

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



ITEM  
4.2  
(ID # 10215)

**MEETING DATE:**  
Tuesday, July 2, 2019

**FROM :** SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY:

**SUBJECT:** Successor Agency to the Redevelopment Agency: Approve Termination and Release of Right of Repurchase Relating to Real Property (Formerly Known as the Desert Center Airport) Identified Assessor's Parcel Nos. 811-122-006, 811-122-009, 811-130-010, 811-142-015, 811-142-016, 811-150-002, 811-150-004, 811-150-005, 811-170-012, and 811-190-025; Approve the Second Amendment to Disposition and Development Agreement for Desert Center Airport between the Successor Agency to the Redevelopment Agency for the County of Riverside and Chuckwalla Valley Associates, LLC; District 4 [\$0]; No Further CEQA Action Required

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Find that nothing further is required pursuant to the California Environmental Quality Act (CEQA) as all potentially significant effects of the project have been adequately analyzed in the prior Mitigated Negative Declaration adopted on September 24, 2009 in connection with Environmental Assessment No. 41998;
2. Approve the attached form of Termination and Release of Right of Repurchase (Termination and Release) to be executed by the Successor Agency to the Redevelopment Agency for the County of Riverside (Successor Agency) terminating the Successor Agency's right to repurchase that certain real property identified as Assessor's Parcel Number's 811-122-006, 811-122-009, 811-130-010, 811-142-015, 811-142-016, 811-150-002, 811-150-004, 811-150-005, 811-170-012 and 811-190-025, and find that such termination and release will reduce liabilities, increase net revenues to the taxing entities pursuant to Health and Safety Code Section 34181(e);

**ACTION:**

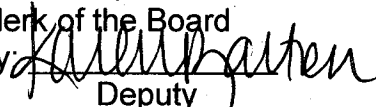
  
Robert Perez, Assistant County Executive Director/ECB 8/24/2019

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Perez, seconded by Supervisor Hewitt duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Perez and Hewitt  
Nays: None  
Absent: Spiegel and Washington  
Date: July 2, 2019  
xc: EDA, EO, Board

Kecia Harper  
Clerk of the Board  
By:   
Deputy

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3. Approve the attached form of Second Amendment to Disposition and Development Agreement for Desert Center Airport to be entered into between the Successor Agency to the Redevelopment Agency for the County of Riverside and Chuckwalla Valley Associates, LLC (Second Amendment), and find that such amendment will reduce liabilities and increase net revenues to the taxing entities pursuant to Health and Safety Code Section 34181 (e);
  
4. Authorize and direct the Chief Deputy County Executive Officer, or his designee, to execute a Termination and Release and Second Amendment substantially conforming in form and substance to the forms attached hereto, subject to approval by County Counsel;
  
5. Authorize and direct the Chief Deputy County Executive Officer, or his designee, to take all necessary steps to implement the Termination and Release and the Second Amendment, including but not limited to, signing subsequent necessary and relevant documents, subject to approval by County Counsel, and to submit a copy of this agenda item, including all exhibits, to the Countywide Oversight Board for the County of Riverside for review and approval; and
  
6. Approve and authorize reimbursement to EDA-Real Estate in the amount not-to-exceed \$25,000 for due diligence and staff expenses (including legal expenses).

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS: N/A</b>			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b>	2019-20

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

The former Redevelopment Agency for the County of Riverside (RDA) and Chuckwalla Valley Associates, LLC, a California limited liability company (Developer) entered into that certain Disposition and Development Agreement for Desert Center Airport dated October 24, 2006, amended by that certain First Amendment to the Development and Disposition Agreement for Desert Center Airport dated November 3, 2009 (collectively the "DDA") wherein, among other things, the RDA provided a loan to Developer in the amount of \$637,000 (RDA Loan) and conveyed to Developer approximately 1,040 acres of vacant land formerly known as the Desert Center Airport located in the County of Riverside, identified as Assessor's Parcel Nos. 811-122-006, 811-122-009, 811-130-010, 811-142-015, 811-

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142-016,811-150-002,811-150-004, 811-150-005, 811-170-012, and 811-190-025 (Property). The RDA Loan was repaid by Developer. Under the DDA, the Developer is required to develop, construct and operate, a multi-use recreational facility including an automotive racetrack facility with accessory buildings, dry on-site camping, and associated amenities to be constructed in multiple phases ("Project") on the Property. The Developer has completed the first phase of development. The Developer is required to operate the Project pursuant to the DDA until December 31, 2029.

