTHORITY OF THE
COUNTY OF RIVERSIDE, a public entity,
corporate and politic, in its capacity as
housing successor to the Redevelopment
Agency for the County of Riverside

By: _____

Name: _____

Its: _____

Dated: _____

ATTEST:
KECIA HARPER-IHEM
Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:
PAMELA J. WALLS
COUNTY COUNSEL

By: _____
Jhaila R. Brown,
Deputy County Counsel

EXHIBIT "A"

LEGAL DESCRIPTION

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

THE SOUTH 150.00 FEET OF THE FOLLOWING DESCRIBED PARCEL, IN THE CITY OF HEMET, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA:

BEGINNING AT THE INTERSECTION OF THE CENTER LINES OF STATE STREET AND MENLO AVENUE, SAID POINT BEING THE SOUTHEAST CORNER OF FARM LOT 125 OF THE ESTUDILLO LAND AND WATER COMPANY'S ADDITION TO SAN JACINTO, AS SHOWN BY MAP ON FILE IN BOOK 9, PAGE 410 OF MAPS, RECORD OF SAN DIEGO COUNTY, CALIFORNIA;

THENCE NORTH ALONG THE CENTER LINE OF STATE STREET, 156.00 FEET TO THE POINT OF BEGINNING.

THENCE NORTH ALONG THE CENTERLINE OF STATE STREET, A DISTANCE OF 150.00 FEET;

THENCE WEST AND PARALLEL WITH THE CENTERLINE OF MENLO AVENUE, A DISTANCE OF 320.00 FEET;

THENCE NORTH AND PARALLEL WITH THE CENTERLINE OF STATE STREET, A DISTANCE OF 119.00 FEET;

THENCE WEST AND PARALLEL WITH CENTER LINE OF MENLO AVENUE, A DISTANCE OF 10.00 FEET;

THENCE SOUTH AND PARALLEL WITH THE CENTER LINE OF STATE STREET, A DISTANCE OF 269.00 FEET;

THENCE EAST AND PARALLEL WITH THE CENTER LINE OF MENLO AVENUE, A DISTANCE OF 330.00 FEET, TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION THEREOF INCLUDED IN STATE STREET, AS CONVEYED TO THE COUNTY OF RIVERSIDE, BY DOCUMENTS RECORDED JUNE 23, 1965 AS INSTRUMENT NO. 72678 AND JUNE 2, 1971 AS INSTRUMENT NO. 58757, BOTH OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

APN: 439-060-013-4

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Grant Deed dated as of _____, 2014 from the Grantor, THE HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic, in its capacity as housing successor to the former Redevelopment Agency for the County of Riverside, granted to the Grantee, the COUNTY OF RIVERSIDE, a political subdivision of the State of California, is hereby accepted by resolution of Grantee on June 17, 2014 by Resolution No. _____ and Grantee consents to recordation thereof by its duly authorized officer.

“GRANTEE”

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

By: _____
Jeff Stone, Chairman
Board of Supervisors

Dated: _____

ATTEST:

KECIA HARPER-IHEM
Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:
PAMELA J. WALLS
COUNTY COUNSEL

By: _____
Patricia Munroe,
Deputy County Counsel

State of California)
County of _____)

On _____ before me, _____,
a Notary Public, personally appeared _____, who proved to me
on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

State of California)
County of _____)

On _____ before me, _____,
a Notary Public, personally appeared _____, who proved to me
on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

ATTACHMENT 2

33433 SUMMARY REPORT

[BEHIND THIS PAGE]

**Summary Report Pursuant To
California Health and Safety Code Section 33433
On A Purchase and Sale Agreement
By and Between
The Housing Authority of the County of Riverside County
and
The County of Riverside**

The following Summary Report has been prepared pursuant to California Health and Safety Code Section 33433 ("Section 33433"). The Summary Report sets forth certain details of the proposed Agreement of Purchase and Sale Joint Escrow Instructions ("Agreement") between the Housing Authority of the County of Riverside ("Housing Authority") and the County of Riverside ("County"). The Agreement requires the Housing Authority to convey approximately 0.91 acres of commercially zoned real property located at 723 North State Street, Hemet, California 92543 ("Site") to the County for the construction of a public parking lot with approximately 79 parking spaces to benefit the Hemet Service Center located adjacent to the Site ("Project").

The Housing Authority is a California housing authority acting under the California Housing Authorities Law, Part 2 of Division 24 of the Health and Safety Code (the "Housing Authorities Law").

Assembly Bill No. x1 26, as modified by Assembly Bill No. 1484 ("Dissolution Act"), added Parts 1.8 and 1.85 to Division 24 of the California Community Redevelopment Law (Health and Safety Code sections 33000 et seq., the "CRL"). The Redevelopment Agency for the County of Riverside ("RDA") was dissolved on February 1, 2012 such that the RDA is now deemed a former redevelopment agency under Health and Safety Code section 34173;

Pursuant to Health and Safety Code Section 34176 (a), and Housing Authority Resolution Nos. 2012-035, 2012-001 and 2012-005, all housing functions previously performed by the former RDA, including related rights, powers, duties, obligations, and housing assets (excluding amounts in the Low and Moderate Income Housing Fund and enforceable obligations retained by the successor agency) were transferred to the Housing Authority. As such, the Housing Authority owns the Site.

The proposed conveyance of the Site to the County is subject to the reporting requirements imposed by Section 33433. Section 33433 requires the conveying entity to prepare a report that summarizes the following information in connection with the disposition transaction for the Site:

- (i) The cost of the agreement to the agency, including land acquisition costs, clearance costs, relocation costs, the costs of any improvements to be provided by the agency, plus the expected interest on any loans or bonds to finance the agreements.

(ii) The estimated value of the interest to be conveyed or leased, determined at the highest and best uses permitted under the plan.

(iii) The estimated value of the interest to be conveyed or leased, determined at the use and with the conditions, covenants, and development costs required by the sale or lease. The purchase price or present value of the lease payments which the lessor will be required to make during the term of the lease. If the sale price or total rental amount is less than the fair market value of the interest to be conveyed or leased, determined at the highest and best use consistent with the redevelopment plan, then the agency shall provide as part of the summary an explanation of the reasons for the difference.

(iv) An explanation of why the sale or lease of the property will assist in the elimination of blight, with reference to all supporting facts and materials relied upon in making this explanation.

It is the intent of this Summary Report (Report) to meet all of the Section 33433 requirements and provide the required information and data. This Report is based upon the information contained within the Agreement, and is organized into the following seven sections:

1. **Salient Points of the Agreement:** This section summarizes the major responsibilities imposed on the Housing Authority and the County in the Agreement.
2. **Cost of the Agreement to the Housing Authority:** This section details the total cost to the Housing Authority associated with implementing the Agreement.
3. **Estimated Value of the Interests to be Conveyed Determined at the Highest Use Permitted Under the Existing Zoning:** This section estimates the value of the interest to be conveyed determined at the highest use permitted under the Site's existing zoning.
4. **Estimated Reuse Value of the Interests to be Conveyed:** This section summarizes the valuation estimate for the Site based on the required scope of development, and the other conditions and covenants required by the Agreement.
5. **Consideration Received and Comparison with the Established Value:** This section describes the compensation to be received by the Housing Authority, and explains any difference between the compensation to be received and the established value of the Site.
6. **Blight Elimination:** This section describes the existing blighting conditions on the Site, and explains how the Agreement will assist in alleviating the blighting influence.
7. **Conformance with the AB 1290 Implementation Plan:** This section describes how the Agreement achieves the goals identified in the adopted AB 1290 Implementation Plan for the Mid-County Project Area.

1. SALIENT POINTS OF THE AGREEMENT

Description of the Site and Project

The property to be conveyed by the Housing Authority to the County of Riverside is approximately 0.91 acres of commercially zoned land located at 723 North State Street, Hemet, California 92543 with Assessor's Parcel Number 439-060-013 ("Site") and legally described in **Exhibit A** and map of property shown in **Exhibit B**. On August 31, 2010, the former RDA Board of Directors adopted Resolution No. 2010-047 authorizing the purchase of seven parcels consisting of a total 8.46 acres, including the Site. The Site has since been transferred to the Housing Authority as discussed above.

The former RDA acquired the property primarily for the purpose of carrying out its obligation to eliminate blight and for future development. When the Site was purchased by the former RDA, the Site consisted of a commercial building. The former RDA relocated the existing business and demolished the building with the intent of future development. Due to the elimination of redevelopment in California, and the lack of available financing for and interest in the development of affordable housing on the Site, the Housing Authority has determined that the best use for the Site would be for governmental purposes.

Scope of Development

The proposed scope of development includes the construction and development on the Site of a new public parking lot and driveway resulting in approximately 79 public parking spaces that will benefit the Hemet Service Center, a publicly owned building, located adjacent to the Site ("Project"). The Hemet Service Center houses both public and private non-profit agencies that provide social services including, but not limited to job development opportunities, transportation service to the elderly, and other services to improve community development and growth. Due to the vital need of community assistance in the Hemet area, the Hemet Service Center has expanded and is in need of additional public parking.

County Responsibilities

The Agreement requires the County to accept the following responsibilities:

1. The County must accept conveyance of the Site in an "as-is" condition.
2. The County shall pay to the Housing Authority \$220,000 to purchase the Site.
3. The County shall pay all escrow fees.
4. On and after the close of escrow, County shall not take any deliberate action in connection with Site or to allow any use of the Site in any manner that would cause the use of the proceeds of the Redevelopment Agency for the County of Riverside 2010 Tax Allocation Housing Bonds, Series A, to satisfy the private business test of Internal Revenue Code Section 141(b) or the private loan financing test of Internal Revenue Code Section 141(c).
5. The County shall use the Site for a governmental purpose as specified in the Agreement.

