

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

101



FROM: Economic Development Agency/Facilities Management

SUBMITTAL DATE:
July 7, 2014

SUBJECT: Vail Ranch Historic Site – Fourth Amendment to Offer to Dedicate and Lease, First Amendment to Vail Ranch Historic Site Sublease Agreement, CEQA Exempt, District 3/District 3, [\$3,412,000], Vail Ranch Sales Tax Sharing Agreement (STSA) Escrow 99.65%, RDA Capital Improvement Fund 31540 0.35%

RECOMMENDED MOTION: That the Board of Supervisors:

- Find that the project is exempt from CEQA pursuant to State CEQA Guidelines Section 15301, Existing Facilities;
- Approve and authorize the Chairman to execute the attached Fourth Amendment to Offer to Dedicate and Lease and the First Amendment to the Vail Ranch Historic Site Sublease Agreement between the County of Riverside and Vail Headquarters, LLC, providing for the restoration and adaptive re-use of the Vail Ranch Historic Site; and

(Continued)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 12,000	\$ 3,400,000	\$ 3,412,000	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$	\$	\$ 0	

SOURCE OF FUNDS: Vail Ranch Sales Tax Sharing Agreement (STSA) Escrow 99.65%, RDA Capital Improvement Fund 31540 0.35%
Budget Adjustment: Yes
For Fiscal Year: 2014/15-2015/16

C.E.O. RECOMMENDATION:

APPROVE

BY:
Denise C. Harden

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, seconded by Supervisor Jeffries 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 29, 2014
 xc: EDA, Auditor, Recorder

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

Prev. Agn. Ref.: 3.44 of 9/1/09 | District: 3/3 | Agenda Number:

3-62

FORM APPROVED COUNTY COUNSEL
BY: PATRICIA MUNROE
DATE: 7/1/14

FISCAL PROCEDURES APPROVED
PAUL ANGLINO, CPA, AUDITOR-CONTROLLER
BY:
Esteban Hernandez

Departmental Concurrence

A-30 Positions Added
4/5 Vote Change Order

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

Economic Development Agency/Facilities Management

FORM 11: Vail Ranch Historic Site – Fourth Amendment to Offer to Dedicate and Lease, First Amendment to Vail Ranch Historic Site Sublease Agreement, CEQA Exempt, District 3/District 3, [\$3,412,000], Vail Ranch Sales Tax Sharing Agreement (STSA) Escrow 99.65%, RDA Capital Improvement Fund 31540 0.35%

DATE: July 7, 2014

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RECOMMENDED MOTION: (Continued)

3. Direct the Clerk of the Board to deliver Notice of Exemption to the office of the County Clerk for filing within five working days of this Board hearing;
4. Authorize reimbursement to EDA/Real Estate Division for costs incurred not-to-exceed \$12,000 in staff time and legal costs; and
5. Approve and direct the Auditor-Controller to make FY 2014/15 budget adjustments for the RDA Capital Improvement Fund 31540 in the amount of \$12,000, as shown on Schedule A.

BACKGROUND:

Summary

Pursuant to a Settlement Agreement dated January 27, 1988, on May 13, 2003, the Board of Supervisors approved and executed an Offer to Dedicate and Lease Agreement between the County and Redhawk Towne Center, LLC (the Historic Site Lease) to restore, lease and maintain the Vail Ranch Historic Site. The primary features of the original agreements are as follows:

- The Developer will dedicate the four acre historic site and six structures to the County;
- The County will lease the entire site back to the Developer for a period of 30 years, plus two options for a total of 49 years;
- The Developer will complete the restoration and adaptive reuse of the historic site which is estimated to cost over \$7,000,000;
- The Developer will sublease to the County 1,400 square feet of improved space for a period of 49 years, and provide a license for use of the entire site for educational and community activities;
- The County will pay \$3.2 million plus accrued interest in sublease payments to the Developer from Sales and Use Tax generated on the adjacent retail development site; and
- At the end of the 49 year lease period, the County will have exclusive possession and ownership of the entire historic site, including the restored structures.