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 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 the Dissolution act all authority, rights, powers, duties and obligations of the former RDA under the CRL (except for housing assets and functions) have been vested in the Successor Agency to the Redevelopment Agency for the County of Riverside (Successor Agency). The Successor Agency is required, among other things, to expeditiously wind down the affairs of the former RDA and perform obligations required pursuant to any enforceable obligation (Health and Safety Code Section 34177). The DDA is an enforceable obligation and the Successor Agency is the successor in interest to the former RDA under the DDA.

Pursuant to Section 21 (b) (i) of the DDA and Section 3 of that certain Quitclaim Deed with Right of Repurchase executed by RDA and Developer dated October 10, 2006 and recorded on December 13, 2006 in the Official Records as Document No. 2006-0913982 (Quit Claim Deed), the RDA retained a right to repurchase the Property from Developer in the event of an uncured default under the DDA. The right to repurchase the Property terminates upon the commencement of construction of the first phase of development, as specified in the DDA. Commencement of construction of the first phase of development has occurred and staff recommends the Successor Agency execute and record in the Official Records a Termination and Release of Right of Repurchase as required under the DDA. The form of Termination and Release of Right of Repurchase is attached.

Developer and IP Land Holdings, LLC, a Delaware limited liability company (IP) entered into that certain Option Agreement for the Purchase and Sale of Real Property dated March 15, 2018 (Option to Purchase 77 Acres) wherein Developer granted to IP an option to purchase a portion of the Property identified as Assessor Parcel Nos. 811-142-015,811-122-009,811-130-010, and the west half of 811-150-002 (collectively the "77 Acres") to be used as part of a larger solar generation facility. The 77 Acres are currently vacant and undeveloped. Developer and IP have also entered into that certain Option Agreement for Easement (Transmission Easement Option) dated October 31, 2018, wherein Developer granted IP an option to acquire a non-exclusive easement for transmission lines over a portion of the Property identified as Assessor Parcel No. 811-811-142-016 to benefit IP's

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solar generation facility (Transmission Easement). Successor Agency and Developer desire to amend the legal description of the Property subject to the DDA to remove the 77 Acres and to authorize the grant of the Transmission Easement, subject to IP's exercise of the Option to Purchase 77 Acres and the Transmission Easement Option. The aforementioned amendments to the DDA are set forth in the attached proposed form of Second Amendment to Disposition and Development Agreement for Desert Center Airport (Second Amendment).

Pursuant to Health and Safety Code Section 34181(e), the Countywide Oversight Board for the County of Riverside shall direct the Successor Agency to "determine whether any contracts, agreements, or other arrangements between the dissolved redevelopment agency and any private parties should be terminated or renegotiated to reduce liabilities and increase net revenues to the taxing entities, and present proposed termination or amendment agreements to the oversight board for its approval. The board may approve any amendments to or early termination of those agreements if it finds that amendments or early termination would be in the best interests of the taxing entities." The proposed amendment to remove the 77 Acres from the purview of the DDA and the grant of the Transmission Easement allowing for the development of the solar project are consistent with the objectives of the Redevelopment Plan for the Desert Communities Project Area which are to eliminate blight by providing needed public improvement, encouraging rehabilitation of deteriorated structures, and by facilitating commercial and industrial development which will result in employment opportunities. In addition, the proposed amendments allowing the solar development on the 77 Acres are in the best interest of the taxing entities, including, but not limited to the County of Riverside (County), for the following reasons (i) the 10 megawatts of solar generation would offset 23,000 metric tons of CO<sub>2</sub>, which is equivalent to taking 4,084 cars off California roadways per year; (ii) the portion of the solar development built on the 77 Acres would be responsible for approximately \$84,731 in development impact fees, \$26,469 in community benefit fees, and \$13,013 per year in solar impact fees (escalating at 2% per year, totaling \$538,470 for the life of the project); (iii) as a whole, the contemplated solar development would create approximately 530 new construction jobs (2-3 year temporary), as well as 10 permanent jobs in the County; and (iv) the reduced footprint of the Project will reduce monitoring costs for Successor Agency staff furthering the wind-down efforts of the Successor Agency.