Housing Authority Responsibilities

The Agreement imposes the following responsibilities on the Housing Authority:

1. The Housing Authority must convey the Site to the County for the purchase price of \$220,000, subject to the County's satisfactions of the terms and conditions of the Agreement.
2. The Housing Authority shall deposit the net proceeds of the purchase price into the Housing Authority's Low and Moderate Income Housing Asset Fund established pursuant to the Dissolution Act.

2. COST OF THE AGREEMENT TO THE FORMER RDA AND THE HOUSING AUTHORITY

The cost of acquiring the Site borne by the former RDA is approximately \$195,132. Such cost includes estimated land value based on appraisals conducted in the surrounding area, consideration paid for land, consulting fees, appraisal costs, title expenses and various other costs and expenses. The foregoing figure relating to the cost of the Agreement is an estimated amount and does not include either an allocation of interest or an allocation of the cost of staff time expended on the acquisition of the Site. The total costs incurred, including relocation and demolition, was \$334,912.

Costs Incurred

Land Acquisition

7 Parcels = Total acreage of 8.46; Site = 0.91 acres

Proportion % = $(0.91 / 8.46) * 100 = 10.76\%$

Total purchase price = \$1,813,500

Site purchase cost = $\$1,813,500 * 0.1076 = \$195,132.60$

Demolition

6 Parcels = Total acreage of 6.07; Site = 0.91 acres

Proportion % = $(0.91 / 6.07) * 100 = 14.9\%$

Total demolition contract = \$266,984

Site demolition cost = $\$266,984 * 0.149 = \$39,780$

Land Acquisition	\$ 195,132
Relocation	\$ 100,000
Demolition	\$ 39,780
Total	<u>\$ 334,912</u>

3. ESTIMATED VALUE OF THE INTEREST TO BE CONVEYED DETERMINED AT THE HIGHEST USE PERMITTED UNDER THE EXISTING ZONING

Section 33433 requires the Housing Authority to identify the value of the interests being conveyed at the highest use allowed by the Site's zoning. The valuation must be based on the assumption that near-term development is required, but the valuation does not take into consideration any extraordinary use, quality and/or income restrictions that are being imposed on the development by the Housing Authority.

In an Appraisal Report prepared by Michael J. Francis, MAI, dated November 15, 2013 (Appraisal Report), the appraiser, concluded that given the Site's commercial zoning and considering the current property uses in the immediate and greater surrounding areas, the highest and best use of the Site is for commercial development. The Appraisal concluded that the currently vacant market value of the Site is approximately \$5.50 per square foot. The Appraiser's conclusion was based on a sales comparison approach. Based on the above, the estimated fair market value of the Site is determined to be **\$220,000**. The sales price will be equal to that of the fair market value. This represents the fair market value of the Site at the highest and best use permitted under the zoning.

4. ESTIMATED REUSE VALUE OF THE INTERESTS TO BE CONVEYED

The Agreement does not impose any extraordinary restrictions on the County, other than to not use the Site or allow the Site to be used for any private business use. The Site can only be used for a governmental purpose for the period set forth in the Agreement. As such, the fair reuse value is the same as the value of the Site at the highest use permitted by the current zoning. Thus, the fair reuse value is estimated at \$220,000.

5. CONSIDERATION RECEIVED IN COMPARISON WITH THE ESTABLISHED VALUE

The Agreement requires the County purchase the Site for \$220,000, which is equal to the estimated fair market value of the Site.

6. BLIGHT ELIMINATION

The Site consists of vacant land and is located within the Greater Downtown Land Use District in the City of Hemet. Development of the Project on the Site will provide much needed public parking on a vacant site, fill in a gap in the downtown streetscape, and eliminate the blighting conditions caused by the improper and underutilization of the land and hindered economic viability of surrounding buildings due to the lack of parking. The Project will increase employment during the construction phase. Thus, the proposed Project fulfills the blight elimination requirement imposed by Section 33433.

7. CONFORMANCE WITH THE AB 1290 IMPLEMENTATION PLAN

The Project meets the following goals called out in the Mid-County Project Area Implementation Plan 2009-2014 adopted pursuant to Health and Safety Code Section 33490:

Construction of public infrastructure and capital facilities to eliminate and prevent the acceleration of physical blight and to encourage the better utilization of real property and new private enterprise investment.

ATTACHMENT A

LEGAL DESCRIPTION

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

THE SOUTH 150.00 FEET OF THE FOLLOWING DESCRIBED PARCEL, IN THE CITY OF HEMET, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA:

BEGINNING AT THE INTERSECTION OF THE CENTER LINES OF STATE STREET AND MENLO AVENUE, SAID POINT BEING THE SOUTHEAST CORNER OF FARM LOT 125 OF THE ESTUDILLO LAND AND WATER COMPANY'S ADDITION TO SAN JACINTO, AS SHOWN BY MAP ON FILE IN BOOK 9, PAGE 410 OF MAPS, RECORD OF SAN DIEGO COUNTY, CALIFORNIA;

THENCE NORTH ALONG THE CENTER LINE OF STATE STREET, 156.00 FEET TO THE POINT OF BEGINNING.

THENCE NORTH ALONG THE CENTERLINE OF STATE STREET, A DISTANCE OF 150.00 FEET;

THENCE WEST AND PARALLEL WITH THE CENTERLINE OF MENLO AVENUE, A DISTANCE OF 320.00 FEET;

THENCE NORTH AND PARALLEL WITH THE CENTERLINE OF STATE STREET, A DISTANCE OF 119.00 FEET;

THENCE WEST AND PARALLEL WITH CENTER LINE OF MENLO AVENUE, A DISTANCE OF 10.00 FEET;

THENCE SOUTH AND PARALLEL WITH THE CENTER LINE OF STATE STREET, A DISTANCE OF 269.00 FEET;

THENCE EAST AND PARALLEL WITH THE CENTER LINE OF MENLO AVENUE, A DISTANCE OF 330.00 FEET, TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION THEREOF INCLUDED IN STATE STREET, AS CONVEYED TO THE COUNTY OF RIVERSIDE, BY DOCUMENTS RECORDED JUNE 23, 1965 AS INSTRUMENT NO. 72678 AND JUNE 2, 1971 AS INSTRUMENT NO. 58757, BOTH OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

APN: 439-060-013-4

May 29, 2014

ATTACHMENT B

SITE MAP

(behind this page)



ATTACHMENT 3

**AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS,
GRANT DEED AND NOTICE OF USE RESTRICTIONS**

[BEHIND THIS PAGE]

ATTACHMENT 4

PUBLICATION OF NOTICE

[BEHIND THIS PAGE]

NOTICE OF JOINT PUBLIC HEARING BY THE HOUSING
AUTHORITY OF THE COUNTY OF RIVERSIDE AND THE
COUNTY OF RIVERSIDE REGARDING THE PROPOSED
AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW
INSTRUCTIONS BY AND BETWEEN THE HOUSING
AUTHORITY OF THE COUNTY OF RIVERSIDE AND THE
COUNTY OF RIVERSIDE TO CONVEY LAND LOCATED AT 723
NORTH STATE STREET, HEMET, CALIFORNIA AND THE
REDEVELOPMENT AND USE THEREOF

On June 17, 2014, the Housing Authority of the County of Riverside ("Authority") Board of Commissioners ("BOC") and the County of Riverside ("County") Board of Supervisors ("BOS") will consider a proposed Agreement of Purchase and Sale and Joint Escrow Instructions ("Agreement") by and between the Authority and County, to convey real property of approximately 0.91 acres of commercially zoned land located at 723 North State Street, Hemet, California 92543 with Assessor's Parcel Number 439-060-013 ("Site") to the County of Riverside ("County") for the construction of a public parking lot with approximately 79 parking spaces to benefit the Hemet Service Center located adjacent to the Site. The Hemet Service Center houses both public and private non-profit agencies that provide social services. Due to the vital need of community assistance in the Hemet area, the Hemet Service Center has expanded and is in need of additional public parking. Pursuant to California Community Redevelopment Law, Health and Safety Code Sections 33000 *et seq.* ("Law"), Authority and County will be conducting a public hearing on this matter.

Pursuant to the California Environmental Quality Act (CEQA), the County of Riverside Economic Development Agency, as the lead entity, reviewed the Agreement and determined it to be exempt from CEQA under CEQA Guidelines Section 15301, Existing Facilities; Section 15311, Accessory Structures; and Section 15061, General Rule Exemption.

WHAT: Authority and County public hearing on the proposed Agreement between Authority and County, to convey land owned by the Housing Authority to County for the construction of a new public parking lot and driveway resulting in approximately 79 public parking spaces.

WHERE: County Administrative Center, Board Chambers,
4080 Lemon Street 1st Floor, Riverside, CA 92501

WHEN: June 17, 2014
9:00 a.m. (or as soon as possible thereafter)

The proposed Agreement will be made in accordance with the Law. The joint public hearing will be held to consider the proposed Agreement to convey the Site.

The following documents are available at the Housing Authority located at 5555 Arlington Avenue, Riverside, CA 92504 and 44-199 Monroe Street, Suite B, Indio, CA 92201:

1. A copy of the proposed Agreement;
2. A Summary Report prepared pursuant to Section 33433 of the Law; and
3. A copy of the CEQA determination.