The Historic Site is comprised of six historic structures on approximately four acres of a larger site that was approved for 400,000 square feet of retail space that was subsequently developed. Redhawk Towne Center, LLC, was acquired by a new parent company, Kimco Realty Corporation. Kimco did not have expertise in adaptive re-use of historic structures and proposed that a developer with experience in this area be solicited for the project. Kimco issued a request for proposals for the restoration and re-use of the historic site, and Arteco Partners was selected based on extensive experience on adaptive re-use for commercial and residential projects in the Inland Empire. Arteco Partners is family-owned and operated, and it is their mission to foster historic preservation through investment and long-term commitment to communities through public-private partnerships. An assignment obligated Vail Headquarters, LLC, a limited liability corporation formed by the members of Arteco Partners (Vail), to complete the project based on the same terms and conditions that were agreed to in the original agreement and subsequent amendments in 2007, 2008 and 2009.

(Continued)

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

Economic Development Agency/Facilities Management

FORM 11: Vail Ranch Historic Site – Fourth Amendment to Offer to Dedicate and Lease, First Amendment to Vail Ranch Historic Site Sublease Agreement, CEQA Exempt, District 3/District 3, [\$3,412,000], Vail Ranch Sales Tax Sharing Agreement (STSA) Escrow 99.65%, RDA Capital Improvement Fund 31540 0.35%

DATE: July 7, 2014

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BACKGROUND:

Summary (Continued)

In accordance with CEQA, Vail's proposed development project was deemed by the Planning Commission of the City of Temecula in 2008 to be categorically exempt from further environmental review (Section 15332, Class 32 In-Fill Development). Building permits have been secured and Vail is ready to begin construction upon the close of escrow. Restoration improvements are anticipated to be completed by December 2015.

Impact on Residents and Businesses

This historic preservation reuse project will allow for enjoyment of a key and historic site of the County. The residents and businesses will benefit from this historic project which has the potential to increase tourism and business in this region through events, festivals and community activities. The historic educational value of the site will be a draw to students, residents, teachers and families who will come to enjoy and learn.

Contract History and Price Reasonableness

On May 13, 2003, Redhawk Towne Center LLC (Redhawk) and County entered into that certain Offer to Dedicate & Lease Agreement, as amended by that certain letter agreement dated November 14, 2003, (Original Offer to Dedicate), wherein Redhawk agreed, among other things, to complete certain Restoration Improvements to a 4 acre historic site (the Historic Site) that is part of the commercial center owned by Redhawk.

On January 23, 2007, the County, VHQ and Redhawk entered into a first amendment to the Original Offer to Dedicate, which provided a new schedule for completion of the Restoration Improvements and further provided for Redhawk to convey the Historic Site to VHQ.

On September 2, 2008, the County and Redhawk entered into a second amendment to the Original Offer to Dedicate, which provided a new schedule for completion of the Restoration Improvements and further provided for Redhawk to convey the Historic Site to VHQ.

On September 1, 2009, the County and VHQ entered into a third amendment to the Original Offer to Dedicate which provided an updated schedule for the Restoration Improvements.

The attached Fourth Amendment to Offer to Dedicate and Lease provides for an updated site plan, an amended schedule for the Restoration Improvements, and updated payment provisions that recognize and accommodate the fact that conditions in the original Offer to Dedicate and Lease Agreement necessary to sequester sales and use tax from the site into escrow have already been fulfilled. The attached First Amendment to Vail Ranch Historic Site Sublease Agreement causes the sublease to be consistent with the Fourth Amendment to Offer to Dedicate and Lease as amended. The attached Fourth Amendment to Offer to Dedicate and Lease and the First Amendment to Vail Ranch Historic Site Sublease Agreement have been approved as to form by County Counsel.