In accordance with the California Environmental Quality Act (CEQA) the Successor Agency found that the proposed Second Amendment and Termination and Release of Right of Repurchase are administrative in nature and will not have a significant effect on the environment. Nothing further is required because all potentially significant effects have been adequately analyzed in an earlier Mitigated Negative Declaration pursuant to applicable legal standards and have been avoided or mitigated pursuant to that earlier Mitigated Negative Declaration. All potentially significant effects were adequately analyzed in Environmental Assessment No. 41998 and a Mitigated Negative Declaration was adopted

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on September 24, 2009. What's more, pursuant to the California Environmental Quality Act (CEQA), the proposed Second Amendment and Termination and Release of Right of Repurchase were reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines Section 15061 (b)(3), common sense, general rule exemption, and 15301 Existing Facilities. It can be seen with certainty that there is no possibility that the activity in question will have a significant impact on the environment since the Second Amendment and Termination and Release of Right of Repurchase are administrative in nature, will not require any construction activities and will not lead to any direct or reasonably foreseeable indirect physical environmental impacts. In addition, the project, will not result in a change to the use of the site and would not result in any direct or indirect impacts on the environment, the satisfying the scope and intent of the Class 1 Exemption identified in Section 15301, Article 19 of the CEQA Guidelines. The effects of the adjacent solar project will be addressed by IP through a separate discretionary action for the development of the solar project. The granting of the Transmission Easement does not constitute an approval of the solar project pursuant to CEQA and does not commit any public agency, including the County of Riverside or Successor Agency, to a definite course of action regarding the approval of the solar project. The separate discretionary action regarding the potential approval of the solar project will provide the appropriate timing for public input and environmental consideration once a design has been submitted as part of the approval process.

Staff recommends the Board find that the attached Second Amendment and Termination and Release of Right of Repurchase are in the best interest of the taxing entities because they will reduce liabilities and increase net revenues to the taxing entities pursuant to Health and Safety Code Section 34181(e). The Second Amendment and Termination and Release of Right of Repurchase have been approved as to form by County Counsel.

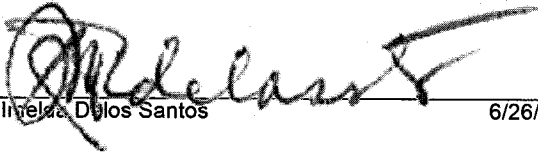
**Impact on Residents and Businesses**

The Second Amendment removing the 77 acres from the purview of the DDA would accommodate up to 10 megawatts of solar generation plus up to 4 acres of a stormwater detention facility, protection for adjacent landowners from any stormwater drainage and would create jobs for residents.

**Attachments**

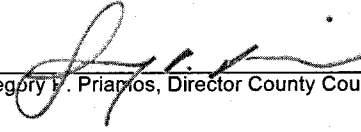
- Second Amendment to Disposition and Development Agreement for Desert Center Airport, including exhibits
- Termination and Release of Right of Repurchase

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Irvela D. Santos

6/26/2019



Gregory J. Priamos, Director County Counsel

6/25/2019

**CLERK'S COPY**

to Riverside County Clerk of the Board, Stop 1010  
Post Office Box 1147, Riverside, Ca 92502-1147

1 ~~NO FEE~~ FOR RECORDING PURSUANT  
2 TO GOVERNMENT CODE SECTION 27383  
3 RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

4 Successor Agency to the Redevelopment  
5 Agency for the County of Riverside  
6 c/o County of Riverside  
7 Executive Office  
8 4080 Lemon Street, 4<sup>th</sup> Floor  
9 Riverside, CA 92501  
Attn: Imelda Delos Santos

SPACE ABOVE THIS LINE FOR RECORDERS USE

10 **SECOND AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT**  
11 **FOR DESERT CENTER AIRPORT**

12 This SECOND AMENDMENT TO DISPOSITION AND DEVELOPMENT  
13 AGREEMENT FOR DESERT CENTER AIRPORT ("Second Amendment") is made and  
14 entered into this \_\_\_\_ day of \_\_\_\_\_, 2019 by and between THE SUCCESSOR  
15 AGENCY TO THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a  
16 public entity, successor in interest to the Redevelopment Agency for the County of Riverside  
17 ("Successor Agency"), and CHUCKWALLA VALLEY ASSOCIATES, LLC, a California  
18 limited liability company ("Developer"). Developer and Successor Agency shall collectively be  
19 referred to herein as the "Parties" and individually as a "Party."