At any time before the date and time set forth above for the joint public hearing by the Authority and County, any written comments on or objections to the proposed Agreement may be filed with the County Clerk. Comments may also be submitted during such period on the Summary Report. All persons wishing to question, comment, object to, or be heard on any or all such matters at the joint public hearing will be given an opportunity to appear and be so heard. If you later desire to challenge actions of the County or Authority in connection with this transaction, you could be limited to issues you have raised at or before the public hearing.

Any interested person wishing to comment may submit written comments attention to Mervyn Manalo, Housing Specialist, by **June 16, 2014** or may appear and be heard at the time of approval on or about **June 17, 2014**.

Publish: June 2, 2014
 June 9, 2014

ATTACHMENT 5

NOTICE OF EXEMPTION

[BEHIND THIS PAGE]



NOTICE OF EXEMPTION

April 10, 2014

Project Name: County of Riverside, Resolution No. 2014-075 Authorization to Purchase Real Property located in Hemet

Project Number: FM0417200228

Project Location: APN: 439-060-013; 723 N. State Street, Hemet, CA. Riverside County, California. Lat: 33°45'32.47"N; Long: -116°58'20.57"W (See attached exhibit)

Description of Project: The County of Riverside is authorizing the purchase of real property located in the city of Hemet, Riverside County, California, also known as Assessor's Parcel Number 439-060-01. On August 31, 2010, the Redevelopment Agency purchased 8.6 acres of improvement property as part of the North Hemet Revitalization Project. On February 1, 2012, all California redevelopment agencies were eliminated and the Housing Authority of the County of Riverside assumed all the former redevelopment housing functions previously performed by the Redevelopment Agency, including all rights, powers, assets, liabilities, and duties associated with housing activities. The Hemet Service Center located adjacent to the subject properties provides social services including job development opportunities, transportation service to the elderly, home and other services by non-profit organizations to improve community development and growth. Due to the vital need of community assistance in the Hemet area, the Center has expanded and is in need of additional parking. The County has appraised Assessor's Parcel Number 439-060-013, which is owned by the Housing Authority located contiguously on the south side of the Service Center consisting of .91 acres. The current parking lot at the center is insufficient to accommodate the increasing number of new clients and additional staff and is in need of additional parking stalls. Once purchased, the County proposes to have the vacant parcel (previously an existing structure and parking lot) paved for a new accessory parking lot and driveway, which will better serve the Hemet Workforce Development Center. Currently, the overflow parking is being directed to a vacant lot on the north side of the Center.

Name of Public Agency Approving Project: County of Riverside, Economic Development Agency

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; Section 15311, Accessory Structures; and Section 15061, General Rule Exemption.

Reasons Why Project is Exempt: The project is exempt from the provisions of CEQA specifically by the State CEQA Guidelines as identified below. The project will not result in any specific or general exceptions to the use of the categorical exemptions as detailed under State CEQA Guidelines Section 15300.2. The project will not cause

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Administration
Aviation
Business Intelligence
Cultural Services
Community Services
Custodial

Housing
Housing Authority
Information Technology
Maintenance
Marketing

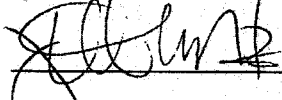
Economic Development
Edward-Dean Museum
Environmental Planning
Fair & National Date Festival
Foreign Trade
Graffiti Abatement

Parking
Project Management
Purchasing Group
Real Property
Redevelopment Agency
Workforce Development

any impacts to scenic resources, historic resources, or unique sensitive environments. Further, no unusual circumstances or potential cumulative impacts would occur that may reasonably create an environmental impact. The project only involves the purchase of real property from one agency to another, which will not have a physical effect on the environment. Further, once purchased, the County will pave the already vacant parcel of land for a new surface parking lot and driveway to service the existing Hemet Workforce Development Center. Neither the purchase nor paving of the vacant property will substantially increase the use of the site or eliminate biological resources or habitat. Therefore, no environmental impacts are anticipated to occur.

- Section 15301 (d) – Class 1 Existing Facilities Exemption. The project as proposed is the purchase of real property from one agency to another and the restoration and rehabilitation of degraded and vacant land where previously a parking lot and structure existed.
- Section 15311 (b) – Class 11 Accessory Structures Exemption. This exemption allows for the placement of minor structures, including small parking lots that are accessory to existing institutional facilities. The project includes the acquisition of adjacent property for use of a small parking lot to support the existing Hemet Workforce Development Center.
- Section 15061 (b) (3) - General Rule Exemption. With certainty, there is no possibility that the proposed project may have a significant effect on the environment. The conveyance of real property from one agency to another would not lead to any direct or reasonably foreseeable indirect physical environmental impacts. The paving of the vacant and degraded property for use as a parking would also not involve any physical environmental impacts. The property was previously utilized for parking, no biological habitat exists, and the parking lot is merely to improve the parking for the existing and ongoing use of the adjacent Hemet Workforce Development Center. Therefore, in no way would the project as proposed have the potential to cause a significant environmental impact and the project is exempt from further CEQA analysis.

Based upon the identified exemption above, the County of Riverside, Economic Development Agency hereby concludes that no physical environmental impacts are anticipated to occur and the project as proposed is exempt under CEQA. No further environmental analysis is warranted.

Signed:  for John Alfred Date: 4/10/2014

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

WHEN DOCUMENT IS FULLY EXECUTED RETURN
CLERK'S COPY
to Riverside County Clerk of the Board, Stop 1010
Post Office Box 1147, Riverside, Ca 92502-1147
Thank you.

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

Address: 723 N. State Street, Hemet, CA
County of Riverside

APN : 439-060-013

Escrow No. _____

This AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS ("Agreement") is made and entered into as of this ____ day of _____ 2014, and constitutes an agreement by which the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic, in its capacity as housing successor to the former Redevelopment Agency for the County of Riverside ("Seller") agrees to sell to, and THE COUNTY OF RIVERSIDE, a political subdivision of the State of California ("Buyer") agrees to purchase, on the terms and conditions hereinafter set forth, that certain real property described in the "Legal Description" attached hereto as Exhibit "A" and incorporated herein by this reference, and shown on the "Property Map" attached hereto as Exhibit "B" and incorporated herein by this reference, together with all Improvements as hereinafter defined (collectively, the "Property").

RECITALS

WHEREAS, Assembly Bill No. x1 26, as modified by Assembly Bill No. 1484 ("Dissolution Act"), added Parts 1.8 and 1.85 to Division 24 of the California Community Redevelopment Law (Health and Safety Code sections 33000 et seq., the "CRL"). The Redevelopment Agency for the County of Riverside ("RDA") was dissolved on February 1, 2012 such that the RDA is now deemed a former redevelopment agency under Health and Safety Code section 34173; and

WHEREAS, pursuant to Health and Safety Code Section 34176 (a), and Seller Resolution Nos. 2012-035, 2012-001 and 2012-005, all housing functions previously performed by the former RDA, including related rights, powers, duties, obligations, and housing assets (excluding amounts in the Low and Moderate Income Housing Fund and enforceable obligations retained by the successor agency) were transferred to Seller, including the Property (defined below); and

WHEREAS, Seller now owns the Property and desires to convey the Property to Buyer and Buyer desires to acquire the Property from Seller pursuant to the CRL, and the terms and provisions set forth below.

JUL 01 2014 10-1

The terms and conditions of this Agreement and the instructions to Lawyers Title Company, or such other title or escrow company mutually agreed to by the parties ("Escrow Holder") with regard to the escrow ("Escrow") created pursuant hereto are as follows:

1. Property.

a. The Property to be acquired by Buyer from Seller under this Agreement consists of a parcel of land approximately .91 acres in size located at 723 N. State Street, Hemet, California 92543, also known as Assessor Parcel Number 439-060-013 and Improvements, if any, located on the Property. Seller currently owns fee title to the Property and all of the Improvements. For purposes of this Agreement, the term "Improvements" shall mean and include all buildings, structures, improvements, pavement, areas improved with asphalt, concrete or similar materials, and fixtures and equipment installed upon or located in or on the Property. For purposes of this Agreement, the term "Property" shall mean and include the above-referenced parcel of land, the Improvements, and all and singular estates, rights, privileges, easements and appurtenances owned by Seller and belonging or in any way appertaining to the Property. The Property is subject to the CRL.

2. Acquisition.

a. Board and Commission Approval. The conveyance of the Property by Seller shall be subject to the approval of Seller's Board of Commissioners and the County of Riverside Board of Supervisor's as the "legislative body" pursuant to Health and Safety Code Section 33433. The acquisition of the Property by Buyer shall be subject to the approval by the Buyer's Board of Supervisors of an Authorization to Purchase and this Agreement.

b. Purchase Price. The purchase price to be paid by Buyer to Seller for the Property shall be Two Hundred and Twenty Thousand Dollars (\$220,000) ("Purchase Price"), which Seller and Buyer agree is the fair market value of the Property based on an Appraisal Report prepared by Michael J. Francis, MAI, dated November 15, 2013.

3. Payment of Purchase Price. The Purchase Price for the Property shall be payable by Buyer as follows:

a. Buyer's Deposit. On the Opening Date, Buyer shall deposit two Hundred and Twenty Thousand Dollars (\$ 220,000) (the "Escrow Deposit") with the Escrow Holder. The Escrow Deposit shall be refundable in full if Buyer terminates the Escrow.

b. Closing Funds. Within five (5) days of written request from Escrow Holder, and in any event prior to the Close of Escrow, Buyer shall deposit or cause to be deposited with Escrow Holder, in cash or by a certified or bank cashier's check made payable to Escrow Holder or a confirmed wire transfer of funds, any remaining escrow fees and/or costs.

All escrow, recording and title insurance costs shall be paid by Buyer in accordance with Paragraph 10 below.