Attachments:

Fourth Amendment to Offer to Dedicate and Lease

First Amendment to Vail Ranch Historic Site Sublease Agreement

CEQA Notice of Exemption

Schedule A

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

Economic Development Agency/Facilities Management

FORM 11: Vail Ranch Historic Site – Fourth Amendment to Offer to Dedicate and Lease, First Amendment to Vail Ranch Historic Site Sublease Agreement, CEQA Exempt, District 3/District 3, [\$3,412,000], Vail Ranch Sales Tax Sharing Agreement (STSA) Escrow 99.65%, RDA Capital Improvement Fund 31540 0.35%

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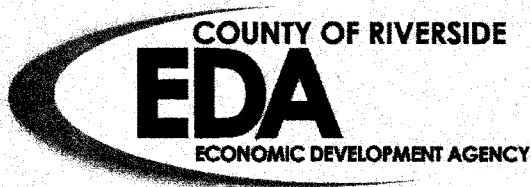
Schedule A

Increase appropriations:

31540-1100100000-551100 Contributions to other county funds \$12,000

Decrease fund balance:

31540-1100100000-321101 Restricted use of program money \$12,000



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

8/5/14
Date

KD
Initial

Date: July 3, 2014
To: Mary Ann Meyer, Office of the County Clerk
From: John Alfred, Acting Senior Environmental Planner, Project Management Office
Subject: **County of Riverside Economic Development Agency Project # FM0417200205**
Fourth Amendment to and Offer to Dedicate and Lease Agreement for Vail Ranch Site
Assessor Parcel Number 960-010-044

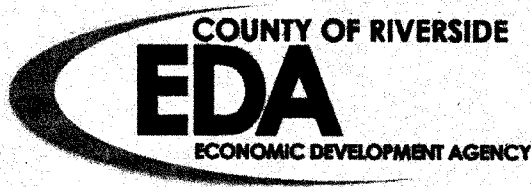
The Riverside County's Economic Development Agency's Project Management Office is requesting that you post the attached Notice of Exemption. Attached you will find an authorization to bill by journal voucher for your posting fee.

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

Attachment

cc: file

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NOTICE OF EXEMPTION

July 3, 2014

Project Name: Fourth Amendment to and Offer to Dedicate and Lease Agreement for Vail Ranch Site

Project Number: FM0417200205

Project Location: Highway 79, Temecula, California. Assessor Parcel Number 960-010-044
Cross streets are Highway 79 and Redhawk Parkway (See attached exhibit)

Description of Project: Pursuant to a prior settlement agreement, in 2003 the County of Riverside ("County") entered into an Offer to Dedicate and Lease Agreement between the County and Redhawk Town Center, LLC to restore, lease, and maintain the Vail Ranch Site ("Site"). The restoration includes rehabilitating and preserving six historic structures on a four-acre development. Subsequently, Redhawk Town Center, LLC was acquired by Kimco Realty Corporation ("Kimco"). In 2008, the City of Temecula evaluated the actual project and deemed the project to be exempt from further California Environmental Quality Act (CEQA) review. Building permits have been issued and the rehabilitation of the structures is set to occur with a completion dated planned for December 2015. The project is a fourth amendment to the Offer to Dedicate and Lease Agreement which allows for an updated site plan and updated schedule for restoration of the structures. The fourth amendment also required a minor amendment to the sub-lease agreement (First Amendment to Vail Ranch Historic Site Sub-Lease Agreement) to be consistent with the amended agreement. This amendment will not create any new additional environmental impacts from the prior approved project. The only change to the actual development allows for internal rehabilitation of the pump house, where the prior approvals only identified exterior improvements, as well as a minor change from a passive use to a commercial/historic display use. All other rehabilitation to the historic structures remains the same as previously identified. This minor interior rehabilitation will serve to further enhance the historic integrity of the pump house and will not involve any additional environmental impacts related to construction or operations beyond what was already identified.

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

Name of Person or Agency Carrying Out Project and Receiving Funding: Vail Headquarters, LLC

Exempt Status: California Environmental Quality Act (CEQA) Guidelines, Section 15301, Existing Facilities and Section 15061 (b) (3), General Rule "Common Sense" Exemption.

Reasons Why Project is Exempt: 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 exemption as detailed under State CEQA Guidelines section 15300.2. The project will not cause any impacts to scenic resources or unique sensitive biological environments. The proposed onsite construction as previously evaluated as part of the City of Temecula's notice of exemption will actually rehabilitate the existing historic structures for future use and enjoyment. Therefore, no significant impacts to historic resources are anticipated. The amended agreement's primary function is to provide an updated schedule for the restoration improvements. No unusual circumstances or potential cumulative impacts would occur that may reasonably create an environmental impact. The amended agreement will not have an effect on the environment and no significant physical environmental impacts are anticipated to occur.