20  
21 RECITALS:

22 **WHEREAS**, the Redevelopment Agency for the County of Riverside ("RDA") and  
23 Developer entered into that certain Disposition and Development Agreement for Desert Center  
24 Airport dated October 24, 2006 ("Original DDA"), amended by that certain First Amendment to  
25 the Development and Disposition Agreement for Desert Center Airport ("First Amendment")  
26 dated November 3, 2009 (collectively the "DDA") wherein, among other things, the RDA  
27 provided a loan to Developer in the amount of \$637,000 ("RDA Loan") and conveyed to  
28 Developer approximately one thousand and forty (1,040) acres of vacant land formerly known

JUL 02 2019 42

1 as the Desert Center Airport located in the County of Riverside, identified as Assessor's Parcel  
2 Nos. 811-122-006, 811-122-009, 811-130-010, 811-142-015, 811-142-016, 811-150-002, 811-  
3 150-004, 811-150-005, 811-170-012, and 811-190-025, as described in the legal description  
4 attached hereto as Attachment No. 1 and incorporated herein by this reference ("Property"). The  
5 Original DDA and First Amendment are attached hereto as Attachment Nos. 2 and 3 respectively,  
6 and are each incorporated herein by this reference. Capitalized terms not defined herein shall  
7 have the meaning ascribed to such terms in the DDA;

8 **WHEREAS**, the RDA Loan was evidenced by that certain Promissory Note executed by  
9 Developer in favor of the RDA dated June 30, 2006, as amended on November 3, 2009  
10 ("Promissory Note") and secured by that certain All-Inclusive Purchase Money Deed of Trust  
11 with Assignment of Rents, executed by Developer for the benefit of the RDA dated June 30,  
12 2006 and recorded on December 13, 2006 in the Official Records of the County of Riverside  
13 ("Official Records") as Document No. 2006-0913983 ("Deed of Trust");

14 **WHEREAS**, the RDA Loan was repaid by Developer, the Promissory Note was cancelled  
15 and the Deed of Trust reconveyed pursuant to that certain Substitution of Trustee and Full  
16 Reconveyance executed by the RDA dated October 26, 2011 and recorded in the Official  
17 Records on December 27, 2011 as Document No. 2011-0570610;

18 **WHEREAS**, pursuant to the DDA, Developer is required, among other things, to cause  
19 the development and construction on the Property of a multi-use recreational facility including  
20 an automotive racetrack facility with accessory buildings, dry on-site camping, and associated  
21 amenities to be constructed in multiple phases ("Project"), as more specifically described in the  
22 DDA;

23 **WHEREAS**, Assembly Bill 1X No. 26, as modified by Assembly Bill No. 1484  
24 ("Dissolution Act"), added Parts 1.8 and 1.85 to Division 24 of the Health and Safety Code. The  
25 Dissolution Act dissolved the RDA on February 1, 2012 and, upon dissolution, all of the RDA's  
26 authority, rights, powers, duties and obligations, including, but not limited to the DDA, vested  
27 in the Successor Agency;

28 **WHEREAS**, pursuant to Section 21 (b) (i) of the DDA and Section 3 of that certain



1 Quitclaim Deed with Right of Repurchase executed by RDA and Developer dated October 10,  
2 2006 and recorded on December 13, 2006 in the Official Records as Document No. 2006-  
3 0913982 (“Quit Claim Deed”), the RDA retained a right to repurchase the Property from  
4 Developer in the event of an uncured default under the DDA;

5 **WHEREAS**, Developer has completed the construction of a raceway track, and related  
6 amenities, as required by the DDA and contemplates completion of all remaining phases of  
7 Project development as required under the DDA, as amended, no later than December 1,2029;

8 **WHEREAS**, pursuant to Section 21 (b) (i) of the DDA and Section 3 of the Quit Claim  
9 Deed, the right to repurchase the Property terminates upon the commencement of construction  
10 of the first phase of development, as specified in the DDA;

11 **WHEREAS**, since commencement of construction of the first phase of the Project has  
12 occurred, the Successor Agency has executed that certain Termination and Release of Right of  
13 Repurchase dated on or about the date hereof and recorded concurrently herewith in the Official  
14 Records, terminating and releasing the Successor Agency’s right to repurchase the Property set  
15 forth in the Quit Claim Deed and the DDA;