4. Escrow.

a. Opening of Escrow. For purposes of this Agreement, the Escrow shall be deemed opened on the date Escrow Holder shall have received an executed counterpart of this Agreement from both Buyer and Seller ("Opening Date"). Escrow Holder shall notify Buyer and Seller, in writing, of the Opening Date and the Closing Date, as defined in paragraph 4.b, below. In addition, Buyer and Seller agree to execute, deliver, and be bound by any reasonable or customary supplemental joint order escrow instructions of Escrow Holder, or other instruments as may reasonably be required by Escrow Holder, in order to consummate the transaction contemplated by this Agreement. Any such supplemental instructions shall not conflict with, amend, or supersede any portion of this Agreement. If there is any inconsistency between such supplemental instructions and this Agreement, then this Agreement shall control.

b. Close of Escrow. For purposes of this Agreement, "Close of Escrow" shall be defined as the date the Grant Deed, the form of which is attached hereto as Exhibit "C" and incorporated herein by this reference ("Grant Deed") conveying the Property to Buyer, is recorded in the Official Records of Riverside County, California. The Close of Escrow shall occur on or before thirty (30) days after the Opening Date, unless extended in writing by the mutual written agreement of the parties ("Closing Date"). In the event the Close of Escrow does not occur thirty (30) days after the Opening Date, Escrow Holder shall deposit the Escrow Deposit and any other funds deposited by Buyer to be used towards the Purchase Price and the Escrow, in an interest bearing account. Any interest accrued in such account shall be applied toward payment of the Purchase Price and any remaining balance shall be returned to Buyer upon the Close of Escrow.

c. Due Diligence Period. Buyer shall have fifteen (15) days from the Opening Date (the "Due Diligence Period") to inspect the Property and Due Diligence Materials. In the event Buyer finds the Property unsatisfactory for any reason, Buyer at its sole discretion, shall notify Seller and Escrow Holder in writing prior to expiration of the Due Diligence Period. Thereafter, Buyer and Seller shall have no obligation to each other (except as otherwise set forth herein) and Buyer shall be entitled to the return of its Escrow Deposit. In the event of a cancellation of Escrow, Buyer and Seller shall each bear one-half of any Escrow cancellation fees.

5. Conditions of Title. It shall be a condition to the Close of Escrow and a covenant of Seller that Seller shall convey good and marketable fee simple title to the Property by the Grant Deed, subject only to the following approved conditions of title ("Approved Condition of Title"):

- a. A lien to secure payment of real estate taxes, not delinquent.

- b. Matters created by or with the written consent of Buyer.
- c. Exceptions which are disclosed by the Title Report described in Paragraph 7. a. (1) hereof and which are approved or deemed approved by Buyer in accordance with Paragraph 7. a. (2) hereof.

Seller covenants and agrees during the term of this Escrow, Seller will not cause or permit title to the Property to differ from the Approved Condition of Title described in this Paragraph 5. Any liens, encumbrances, easements, restrictions, conditions, covenants, rights, rights-of-way, or other matters affecting the Approved Condition of Title which may appear of record or be revealed after the date of the Title Report described in Paragraph 7. a. (1) below, shall also be subject to Buyer's approval and must be eliminated or ameliorated to Buyer's satisfaction by Seller prior to the Close of Escrow as a condition to the Close of Escrow for Buyer's benefit.

6. Title Policy. Title shall be evidenced by the willingness of the Title Company to issue its ALTA Policy of Title Insurance ("Title Policy") in the amount of the Purchase Price showing title to the Property vested in Buyer subject only to the Approved Condition of Title.

7. Conditions to Close of Escrow.

a. Conditions to Buyer's Obligations. The Close of Escrow and Buyer's obligation to consummate the transaction contemplated by this Agreement are subject to the satisfaction of the following conditions for Buyer's benefit on or prior to the dates designated below for the satisfaction of such conditions:

(1) Due Diligence Materials/Title. Within ten (10) days of the Opening Date, Seller will deliver to Buyer copies of the following items, if and to the extent such items are in Seller's possession (collectively referred to herein as the "Due Diligence Materials"): (i) a Preliminary Title Report dated December 10, 2013 ("Title Report") for the Property and legible copies of all documents, whether recorded or unrecorded, referred to in the Title Report; and (ii) any and all environmental reports relating to the Property.

(2) Review and Approval of Due Diligence Materials. Prior to the expiration of the Due Diligence Period, Buyer shall have the right to review and approve or disapprove, in its discretion, at Buyer's sole cost and expense, the Due Diligence Materials. Failure of Buyer to give disapproval of the Due Diligence Materials, in a writing delivered by Buyer to Seller on or before the expiration of the Due Diligence Period, shall be deemed to constitute Buyer's approval of all Due Diligence Materials. If Buyer disapproves or conditionally approves any matters

of title shown in the Title Report, then Seller may, within five (5) days after its receipt of Buyer's notice of disapproval of the Due Diligence Materials, elect to eliminate or ameliorate to Buyer's satisfaction the disapproved or conditionally approved title matters. Seller shall thereupon give Buyer written notice of those disapproved or conditionally approved title matters, if any, which Seller covenants and agrees to either eliminate from the Title Policy as exceptions to title to the Property or to ameliorate to Buyer's satisfaction by the Closing Date as a condition to the Close of Escrow for Buyer's benefit. If Seller does not elect to eliminate or ameliorate to Buyer's satisfaction any disapproved or conditionally approved title matters, or if Buyer disapproves of Seller's notice, or if, despite its reasonable efforts, Seller is unable to eliminate or ameliorate to Buyer's satisfaction all such disapproved matters prior to the Closing Date, then Buyer shall have the right to, by a writing delivered to Seller and Escrow Holder: (i) waive its prior disapproval, in which event the disapproved matters shall be deemed approved; or (ii) terminate this Agreement and the Escrow created pursuant thereto, in which event Buyer shall be entitled to the return of all monies previously deposited with Escrow Holder or released to Seller pursuant to this Agreement, and the Escrow and the rights and obligations of the parties hereunder shall thereafter terminate.

(3) Representations, Warranties, and Covenants of Seller. Seller shall have duly performed each and every agreement to be performed by Seller hereunder and Seller's representations, warranties, and covenants set forth in Paragraph 14 shall be true and correct in all material respects as of the Closing Date.

(4) No Material Changes. At the Closing Date, there shall have been no material adverse changes in the physical condition of the Property.

(5) Inspections and Studies. Prior to the expiration of the Due Diligence Period, Buyer shall have approved the results of any and all inspections, investigations, tests and studies (including, without limitation, investigations with regard to zoning, building codes and other governmental regulations, architectural inspections, engineering tests, economic feasibility studies and soils, seismic and geologic reports) with respect to the Property (including all structural and mechanical systems and leased areas) as Buyer may elect to make or obtain. The failure of Buyer to disapprove the results of said inspections, investigations, tests and studies in writing on or prior to the expiration of the Due Diligence Period shall be deemed to constitute Buyer's approval of the results. The cost of any such inspections, tests and studies shall be borne by Buyer. During the term of this Escrow, Buyer, its agents, contractors and subcontractors shall have the right to enter upon the Property, at reasonable times during ordinary business hours, to make any and all inspections and tests as may be necessary or desirable in Buyer's sole judgment and discretion. Buyer shall use care and consideration in connection with any of its inspections. Buyer hereby indemnifies Seller and

Seller's directors, officers, shareholders, employees and agents from and against any and all personal injuries, damage to the Property and mechanics' liens, arising out of any such entry by Buyer or its agents, designees, contractors, subcontractors, or representatives onto the Property. From and after the Opening Date, Buyer and Buyer's representatives, agents and designees shall have the right to (a) consult with any party for any purpose relating to the Property, and (b) enter upon the Property during normal business hours, at Buyer's sole cost and expense, for any reasonable purpose in connection with Buyer's proposed purchase, development or operation of the Property, including, without limitation, to examine all books, records and files of Seller (or its agents) relating to the Property and to make such inspections, investigations and tests as Buyer may elect to make.

b. Conditions Precedents to Seller's Obligation. For the benefit of Seller, the Close of Escrow shall be conditioned upon the occurrence and satisfaction of each of the following conditions (or Seller's waiver thereof, it being agreed Seller may waive any or all of such conditions):

- (1) Buyer's Obligations. Buyer shall have timely performed all of the obligations required by the terms of this Agreement to be performed by Buyer; and
- (2) Buyer's Representations. All representations and warranties made by Buyer to Seller in this Agreement shall be true and correct in all material respects as of the Close of Escrow.

8. Deposits by Seller. At least three (3) business days prior to the Close of Escrow, Seller shall deposit or cause to be deposited with Escrow Holder the following documents and instruments:

a. Seller's Nonforeign Affidavit. A Certificate of Nonforeign Status (Seller's Certificate), duly executed by Seller.

b. Grant Deed. The Grant Deed conveying the Property to Buyer duly executed by Seller, acknowledged and in recordable form, substantially similar to Exhibit C. Upon receiving said executed Grant Deed, escrow holder is instructed to forward a copy of Grant Deed to Buyer so that an original Certificate of Acceptance can be attached.

9. Deposits by Buyer. At least three (3) business days prior to the Close of Escrow, Seller shall deposit or cause to be deposited with Escrow Holder the following documents and instruments:

a. Funds. the funds which are to be applied toward the payment of the Purchase Price in the amounts and at the times designated in Paragraph 3 above.

b. Certificate of Acceptance to Grant Deed. an original Certificate of Acceptance, acknowledged and in recordable form, substantially similar to Exhibit C.