- Section 15301 – Class 1 Existing Facilities Exemption. This exemption includes the operation, repair, maintenance, leasing, or minor alteration of existing public or private structures or facilities, provided the exemption only involves negligible or no expansion of the previous site's use. The project is a fourth amendment to the Offer to Dedicate and Lease Agreement which allows for an updated site plan and schedule for restoration of the onsite structures. This amendment will not create any new additional environmental impacts from the prior approved project. The only change to the actual development allows for internal rehabilitation of the pump house, where the prior approvals only identified exterior improvements, as well as a slight change in use from passive to commercial/historic display usage. This change is minor and will not create any new additional physical environmental impacts. The construction impacts related to interior improvements of the pump house are negligible and the altered use will have only a nominal impact on the structure. The amended agreement simply allows the project as already approved and entitled to move forward with the development process, allowing the rehabilitation and long-term preservation of these structures. Therefore, the project meets the scope and intent of the Class 1 Exemption.
- Section 15061 – General Rule or “Common Sense” Exemption. The State CEQA Guidelines provides this exemption based upon the general rule that CEQA only applies to projects with the potential to cause a significant effect on the environment. With certainty, there is no possibility that the proposed project may have a significant effect on the environment. The amended agreement allows the already approved and entitled restoration of the historic structures to continue to proceed. The slight change in use and interior pump house improvements will entail only minor construction and operational impacts. The use and operation of the site will enhance and preserve the existing historic structures and the project will not cause any direct, indirect, or cumulative physical environmental impacts beyond what was already evaluated and approved by the City of Temecula. 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 exemptions 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: _____



Date: _____

7.3.2014

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

960010045 (8.9 acres)
REDHAWK TOWNE CENTER II

960010043 (7.77 acres)
REDHAWK TOWNE CENTER II

WOLFE STORE

RW (acres)

REDHAWK

960010001

**FIRST AMENDMENT TO VAIL RANCH
HISTORIC SITE SUB-LEASE AGREEMENT**

This FIRST AMENDMENT ("Amendment") is entered into as of this 29th day of July, 2014 by and between the County of Riverside, a political subdivision of the State of California, and Vail Headquarters, LLC, a California limited liability company ("Developer" or "VHQ") to modify the Vail Ranch Historic Site Sub-Lease Agreement dated September 2, 2008 (the "Sublease").

RECITALS

A. WHEREAS, the Offer to Dedicate and Lease dated May 13, 2003 (the "Agreement") will be amended concurrently via a fourth amendment wherein the rent and payment sublease provisions by the County to Developer will be modified;

B. WHEREAS, the Sublease and Agreement should be consistent, as the Agreement references the Sublease;

C. WHEREAS, \$3.2 million have been set aside in a trust account specifically for sublease payments from County to Developer from Sales and Use Tax generated on the adjacent development site in Temecula;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, County and Developer agree as follows:

1. RENTAL. Section 3.4 shall be renumbered 3.3. The original sections 3.1 through 3.3 of the Sublease shall be deleted and replaced as follows:

“3.1 Rent. As rent for the County Sublease, the County shall pay to the Developer the sum of Three Million Two Hundred Thousand Dollars (\$3,200,000), the “Principal Component,” plus Accrued Interest earned on the Principal Component and the interest accumulated on it while it is on deposit in escrow pursuant to Section 3.2 (the “Interest Component”). The sum total of principal and interest accumulated in such escrow through May 31, 2014, was Three Million Four Hundred Fourteen Thousand Five Hundred Ninety-eight Dollars and Sixteen Cents (\$3,414,598.16). “Accrued Interest” shall be defined as the interest allocated quarterly by the County Treasurer at the rate achieved by the County Treasury’s investment pool.