16 **WHEREAS**, Developer and IP Land Holdings, LLC, a Delaware limited liability  
17 company (“IP”) entered into that certain Option Agreement for the Purchase and Sale of Real  
18 Property dated March 15, 2018 (“Option to Purchase 77 Acres”) wherein Developer granted to  
19 IP an option to purchase a portion of the Property identified as Assessor Parcel Nos. 811-142-  
20 015,811-122-009,811-130-010, and the west half of 811-150-002 described in the legal  
21 description attached hereto as Attachment No. 4 and incorporated herein by this reference  
22 (collectively the “77 Acres”) to be used as part of a larger solar generation facility. The 77 Acres  
23 are currently vacant and undeveloped;

24 **WHEREAS**, Developer and IP have entered into that certain Option Agreement for  
25 Easement (“Transmission Easement Option”) dated October 31, 2018, wherein Developer  
26 granted IP an option to acquire a non-exclusive easement for transmission lines over a portion  
27 of the Property identified as Assessor Parcel No. 811-811-142-016 to benefit IP’s solar  
28 generation facility (“Transmission Easement”);

1           **WHEREAS**, the Successor Agency and Developer desire to amend the legal description  
2 of the Property to remove the 77 Acres and to authorize the grant of the Transmission Easement,  
3 subject to IP's exercise of the Option to Purchase 77 Acres and the Transmission Easement  
4 Option;

5           **WHEREAS**, the removal of the 77 Acres from the purview of the DDA and the grant of  
6 the Transmission Easement allowing for the development of the solar project are consistent with  
7 the objectives of the Redevelopment Plan for the Desert Communities Project Area which are to  
8 eliminate blight by providing needed public improvement, encouraging rehabilitation of  
9 deteriorated structures, and by facilitating commercial and industrial development which will  
10 result in employment opportunities;

11           **WHEREAS**, the proposed amendments allowing the solar development on the 77 Acres  
12 are in the best interest of the taxing entities, including, but not limited to the County of Riverside  
13 ("County"), for the following reasons (i) the 10 megawatts of solar generation would offset  
14 23,000 metric tons of CO<sub>2</sub>, which is equivalent to taking 4,084 cars off California roadways per  
15 year; (ii) the portion of the solar development built on the 77 Acres would be responsible for  
16 approximately \$84,731 in development impact fees, \$26,469 in community benefit fees, and  
17 \$13,013 per year in solar impact fees (escalating at 2% per year, totaling \$538,470 for the life of  
18 the project), (iii) as a whole, the contemplated solar development would create approximately  
19 530 new construction jobs (2-3 year temporary), as well as 10 permanent jobs in the County,  
20 (iv) the reduced footprint of the Project will reduce monitoring costs for Successor Agency staff  
21 furthering the wind-down efforts of the Successor Agency; and

22           **WHEREAS**, the purpose of this Second Amendment is to: 1) amend the DDA to remove  
23 the 77 Acres from the legal description of the Property; 2) provide written consent to the Option  
24 to Purchase 77 Acres and the Transmission Easement Option, and any resulting transfers  
25 thereunder; and (vii) modifications to certain other obligations of the Parties, all on the terms and  
26 conditions as set forth below.

27           **NOW, THEREFORE**, in consideration of the mutual covenants, restrictions and  
28 conditions contained in this Second Amendment, and for good and valuable consideration, the

1 receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

- 2 1. **Recitals.** The Recitals and attachments referenced above are incorporated herein by this  
3 reference and adopted by the Parties to be true and correct.
- 4 2. **Consent to Sale of 77 Acres and Transmission Easement.** Pursuant to Section 24 of  
5 the DDA, the Successor Agency hereby consents to that certain Option to Purchase 77  
6 Acres and the Transmission Easement Option, and any resulting conveyance of title to the  
7 77 Acres and grant of Transmission Easement if such rights are exercised by Developer  
8 and IP.
- 9 3. **Legal Description.** Subject to the exercise of the option to purchase the 77 Acres set forth  
10 in that certain Option to Purchase 77 Acres evidenced by the recordation in the Official  
11 Records of a Grant Deed conveying title to the 77 Acres by Developer to IP, the Legal  
12 Description attached to the DDA as Exhibit A is hereby deleted in its entirety and replaced  
13 with the Amended Legal Description attached hereto as Attachment No. 5 and  
14 incorporated herein by this reference. In the event IP fails to exercise the option to acquire  
15 the 77 Acres within the option term set forth in the Option to Purchase 77 Acres, the  
16 conditional amendment to the legal description authorized in this Section 3 shall be null  
17 and void and the original legal description described in Exhibit A attached to the DDA  
18 shall remain in place unmodified.
- 19 4. **Recordation of DDA.** Section 38 of the DDA titled "No Recordation" is hereby deleted  
20 in its entirety. The Parties hereto acknowledge and agree that the Original DDA, First  
21 Amendment and this Second Amendment shall be recorded in the Official Records.
- 22 5. **Miscellaneous.**
  - 23 a. **Further Cooperation.** The Parties agree to execute such other instruments, agreements  
24 and amendments to documents as may be necessary or appropriate to effectuate the  
25 DDA as amended by this Second Amendment.
  - 26 b. **Interpretation.** This Second Amendment, when combined with the DDA, sets forth  
27 and contains the entire understanding and agreement of the parties hereto. There are no  
28 oral or written representations, understandings, or ancillary covenants, undertakings or