10. Costs and Expenses. The cost and expense of the Title Policy attributable to ALTA coverage, plus the cost attributable to an endorsement insuring Buyer's title against any mechanics' liens as of the Closing Date, shall be paid by Buyer. The escrow fee of Escrow Holder shall be paid by Buyer. Buyer shall pay all documentary transfer taxes, if any, payable in connection with the recordation of the Grant Deed. The amount of such transfer taxes shall not be posted on the Grant Deed, but shall be supplied by separate affidavit. Buyer shall pay the Escrow Holder's customary charges to Buyer and Seller for document drafting, recording, and miscellaneous charges, including, but not limited to the cost of the Title Report.

11. Prorations.

a. Method of Proration. For purposes of calculating proration, Buyer shall be deemed to own fee title to the Property (and therefore entitled to all revenue therefrom and responsible for expenses thereon) commencing on the date the Close of Escrow occurs. All proration will occur on the date of the Close of escrow based on a thirty (30) day month. The obligations of the parties pursuant to this subparagraph shall survive the Close of Escrow and shall not merge into the Close of Escrow and the recording of the Grant Deed in the Official Records.

12. Taxes. Buyer and Seller acknowledge that both parties are public entities exempt from payment of any real property taxes. As such, there will be no proration of taxes through Escrow.

13. Disbursements and Other Actions by Escrow Holder. Upon the Close of Escrow, the Escrow holder shall promptly undertake all of the following in the manner indicated:

a. Prorations. Prorate all matters referenced herein, based upon the statement delivered into Escrow signed by the parties.

b. Recording. Cause the Grant Deed and any other documents which the parties hereto may mutually direct, to be recorded in the Official Records of Riverside County, California ("Official Records"). Escrow Holder is instructed not to affix the amount of documentary transfer tax on the face of the Deed, but to supply same by separate affidavit.

c. Funds. From funds deposited by Buyer with Escrow Holder, disburse balance of the Purchase Price, after deduction for all items chargeable to the account of Buyer, to Seller; and disburse funds for all items chargeable to the account of Seller in payment of such

costs from funds deposited by Seller over and above the Purchase Price; and disburse the balance of such funds, if any, to Buyer.

d. Documents to Buyer. Deliver the Seller's Certificate, executed by Seller, and, when issued, the Title Policy, to Buyer.

e. Documents to Seller. Deliver, when issued, the Title Policy, to Seller.

f. Reporting Person. Buyer and Seller hereby acknowledge and agree that the Escrow Holder is designated as the "Reporting Person" for the transaction which is the subject of this Agreement pursuant to Section 6045(e) of the Internal Revenue Code.

14. Seller's Representations and Warranties. In consideration of Buyer entering into this Agreement, and as an inducement to Buyer to purchase the Property, Seller makes the following representations and warranties, each of which is material and is being relied upon by Buyer (and the continued truth and accuracy of which shall constitute a condition precedent to Buyer's obligations hereunder).

a. Authorization. This Agreement has been duly and validly authorized, executed and delivered by Seller, and no other action is requisite to the execution and delivery of this Agreement by Seller.

b. Threatened Actions. There are no actions, suits or proceedings pending against, or, to the best of Seller's knowledge, threatened or affecting the Property in law or equity.

c. Third Party Consents. No consents or waivers of, or by, any third party are necessary to permit the consummation by Seller of the transactions contemplated pursuant to this Agreement.

d. Violations of Law. Seller has not received notice of any outstanding violations, past or present, of any governmental laws, ordinances, rules, requirements or regulations of every governmental agency, body or subdivision thereof bearing on the Property, and Seller has no knowledge or reason to have knowledge of any condition which constitutes such a violation.

e. Condemnation. There are no pending, or, to the best of Seller's knowledge, threatened proceedings in eminent domain or otherwise, which would affect the Property or any portion thereof.

f. Compliance with Law. To the best of Seller's knowledge, all laws, ordinances, rules, and requirements and regulations of every governmental agency, body, or subdivision thereof bearing on the Property have been complied with by Seller.

g. Agreements. There are no agreements (whether oral or written) affecting or relating to the right of any party with respect to the possession of the Property, or any portion thereof, which are obligations which will affect the Property or any portion thereof subsequent to the recordation of the Grant Deed, except as may be reflected in the Title Report, which shall have been approved by Buyer pursuant to the terms of this Agreement.

h. Documents. To the best of Seller's knowledge, all documents delivered to Buyer pursuant to this Agreement are true and correct copies of originals, and any and all information supplied to Buyer by Seller in accordance with Paragraph 8.a hereof is true and correct.

i. Occupancy Agreements. There are no leases, subleases, occupancies or tenancies in effect pertaining to the Property, and Seller has no knowledge of any oral agreements with anyone, with respect to the occupancy of the Property.

Seller's representations and warranties made in this Paragraph 14 shall be continuing and shall be true and correct as of the Close of Escrow with the same force and effect as if remade by Seller in a separate certificate at that time and shall not merge into the Close of Escrow and the recording of the Grant Deed in the Official Records.

15. Buyer's Representations and Warranties. In consideration of Seller entering into this Agreement, and as an inducement to Seller to sell the Property to Buyer, Buyer makes the following representations and warranties, each of which is material and is being relied upon by Seller:

a. This Agreement has been duly and validly authorized, executed and delivered by Buyer, and no other action is requisite to the execution and delivery of this Agreement by Buyer.

b. This Agreement has been, and all documents executed by Buyer under this Agreement which are to be delivered to Seller at the time of Close of Escrow will be, duly authorized, executed, and delivered by Buyer, and is, or, as to all documents to be executed by Buyer at the Close of Escrow, will be, legal, valid, and binding obligations of Buyer, and do not, and at the Close of Escrow will not violate any provisions of any agreement or judicial order to which Buyer is a party or to which it is subject.

c. Buyer's representations and warranties made in this Paragraph 15 shall be continuing and shall be true and correct as of the Close of Escrow with the same force and effect as if remade by Buyer in a separate certificate at that time.

16. Private Business Test; Private Loan Test. On and after the Close of Escrow, Buyer hereby acknowledges, covenants, warrants, and agrees not take any deliberate action in connection with Property or to allow any use of the Property in any manner that would cause the use of the proceeds of the Redevelopment Agency for the County of Riverside 2010 Tax Allocation Housing Bonds, Series A (the "Bonds"), to satisfy the private business test of Internal Revenue Code Section 141(b) or the private loan financing test of Internal Revenue Code Section 141(c).

In order to avoid satisfying the private business test, Buyer shall not use the Property or allow the Property to be used for any private business use. Consequently, Buyer shall not allow any nongovernmental person to have a special legal entitlement to use the property in furtherance of any business or trade. Buyer is expressly forbidden from leasing, conveying, transferring, or alienating any of Buyer's interest in the Property to a nongovernmental person while the Bonds remain outstanding unless the Seller has first obtained an unqualified approving opinion from Bond Counsel for the Bonds. Buyer shall pay any and all costs associated with obtaining such an opinion.

In order to avoid satisfying the private loan test, Buyer shall not loan any part of the Property to a nongovernmental person for any purpose. Nor shall Buyer lease, convey, transfer, or alienate any of Buyer's interest in the Property for consideration which is in turn loaned to any nongovernmental person.

Because the Property is intended to be used for the governmental purpose of a public parking lot, to the extent that no private business user has a special legal entitlement to the Property, the Property may be used by the general public as a parking lot. However, use by the general public contemplates use by individuals not acting in a trade or business. Buyer shall not allow the Property to be used to facilitate any private trade or business.

If any fees are charged for the use of the Property as a public parking lot, Buyer shall ensure that such fees shall be generally applied. In no case shall Buyer approve a fee arrangement that authorizes a private person to use the Property for parking for more than 180 consecutive days of use. Buyer may charge a monthly parking fee as long as the terms are month-to-month with no requirement for Buyer to renew the privilege to park at the end of any month. In no case shall Buyer use or allow the use of the Property by a private valet or parking attendant.

Should Buyer have any questions concerning a proposed use of the Property, Buyer shall contact Riverside County Counsel who may request an opinion from Bond Counsel for the Bonds. Buyer shall pay any and all costs associated with obtaining such an opinion.

17. Reserved

18. Damage or Condemnation Prior to Closing. Seller shall promptly notify Buyer of any knowledge by Seller of casualty to the Property or any condemnation proceeding

commenced prior to the Close of Escrow. If any such damage or proceeding relates to, or may result in, the loss of any material portion of the Property, Seller or Buyer may, at their option, elect either to:

(a) terminate this Agreement, in which event all funds deposited into Escrow by Buyer shall be returned to Buyer and neither party shall have any further rights or obligations hereunder, except those which expressly survive the termination of this Agreement, or

(b) continue the Agreement in effect, in which event upon the Close of Escrow Buyer shall be entitled to any compensation, awards, or other payments or relief resulting from such casualty or condemnation proceeding which accrue or are otherwise payable to Seller.

19. Notices. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, delivered, or sent by facsimile, and shall be deemed received upon the earlier of (a) if personally delivered, the date of delivery to the address of the person to receive such notice, (b) if mailed, four (4) business days after the date of posting by the United States post office, or (c) if given by facsimile, when sent. Any notice, request, demand, direction, or other communication sent by facsimile must be confirmed within forty-eight (48) hours by letter mailed or delivered in accordance with the foregoing:

To Buyer: County of Riverside
Economic Development Agency
3403 Tenth Street, Suite 400
Riverside, CA 92501
Attn: Jim Force

To Seller: Housing Authority of the County of Riverside
5555 Arlington Avenue, Riverside, CA 92504
Attn: Assistant Director

Notice of change of address shall be given by written notice in the manner detailed in this paragraph. Rejection or other refusal to accept, or the inability to deliver because of changed address of which no notice was given, shall be deemed to constitute receipt of the notice, demand, request, or communication sent.