3.2 Escrow of Sales and Use Tax Revenues. The parties acknowledge and agree that under and subject to the terms and conditions of the County Sublease, the County will pay as rent the amount specified in Section 3.1, the Principal Component of which was derived primarily from fifty percent (50%) of the Sales and Use Tax Revenues previously generated by the Developer Site, and other sources as necessary to achieve the amount of the Principal Component specified in Section 3.1. The parties further acknowledge and agree that as portions of this Principal Component were received by the County they were deposited to and will continue to be held in a separate, specially designated interest bearing sub-fund of the County

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General Fund (the "STSA Escrow"), and that once deposited by the County all Accrued Interest earned on the Principal Component has been and will be accumulated in the STSA Escrow. The parties further agree that on the date the term of the County Sublease commences, the County shall disburse to the Developer all of the principal and interest on deposit in the STSA Escrow as of the last day of the month preceding the County Sublease rent payment, as reported by the County Auditor-Controller in the official monthly statements of the County; and any residual interest allocated by the County Treasurer subsequent to that payment of the County Sublease rent shall revert to the County General Fund."

2. NOTICES. Section 14.14 of the Sublease is amended to delete and replace the following addresses for the County:

"If to the County: Economic Development Agency
 3535 10th Street, 4th Floor
 Riverside, CA 92501

With a copy to: County Counsel
 3960 Orange Street, Ste. 500
 Riverside, CA 92501

With a copy to: Attn: STSA Escrow Administrator
 County Executive Office
 4080 Lemon Street, 4th Floor, Mail Stop #1020
 Riverside, CA 92501"

3. FIRST AMENDMENT TO PREVAIL. The provisions of this Amendment shall prevail over any inconsistency or conflicting provisions of the Sublease. Any capitalized terms shall have the meaning defined in the Sublease, unless defined herein or context requires otherwise.

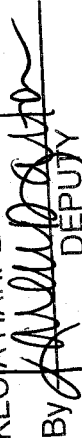
4. MISCELLANEOUS. Except as amended or modified herein, all terms of the Sublease shall remain in full force and effect. If any provisions of this Amendment shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of the Sublease.

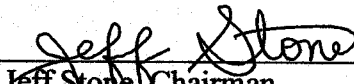
5. EFFECTIVE DATE. This Amendment shall not be binding or consummated until approved by the County of Riverside Board of Supervisors (the "Board").


IN WITNESS WHEREOF, the Parties have executed this First Amendment as of the date first approved by the Board.

COUNTY OF RIVERSIDE
a political subdivision of the State of
California

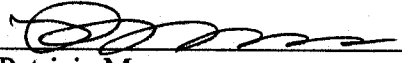
VAIL HEADQUARTERS, LLC,
a California limited liability company

ATTEST:
KECIA HARPER-IHEM, Clerk
By:  DEPUTY

By: 
Title: Jeff Stone, Chairman
Board of Supervisors

By: 
Title: Gerald B. Tessier
Manager

APPROVED AS TO FORM:
Pamela J. Walls, County Counsel

By: 
Patricia Munroe
Deputy County Counsel

**FOURTH AMENDMENT
TO OFFER TO DEDICATE AND LEASE**

This AMENDMENT TO OFFER TO DEDICATE LEASE ("Fourth Amendment") is entered into as of this 29th day of July, 2014 by and between the County of Riverside, a political subdivision of the State of California, and Vail Headquarters, LLC, a California limited liability company ("Developer" or "VHQ"). The parties desire to amend the Offer to Dedicate and Lease Agreement dated May 13, 2003.

RECITALS

A. WHEREAS, the County and Developer entered into the Offer to Dedicate and Lease Agreement dated May 13, 2003 (the "Agreement"), pursuant to which Developer was to complete certain restoration improvements on a historic site, as more particularly described in the Agreement (the "Project");

B. WHEREAS, the Agreement has been amended by the following documents:

- (1) Amendment to Offer to Dedicate and Lease dated January 23, 2006, whereas VHQ succeeded Redhawk Towne Center, LLC as Developer ("First Amendment");
- (2) Second Amendment to Offer to Dedicate and Lease dated September 2, 2008, whereas mortgagee protection was added to the Agreement ("Second Amendment"); and,
- (3) Third Amendment to Offer to Dedicate and Lease dated September 1, 2009. Whereas the project schedule was amended ("Third Amendment");

C. WHEREAS, \$3.2 million have been set aside in a trust account specifically for sublease payments from County to Developer from Sales and Use Tax generated on the adjacent development site in Temecula;

D. WHEREAS, the economy continued to be difficult for Developer to secure funding to finance the construction, but has now been able to secure funding for the Project, and has completed the entitlement process and has begun construction;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, County and Developer agree as follows:

1. RESTORATION IMPROVEMENTS. Section 2(j) of the Agreement is hereby modified in its entirety to read as follows:

"Restoration Improvements" shall mean the development of the Historic Site for commercial uses within the parameters of the Land Use Approvals. The scope of the improvements will be generally described as follows:

- (a) The caretaker building will be rehabilitated for commercial purposes. The Caretaker building may be relocated to a location on the property according to the approved plot plan.