1 agreements, which are not contained or expressly referred to within this Second  
2 Amendment or the DDA.

3 c. **Attachments**. Each of the attachments and exhibits attached hereto are incorporated  
4 herein by this reference.

5 d. **Effectiveness of DDA**. Except as modified and amended by the First Amendment and  
6 this Second Amendment, all other terms and conditions of the DDA remain unmodified  
7 and in full force and effect.

8 e. **Counterparts**. This Second Amendment may be signed by the different parties hereto  
9 in counterparts, each of which shall be an original but all of which together shall  
10 constitute one and the same agreement.

11 f. **Consultation with Counsel**. The Parties represent and declare that they have  
12 carefully read this Agreement and know and understand its contents, and have had the  
13 advice of counsel regarding the same (or ample opportunity to consult with counsel of  
14 their choosing), and that they sign the same freely and voluntary.

15 g. **Construction**. This Second Amendment shall not be construed more strongly against  
16 either party because it, or its counsel, drafted same, and all Parties agree that it shall  
17 be construed in absolute parity without regard to the rule of construction that it should  
18 be construed against the party drafting it.

19 h. **Effective Date**. The effective date of this Second Amendment is the date the Successor  
20 Agency executes this Second Amendment. The Successor Agency's authority to  
21 execute this Second Amendment shall be subject to prior written approval by the  
22 Countywide Oversight Board for the County of Riverside and the California  
23 Department of Finance, pursuant to the Dissolution Act.

1 IN WITNESS WHEREOF, the Parties have executed this Second Amendment as of the dates  
2 written below.

3  
4 **SUCCESSOR AGENCY:**

5 SUCCESSOR AGENCY TO THE  
6 REDEVELOPMENT AGENCY FOR THE  
7 COUNTY OF RIVERSIDE, a public entity

8 **DEVELOPER:**

9 CHUCKWALLA VALLEY  
10 ASSOCIATES, LLC,  
11 a California limited liability company

12 By: \_\_\_\_\_  
13 Frankie Ezzat,  
14 Chief Deputy County Executive Officer

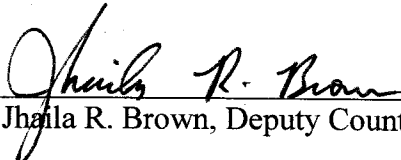
15 By: \_\_\_\_\_  
16 Michael Grana,  
17 Operations Manager and Managing  
18 Member

19 Date: \_\_\_\_\_

20 Date: \_\_\_\_\_

21 APPROVED AS TO FORM:

22 GREGORY P. PRIAMOS  
23 COUNTY COUNSEL

24 By:  \_\_\_\_\_  
25 Jhaila R. Brown, Deputy County Counsel

26  
27  
28  
(SUCCESSOR AGENCY and DEVELOPER signatures need to be notarized)

**ATTACHMENT NO. 1**

**LEGAL DESCRIPTION OF PROPERTY**

(behind this page)