20. Assignment. Buyer shall not be entitled to assign this Agreement without the prior written consent of Seller.

21. Liability and Indemnification. In contemplation of the provisions of California Government Code Section 895.2 imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement as defined by Government Code Section 895, the parties hereto, as between themselves, pursuant to the authorization contained in Government Code Sections 895.4 and 895.6, shall each assume the full liability imposed upon it, or any of its officers, agents or employees, by law for injury caused by negligent or wrongful acts or omissions occurring in the performance of this Agreement to the same extent that such liability would be imposed in the absence of Government Code Section 895.2. To achieve the above-stated purpose, each party indemnifies, defends and holds harmless the other party for any liability, losses, costs or expenses that may be incurred by such other party solely by reason of Government Code Section 895.2.

22. Legal and Equitable Enforcement of this Agreement.

a. Default. In the event of a default under this Agreement, the non-defaulting party shall give written notice of such default to the defaulting party, specifying the nature of the default and the required action to cure the default. If a default remains uncured fifteen (15) business days after receipt by the defaulting party of such notice, the non-defaulting Party may exercise the remedies set forth in subsection (b) below.

b. Remedies.

(1) Default by Seller. In the event the Close of Escrow and the acquisition of the Property by Buyer does not occur by reason of any uncured default by Seller, Buyer shall be entitled to terminate this Agreement in which case following such termination, neither party shall have any further right, remedy or obligation under this Agreement, except that Buyer shall be entitled to the return of the Escrow Deposit and the Closing Funds (if deposited with Escrow). Buyer hereby waives any right it may have to seek specific performance, consequential, punitive or any other damages from Seller as a result of any uncured default by Seller under this Agreement.

(2) Default By Buyer. In the event the Close of Escrow and the acquisition of the Property by Buyer does not occur as herein provided by reason of an uncured default of Buyer after notice and opportunity to cure, Seller shall be entitled to terminate this Agreement, in which case following such termination, neither party shall have any further right, remedy or obligation under this Agreement, except that Seller shall be entitled to the return of any funds deposited into Escrow. Seller hereby waives any right it may have to seek specific performance, consequential, punitive or any other damages from Buyer as a result of any uncured default by Buyer under this Agreement.

c. Waiver of Default. Except as otherwise expressly provided in this Agreement, any failure or delay by either Party in asserting any of its rights or remedies as to any default shall not operate as a waiver of said default or of any rights or remedies in connection

therewith or of any subsequent default or any rights or remedies in connection therewith, or deprive such Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

23. Natural Hazard Disclosure Requirement Compliance. Buyer and Seller acknowledge that Seller may be required to disclose if the Property lies within the following natural hazard areas or zones: (i) a special flood hazard area designated by the Federal Emergency Management Agency (California Civil Code Section 1102.17); (ii) an area of potential flooding (California Government Code Section 8589.4); (iii) a very high fire hazard severity zone (California Government Code Section 51183.5); (iv) a wild land area that may contain substantial forest fire risks and hazards (Public Resources Code Section 4136); (v) earthquake fault zone (Public Resources Code Section 2621.9); or (vi) a seismic hazard zone (Public Resources Code Section 2694) (sometimes all of the preceding are herein collectively called the "Natural Hazard Matters"). Seller has engaged or will engage the services of a third-party (who, in such capacity, is herein called the "Natural Hazard Expert") to examine the maps and other information specifically made available to the public by government agencies for the purposes of enabling Seller to fulfill its disclosure obligations, if and to the extent such obligations exist, with respect to the natural hazards referred to in California Civil Code Section 1102.6a (as amended) and to report the result of its examination to Buyer and Seller in writing.

24. [Reserved]

25. AS-IS Condition of Property.

a. "As-Is". Buyer acknowledges and agrees that the Property shall be conveyed by Seller to Buyer in an "as is" physical condition, with no warranty, express or implied by Seller as to the presence of Hazardous Substances, or the condition of the soil, its geology or the presence of known or unknown faults. If the condition of the Property is not in all respects entirely suitable for the use or uses to which such Property will be put, then it is the sole responsibility and obligation of Buyer to place the Property in all respects in a condition entirely suitable for the development thereof, solely at Buyer's expense.

b. No Obligation to Repair. Any reports, repairs or work required by Buyer are the sole responsibility of Buyer, and Buyer agrees that there is no obligation on the part of Seller to make any changes, alterations or repairs to the Property or to cure any violations of law or to comply with the requirements of any insurer.

c. No Merger. The provisions of this Paragraph 25 shall survive the Close of Escrow and shall not be deemed merged into any instrument or conveyance delivered at the Close of Escrow.

26. Miscellaneous.

a. Effective Date. The effective date of this Agreement shall be the date this Agreement is fully executed by both parties ("Effective Date"). If the parties execute this

Agreement on separate dates, then the last date the Agreement was executed by a party shall be the Effective Date.

b. Survival of Covenants. The covenants, representations and warranties of both Buyer and Seller set forth in this Agreement shall survive the recordation of the Grant Deed and the Close of Escrow.

c. Required Actions of Buyer and Seller. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be required in order to consummate the purchase and sale herein contemplated, and shall use their best efforts to accomplish the Close of Escrow in accordance with the provisions hereof.

d. Time of Essence. Time is of the essence of each and every term, condition, obligation, and provision hereof.

e. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

f. Captions. Any captions to, or headings of, the paragraphs or subparagraphs of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

g. Broker. Buyer and Seller each represent and warrant to the other party that neither has dealt with or engaged a broker in connection with this transaction, and agrees to indemnify and save harmless the other party from and against all claims, costs, liabilities and expense (including court costs and reasonable attorneys' fees) incurred by the other party as a result of a breach of this representation.

h. No Obligations to Third Parties. Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties hereto, to any person or entity other than the parties hereto.

i. Exhibits and Schedules. The Exhibits and Schedules attached hereto are hereby incorporated herein by this reference.

j. Amendment to this Agreement. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

k. Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

l. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

m. Fees and Other Expenses. Except as otherwise provided herein, each of the parties shall pay its own fees and expenses in connection with this Agreement.

n. Entire Agreement. This Agreement supersedes any prior agreements, negotiations, and communications, oral or written, and contain the entire agreement between Buyer and Seller as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of either party shall be of any effect unless it is in writing and executed by the party to be bound thereby.

o. Successors and Assigns. Subject to paragraph 21, this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

p. Severability. In the event that any provision of this Agreement or the application thereof becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement will continue in full force and effect and the application of such provision to other persons or circumstances will be interpreted so as reasonably to effect the intent of the parties hereto. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

27. Indemnification of Escrow Holder.

a. If this Agreement or any matter relating hereto shall become the subject of any litigation or controversy, Buyer and Seller agree, jointly and severally, to hold Escrow Holder free and harmless from any loss or expense, including attorney's fees, that may be suffered by it by reason thereof except for losses or expenses as may arise from Escrow Holder's negligent or willful misconduct. If conflicting demands are made or notices served upon Escrow Holder with respect to this Agreement, the parties expressly agree that Escrow Holder shall be entitled to file a suit in interpleader and obtain an order from the court requiring the parties to interplead and litigate their several claims and rights among themselves. Upon the filing of the action in interpleader, Escrow Holder shall be fully released and discharged from any obligations imposed upon it by this Agreement, and

b. Escrow Holder shall not be liable for the sufficiency or correctness as to form, manner, execution, or validity of any instrument deposited with it, nor as to the identity, authority or rights of any person executing such instrument, nor for failure of Buyer or Seller to comply with any of the provisions of any agreement, contract or other instrument filed with Escrow Holder, or referred to herein. Escrow Holder's duties hereunder shall be limited to the

safekeeping of all monies, instruments, or other documents received by it as Escrow Holder, and for their disposition in accordance with the terms of this Agreement.

[Remainder of page intentionally blank]

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

SELLER:

HOUSING AUTHORITY OF
THE COUNTY OF RIVERSIDE, a public
entity, corporate and politic, in its capacity
as housing successor to the Redevelopment
Agency for the County of Riverside

By: Jeff Stone
Jeff Stone, Chairman
Board of Commissioners

Dated: 'JUL 01 2014

ATTEST:
KECIA HARPER-IHEM

Clerk of the Board

By: Kaecia Harper-Ihem
Deputy

APPROVED AS TO FORM:
PAMELA J. WALLS
COUNTY COUNSEL

By: Shaila R. Brown
Shaila R. Brown,
Deputy County Counsel

BUYER:

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

By: Jeff Stone
Jeff Stone, Chairman
Board of Supervisors

Dated: 'JUL 01 2014

ATTEST:
KECIA HARPER-IHEM

Clerk of the Board

By: Kaecia Harper-Ihem
Deputy

APPROVED AS TO FORM:
PAMELA J. WALLS
COUNTY COUNSEL

By: Patricia Munroe
Patricia Munroe,
Deputy County Counsel

Acceptance by Escrow Holder:

_____ hereby acknowledges that it has received a fully executed counterpart of the foregoing Agreement of Purchase and Sale and Joint Escrow Instructions and agrees to act as Escrow Holder thereunder and to be bound by and perform the terms thereof as such terms apply to Escrow.