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- (b) The pump house building will receive interior and exterior rehabilitation, and will be used for commercial purposes and/or historical display usages.
- (c) The Machinery Barn shall be rehabilitated (interior and exterior) for commercial purposes and may include an expansion of approximately 1,100 square feet.
- (d) The Wolf Store building will be rehabilitated for commercial purposes.
- (e) The Cook House building will be rehabilitated for commercial purposes and may include an expansion of approximately 1,700 square feet.
- (f) The Bunk House Building will be rehabilitated for commercial purposes and may include an expansion of approximately 2,000 square feet.
- (g) The Developer may construct a new two-story retail building for commercial uses consisting of approximately 7,600 square feet. The location shall be according to the approved plot plan.”

2. **DELIVERY SCHEDULE.** In the First Amendment, section 7 modifying section 7(a) of the Agreement is deleted in its entirety and the original language of the Agreement shall be in effect as of the date of this Fourth Amendment. The Third Amendment’s Exhibit “B” shall be deleted and replaced with an amended schedule, labeled Exhibit “J,” attached hereto and incorporated by this reference into the Agreement. Notwithstanding, the first paragraph of Section 7(a) of the Agreement is modified to read as follows:

“(a) Developer’s Obligations. As a material part of its obligations under the terms of the Developer Lease, Developer shall finance, design and construct on the Historic Site all of the Restoration Improvements as described in Section 2(j) of this Agreement. Subject to force majeure and other delays beyond the control of Developer, Developer shall design and implement the Restoration Improvements in accordance with the schedule (“Schedule”) set forth in Exhibit “J,” attached and incorporated herein. Subject to force majeure and other delays beyond the control of the Developer, time is of the essence of each and every date and item listed within the Schedule. In connection with the financing and construction of the Restoration Improvements, Developer shall do the following:”

3. **COUNTY SUBLEASE SECTION 8(b).** Section 8(b) of the Agreement shall be deleted in its entirety and replaced as follows:

“(b) Rent. As rent for the County Sublease, the County shall pay to the Developer the sum of Three Million Two Hundred Thousand Dollars (\$3,200,000), the “Principal Component,” plus Accrued Interest earned on the Principal Component and the interest accumulated on it while it is on deposit in escrow pursuant to Section 8(d) (the “Interest Component”). The sum total of principal and interest accumulated in such escrow through May 31, 2014, was Three Million Four Hundred Fourteen Thousand Five Hundred Ninety-eight Dollars and Sixteen Cents (\$3,414,598.16). “Accrued Interest” shall be defined as the interest allocated quarterly by the County Treasurer at the rate achieved by the County Treasury’s investment pool.”

4. **COUNTY SUBLEASE SECTION 8(d).** Section 8(d) of the Agreement shall be deleted in its entirety and replaced as follows:

“(d) Escrow of Sales and Use Tax Revenues. The parties acknowledge and agree that under and subject to the terms and conditions of the County Sublease, the County will pay as rent the amount specified in Section 8(b), as amended herein, the Principal Component of which was derived primarily from fifty percent (50%) of the Sales and Use Tax Revenues previously generated by the Developer Site, and other sources as necessary to achieve the amount of the Principal Component specified in Section 8(b). The parties further acknowledge and agree that as portions of this Principal Component were received by the County they were deposited to and will continue to be held in a separate, specially designated interest bearing sub-fund of the County General Fund (the “STSA Escrow”), and that once deposited by the County all Accrued Interest earned on the Principal Component has been and will be accumulated in the STSA Escrow. The parties further agree that on the date the term of the County Sublease commences, the County shall disburse to the Developer all of the principal and interest on deposit in the STSA Escrow as of the last day of the month preceding the County Sublease rent payment, as reported by the County Auditor-Controller in the official monthly statements of the County; and any residual interest allocated by the County Treasurer subsequent to that payment of the County Sublease rent shall revert to the County General Fund.”