Dated: _____

Lawyers Title Company

By: _____

Name: _____

Its: _____

EXHIBIT A

LEGAL DESCRIPTION

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

THE SOUTH 150.00 FEET OF THE FOLLOWING DESCRIBED PARCEL, IN THE CITY OF HEMET, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA:

BEGINNING AT THE INTERSECTION OF THE CENTER LINES OF STATE STREET AND MENLO AVENUE, SAID POINT BEING THE SOUTHEAST CORNER OF FARM LOT 125 OF THE ESTUDILLO LAND AND WATER COMPANY'S ADDITION TO SAN JACINTO, AS SHOWN BY MAP ON FILE IN BOOK 9, PAGE 410 OF MAPS, RECORD OF SAN DIEGO COUNTY, CALIFORNIA;

THENCE NORTH ALONG THE CENTER LINE OF STATE STREET, 156.00 FEET TO THE POINT OF BEGINNING.

THENCE NORTH ALONG THE CENTERLINE OF STATE STREET, A DISTANCE OF 150.00 FEET;

THENCE WEST AND PARALLEL WITH THE CENTERLINE OF MENLO AVENUE, A DISTANCE OF 320.00 FEET;

THENCE NORTH AND PARALLEL WITH THE CENTERLINE OF STATE STREET, A DISTANCE OF 119.00 FEET;

THENCE WEST AND PARALLEL WITH CENTER LINE OF MENLO AVENUE, A DISTANCE OF 10.00 FEET;

THENCE SOUTH AND PARALLEL WITH THE CENTER LINE OF STATE STREET, A DISTANCE OF 269.00 FEET;

THENCE EAST AND PARALLEL WITH THE CENTER LINE OF MENLO AVENUE, A DISTANCE OF 330.00 FEET, TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION THEREOF INCLUDED IN STATE STREET, AS CONVEYED TO THE COUNTY OF RIVERSIDE, BY DOCUMENTS RECORDED JUNE 23, 1965 AS INSTRUMENT NO. 72678 AND JUNE 2, 1971 AS INSTRUMENT NO. 58757, BOTH OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

APN: 439-060-013-4

EXHIBIT B

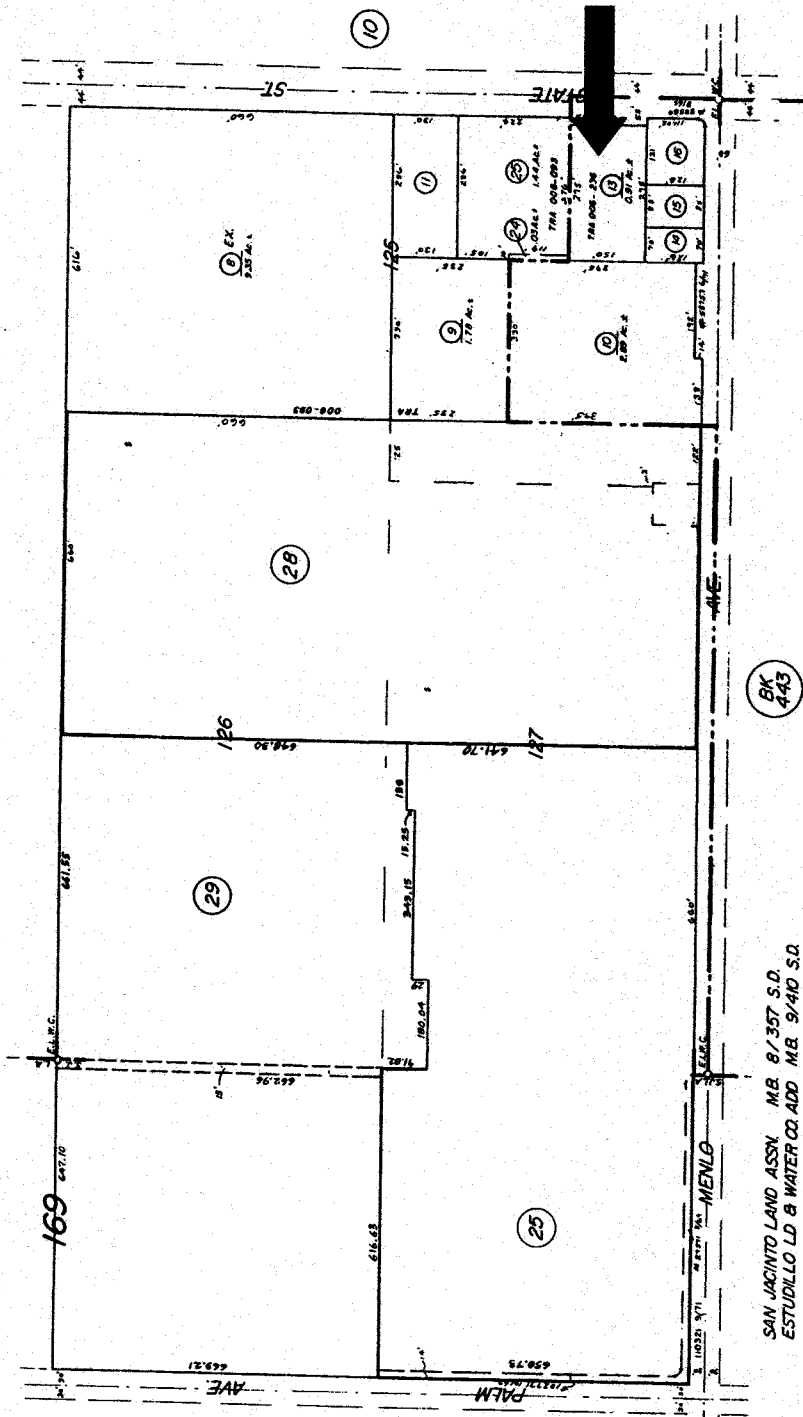
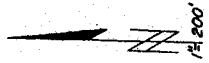
PROPERTY MAP

(Behind this page)

439-06
13-25, 13-30-5

T.R. A. 006-093
006-236

FOR RO. SAN JACINTO VIEJO
(TSS-RIW)



DATE	OLD NO.	NEW NO.
1/28/70	1	2
2/12/70	3	4
3/18/70	5	6
4/22/70	7	8
5/26/70	9	10
6/29/70	11	12
7/31/70	13	14
8/30/70	15	16
9/27/70	17	18
10/27/70	19	20
11/26/70	21	22
12/23/70	23	24
1/20/71	25	26
2/17/71	27	28
3/14/71	29	30
4/11/71	31	32
5/9/71	33	34
6/6/71	35	36
7/4/71	37	38
8/2/71	39	40
8/30/71	41	42
9/27/71	43	44
10/25/71	45	46
11/22/71	47	48
12/20/71	49	50

DATE	OLD NO.	NEW NO.
1/28/70	1	2
2/12/70	3	4
3/18/70	5	6
4/22/70	7	8
5/26/70	9	10
6/29/70	11	12
7/31/70	13	14
8/30/70	15	16
9/27/70	17	18
10/27/70	19	20
11/26/70	21	22
12/23/70	23	24
1/20/71	25	26
2/17/71	27	28
3/14/71	29	30
4/11/71	31	32
5/9/71	33	34
6/6/71	35	36
7/4/71	37	38
8/2/71	39	40
8/30/71	41	42
9/27/71	43	44
10/25/71	45	46
11/22/71	47	48
12/20/71	49	50

SAN JACINTO LAND ASSN. MB. 8/357 S.D.
ESTUDILLO LD & WATER CO. ADD MB. 9/410 S.D.

BK 443

ASSESSOR'S MAP BK. 439 PG. 06
RIVERSIDE COUNTY, CALIF.

OCT. 1970

EXHIBIT C

GRANT DEED
(Behind this page)

OFFICIAL BUSINESS

Document entitled to free recording
Per Government Code Section 6103 and 27383

**RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:**

County of Riverside
Economic Development Agency
3403 Tenth Street, Suite 400
Riverside, CA 92501
Attn: Jim Force

APN: 439-060-0130-4

above space for recorder's use only

GRANT DEED
(723 N. State Street, Hemet, CA)

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, THE HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic, in its capacity as housing successor to the former Redevelopment Agency for the County of Riverside ("Grantor"), hereby grants to the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("Grantee"), the real property located in the City of Hemet, County of Riverside, State of California, as more particularly described in that certain legal description attached hereto as Exhibit "A" and incorporated herein by this reference, together with all appurtenant easements and access rights and other rights and privileges appurtenant to the land, and subject only to matters of records ("Property").

Said Property is conveyed in accordance with and subject to the Agreement of Purchase and Sale and Joint Escrow Instructions entered into by and between Grantor and Grantee, dated as of June 17, 2014, including, but not limited to Grantee's obligations under Section 16, Private Business Test; Private Loan Test, which document is a public record on file in the offices of the Clerk of the County of Riverside, and is incorporated herein by reference.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

[SIGNATURE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Grantor has caused this instrument to be executed on its behalf.

“GRANTOR”

HOUSING AUTHORITY OF THE
COUNTY OF RIVERSIDE, a public entity,
corporate and politic, in its capacity as
housing successor to the Redevelopment
Agency for the County of Riverside

By: _____

Name: _____

Its: _____

Dated: _____

ATTEST:
KECIA HARPER-IHEM
Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:
PAMELA J. WALLS
COUNTY COUNSEL

By: _____
Jhaila R. Brown,
Deputy County Counsel

EXHIBIT "A"

LEGAL DESCRIPTION

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

THE SOUTH 150.00 FEET OF THE FOLLOWING DESCRIBED PARCEL, IN THE CITY OF HEMET, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA:

BEGINNING AT THE INTERSECTION OF THE CENTER LINES OF STATE STREET AND MENLO AVENUE, SAID POINT BEING THE SOUTHEAST CORNER OF FARM LOT 125 OF THE ESTUDILLO LAND AND WATER COMPANY'S ADDITION TO SAN JACINTO, AS SHOWN BY MAP ON FILE IN BOOK 9, PAGE 410 OF MAPS, RECORD OF SAN DIEGO COUNTY, CALIFORNIA;

THENCE NORTH ALONG THE CENTER LINE OF STATE STREET, 156.00 FEET TO THE POINT OF BEGINNING.

THENCE NORTH ALONG THE CENTERLINE OF STATE STREET, A DISTANCE OF 150.00 FEET;

THENCE WEST AND PARALLEL WITH THE CENTERLINE OF MENLO AVENUE, A DISTANCE OF 320.00 FEET;

THENCE NORTH AND PARALLEL WITH THE CENTERLINE OF STATE STREET, A DISTANCE OF 119.00 FEET;

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THENCE SOUTH AND PARALLEL WITH THE CENTER LINE OF STATE STREET, A DISTANCE OF 269.00 FEET;

THENCE EAST AND PARALLEL WITH THE CENTER LINE OF MENLO AVENUE, A DISTANCE OF 330.00 FEET, TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION THEREOF INCLUDED IN STATE STREET, AS CONVEYED TO THE COUNTY OF RIVERSIDE, BY DOCUMENTS RECORDED JUNE 23, 1965 AS INSTRUMENT NO. 72678 AND JUNE 2, 1971 AS INSTRUMENT NO. 58757, BOTH OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

APN: 439-060-013-4

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Grant Deed dated as of July 1, 2014 from the Grantor, THE HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic, in its capacity as housing successor to the former Redevelopment Agency for the County of Riverside, granted to the Grantee, the COUNTY OF RIVERSIDE, a political subdivision of the State of California, is hereby accepted by resolution of Grantee on June 17, 2014 by Resolution No. _____ and Grantee consents to recordation thereof by its duly authorized officer.

"GRANTEE"

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

By: Jeff Stone
Jeff Stone, Chairman
Board of Supervisors

Dated: JUL 01 2014

ATTEST:

KECIA HARPER-IHEM
Clerk of the Board

By: Karleen Dayan
Deputy

APPROVED AS TO FORM:
PAMELA J. WALLS
COUNTY COUNSEL

By: Patricia Munroe
Patricia Munroe,
Deputy County Counsel

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

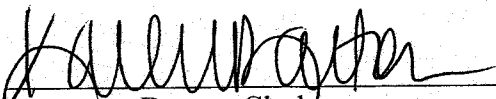
} §

On July 1, 2014, before me, Karen Barton, Board Assistant, personally appeared Jeff Stone, Chairman of the Board of Supervisors, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument; and that a copy of this paper, document or instrument has been delivered to the chairperson.

I certify under the penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Kecia Harper-Ihem
Clerk of the Board of Supervisors

By: 
Deputy Clerk

(SEAL)

State of California)
County of _____)

On _____ before me, _____,
a Notary Public, personally appeared _____, who proved to me
on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

State of California)
County of _____)

On _____ before me, _____,
a Notary Public, personally appeared _____, who proved to me
on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or
the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

OFFICIAL BUSINESS

Document entitled to free recording

Per Government Code Section 6103 and 27383

**RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:**

County of Riverside
Economic Development Agency
3403 Tenth Street, Suite 400
Riverside, CA 92501
Attn: Jim Force

APN: 439-060-013-4

above space for recorder's use only

NOTICE OF USE RESTRICTIONS

(Private Business Test/Private Loan Test)

NOTICE IS HEREBY GIVEN that, the COUNTY of RIVERSIDE, a political subdivision of the state of California (the "County") is recording this Notice of Use Restrictions (hereinafter the "Notice") with regard to the property located at 723 N. State Street, Hemet, California and more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference ("Property").

The Property is subject to that certain Agreement of Purchase and Sale and Joint Escrow Instructions entered into by the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic, in its capacity as housing successor to the former Redevelopment Agency for the County of Riverside ("Seller") and COUNTY, dated as of _____, 2014 ("Purchase Agreement") which restricts the use of the Property as follows (any capitalized terms not defined herein shall have the meanings ascribed to them in the Purchase Agreement):

On and after the Close of Escrow (as defined in the Purchase Agreement), County hereby acknowledges, covenants, warrants, and agrees not take any deliberate action in connection with Property or to allow any use of the Property in any manner that would cause the use of the proceeds of the Redevelopment Agency for the County of Riverside 2010 Tax Allocation Housing Bonds, Series A (the "Bonds"), to satisfy the private business test of Internal Revenue Code Section 141(b) or the private loan financing test of Internal Revenue Code Section 141(c).

JUL 01 2014 10-1

In order to avoid satisfying the private business test, County shall not use the Property or allow the Property to be used for any private business use. Consequently, County shall not allow any nongovernmental person to have a special legal entitlement to use the property in furtherance of any business or trade. County is expressly forbidden from leasing, conveying, transferring, or alienating any of County's interest in the Property to a nongovernmental person while the Bonds remain outstanding unless the Seller has first obtained an unqualified approving opinion from Bond Counsel for the Bonds. County shall pay any and all costs associated with obtaining such an opinion.

In order to avoid satisfying the private loan test, County shall not loan any part of the Property to a nongovernmental person for any purpose. Nor shall County lease, convey, transfer, or alienate any of County's interest in the Property for consideration which is in turn loaned to any nongovernmental person.

Because the Property is intended to be used for the governmental purpose of a public parking lot, to the extent that no private business user has a special legal entitlement to the Property, the Property may be used by the general public as a parking lot. However, use by the general public contemplates use by individuals not acting in a trade or business. County shall not allow the Property to be used to facilitate any private trade or business.

If any fees are charged for the use of the Property as a public parking lot, County shall ensure that such fees shall be generally applied. In no case shall County approve a fee arrangement that authorizes a private person to use the Property for parking for more than 180 consecutive days of use. County may charge a monthly parking fee as long as the terms are month-to-month with no requirement for County to renew the privilege to park at the end of any month. In no case shall County use or allow the use of the Property by a private valet or parking attendant.

Should County have any questions concerning a proposed use of the Property, County shall contact Riverside County Counsel who may request an opinion from Bond Counsel for the Bonds. County shall pay any and all costs associated with obtaining such an opinion.

This Notice is recorded for the purpose of providing notice only and it in no way modifies the provisions of the Purchase and Sale Agreement.

[Remainder of Page Intentionally Left Blank]

[Signatures on Following Page]

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

By: Jeff Stone
Jeff Stone, Chairman
Board of Supervisors

Dated: JUL 01 2014

ATTEST:
KECIA HARPER-IHEM
Clerk of the Board

By: Kecia Harper-Ihem
Deputy

APPROVED AS TO FORM:
PAMELA J. WALLS
COUNTY COUNSEL

By: Patricia Munroe
Patricia Munroe,
Deputy County Counsel

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

§

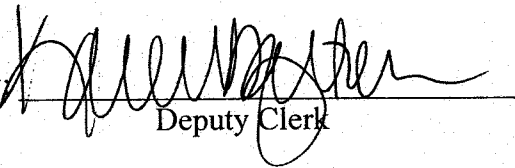
On July 1, 2014, before me, Karen Barton, Board Assistant, personally appeared Jeff Stone, Chairman of the Board of Supervisors, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument; and that a copy of this paper, document or instrument has been delivered to the chairperson.

I certify under the penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Kecia Harper-Ihem
Clerk of the Board of Supervisors

By



Deputy Clerk

(SEAL)

STATE OF CALIFORNIA

COUNTY OF _____

On _____ before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT "A"

Legal Description

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

THE SOUTH 150.00 FEET OF THE FOLLOWING DESCRIBED PARCEL, IN THE CITY OF HEMET, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA:

BEGINNING AT THE INTERSECTION OF THE CENTER LINES OF STATE STREET AND MENLO AVENUE, SAID POINT BEING THE SOUTHEAST CORNER OF FARM LOT 125 OF THE ESTUDILLO LAND AND WATER COMPANY'S ADDITION TO SAN JACINTO, AS SHOWN BY MAP ON FILE IN BOOK 9, PAGE 410 OF MAPS, RECORD OF SAN DIEGO COUNTY, CALIFORNIA;

THENCE NORTH ALONG THE CENTER LINE OF STATE STREET, 156.00 FEET TO THE POINT OF BEGINNING.

THENCE NORTH ALONG THE CENTERLINE OF STATE STREET, A DISTANCE OF 150.00 FEET;

THENCE WEST AND PARALLEL WITH THE CENTERLINE OF MENLO AVENUE, A DISTANCE OF 320.00 FEET;

THENCE NORTH AND PARALLEL WITH THE CENTERLINE OF STATE STREET, A DISTANCE OF 119.00 FEET;

THENCE WEST AND PARALLEL WITH CENTER LINE OF MENLO AVENUE, A DISTANCE OF 10.00 FEET;

THENCE SOUTH AND PARALLEL WITH THE CENTER LINE OF STATE STREET, A DISTANCE OF 269.00 FEET;

THENCE EAST AND PARALLEL WITH THE CENTER LINE OF MENLO AVENUE, A DISTANCE OF 330.00 FEET, TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION THEREOF INCLUDED IN STATE STREET, AS CONVEYED TO THE COUNTY OF RIVERSIDE, BY DOCUMENTS RECORDED JUNE 23, 1965 AS INSTRUMENT NO. 72678 AND JUNE 2, 1971 AS INSTRUMENT NO. 58757, BOTH OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

APN: 439-060-013-4