5. COUNTY SUBLEASE SECTION 8(f). Section 8(f) of the Agreement shall be deleted in its entirety and replaced as follows:

“Required Records. The County shall maintain sufficient records to provide an accounting of the Sales and Use Tax Revenues received pursuant to the Agreement and all deposits made to the STSA Escrow; and shall, at or about the time of payment of the County Sublease rent, provide to the Developer a written accounting of the accumulated principal and interest amounts held in the STSA Escrow through the time of payment.”

6. EXHIBIT C. Exhibit C of the Agreement, Legal Description of Developer Site, is supplemented with the attached Site Plan, attached to this Fourth Amendment as Exhibit “C-1” and incorporated into the Agreement.

7. NOTICES. Section 14 of the Agreement is amended to delete and replace the following addresses for the County:

“If to the County: Economic Development Agency
3535 10th Street, 4th Floor
Riverside, CA 92501

With a copy to: County Counsel
3960 Orange Street, Ste. 500
Riverside, CA 92501

With a copy to: Attn: STSA Escrow Administrator
County Executive Office
4080 Lemon Street, 4th Floor, Mail Stop #1020
Riverside, CA 92501”

8. **FOURTH AMENDMENT TO PREVAIL.** The provisions of this Fourth Amendment shall prevail over any inconsistency or conflicting provisions of the Agreement or its amendments. Any capitalized terms shall have the meaning defined in the Agreement, unless defined herein or context requires otherwise.

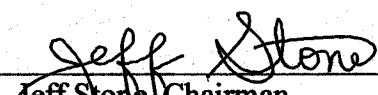
9. **MISCELLANEOUS.** Except as amended or modified herein, all terms of the Agreement shall remain in full force and effect. If any provisions of this Fourth Amendment shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of the Agreement.

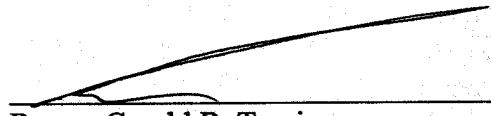
10. **EFFECTIVE DATE.** This Fourth Amendment shall not be binding or consummated until approved by the County of Riverside Board of Supervisors (the "Board").

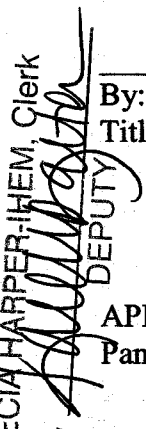
IN WITNESS WHEREOF, the Parties have executed this Fourth Amendment as of the date first approved by the Board.

COUNTY OF RIVERSIDE
a political subdivision of the State of
California

VAIL HEADQUARTERS, LLC,
a California limited liability company


By: Jeff Stone, Chairman
Title: Board of Supervisors


By: Gerald B. Tessier
Title: Manager

ATTEST:
KECIA HARPER-IHEM, Clerk
By: 
DEPUTY

APPROVED AS TO FORM:
Pamela J. Walls, County Counsel

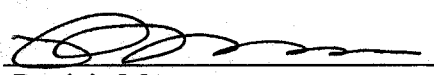
By: 
Patricia Munroe
Deputy County Counsel

EXHIBIT J

SCHEDULE

[Amended Dated _____, 2014]

<u>TASK</u>	<u>TIME FOR COMPLETION</u>
Offer of dedication to the County for Historic Site	COMPLETE
Site Plan Study and completion of conceptual design	COMPLETE
Submit conceptual design and draft plot plan to County	COMPLETE
Community, City & County Meetings to present and discuss Conceptual site and floor plans	COMPLETE
County Written Approval of Conceptual Plans	COMPLETE
Development Review/Major Alteration Applications submitted to City	COMPLETE
Development Review/Major Alteration Applications approved by City	COMPLETE
Submit Construction Documents to City for 1st plan check	COMPLETE
Start of Construction of Restoration Improvements	August 1, 2014
Complete Construction for All Restoration Improvements	December 31, 2015