THOSE PORTIONS OF SECTIONS 5, 8, 9, 16 AND 17, T5S., R16E., S.B.M., DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EAST LINE OF SAID SECTION 9 FROM WHENCE THE SOUTHEAST CORNER THEREOF BEARS S.  $0^{\circ} 48' 32''$  E. A DISTANCE OF 1912.21 FEET; THENCE S.  $63^{\circ} 53' 19''$  W. AND PASSING THROUGH A POINT, SAID POINT BEING THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 16, A DISTANCE OF 7476.86 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 17 FROM WHENCE THE SOUTHEAST CORNER OF SAID NORTH HALF BEARS N.  $89^{\circ} 47' 10''$  E. A DISTANCE OF 1447.37 FEET; THENCE WESTERLY ALONG SAID SOUTH LINE OF THE NORTH HALF AND ALONG THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 17 TO THE SOUTHWEST CORNER OF SAID NORTHEAST QUARTER; THENCE NORTHERLY ALONG THE WEST LINE OF SAID NORTHEAST QUARTER, AND THE WEST LINE OF THE EAST HALF OF THE WEST HALF OF SAID SECTION 8, AND THE WEST LINE OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 5, TO THE SOUTHEASTERLY LINE OF THE DESERT CENTER - RICE ROAD AS SHOWN ON MAP ON FILE IN RECORD OF SURVEY BOOK 12, PAGE 81, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA; THENCE NORTHEASTERLY ALONG SAID SOUTHEASTERLY LINE TO A LINE PARALLEL WITH AND 100 FEET EASTERLY, MEASURED AT A RIGHT ANGLE, FROM SAID WEST LINE OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 5; THENCE SOUTHERLY ALONG SAID PARALLEL LINE AND ALONG A LINE PARALLEL WITH AND 100 FEET EASTERLY OF THE WEST LINE OF THE NORTH HALF OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 8, TO THE SOUTH LINE OF SAID NORTH HALF; THENCE EASTERLY ALONG SAID SOUTH LINE AND ALONG THE SOUTH LINE OF THE NORTH HALF OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 8, AND ALONG THE SOUTH LINE OF THE NORTH HALF OF THE NORTH HALF OF THE NORTH HALF OF SAID SECTION 9 TO THE EAST LINE THEREOF; THENCE SOUTHERLY ALONG SAID EASEMENT LINE TO THE POINT OF BEGINNING.

PARCEL2:

AN EASEMENT FOR ROAD PURPOSES AFFECTING TRACT NO. 35, AS RECORDED ON MARCH 5, 1946 IN BOOK NO. 730, AT PAGE NO. 547, OFFICIAL RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA.

**PARCEL 3:**

**AN EASEMENT OF POLE LINE PURPOSES AFFECTING TRACT NO. 37, AS RECORDED ON MARCH 5, 1946, IN BOOK NO. 715, AT PAGE NO. 556, OFFICIAL RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA.**

**PARCEL 4:**

**THE N ½ OF THE NW ¼ OF THE NW ¼ OF SECTION 9, T5S., R16E., S.B.M. ALSO THE SW ¼ OF THE SW ¼ OF THE SW ¼ OF SECTION 4, SAID TOWNSHIP AND RANGE; ALSO THE EASTERLY RECTANGULAR 1100 FEET OF THE N ½ OF THE NE ¼ OF THE NE ¼ OF SECTION 8, SAID TOWNSHIP AND RANGE; ALSO THE EASTERLY RECTANGULAR 1100 FEET OF THE SE ¼ OF SECTION 5, SAID TOWNSHIP AND RANGE, EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN THE N ½ OF THE NE ¼ OF SAID SE ¼, ALSO EXCEPTING THEREFROM THE SE ¼ OF THE NE ¼ OF SAID SE ¼ OF SECTION 5.**

**PARCEL 5:**

**THE NE ¼ OF THE NE ¼ OF THE NE ¼ OF SECTION 9, T5S., R16E., S.B.M.**



**ATTACHMENT NO. 2**

**ORIGINAL DDA**

(behind this page)

**DISPOSITION AND DEVELOPMENT AGREEMENT FOR DESERT CENTER AIRPORT  
BETWEEN THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE AND  
CHUCKWALLA VALLEY ASSOCIATES, LLC**

This Agreement ("Agreement") is made this 24<sup>th</sup> day of OCTOBER, 2006, ("Effective Date") by and between the REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a political subdivision of the State of California, ("Agency"), and CHUCKWALLA VALLEY ASSOCIATES, LLC, a California limited liability company ("Developer"). The Agency and Developer may be collectively referred to as the "Parties" and individually as a "Party."

**RECITALS**

A. Agency is the owner of certain real property located in the unincorporated area of Desert Center, County of Riverside, within the Desert Communities Redevelopment Project Area ("the Project Area") and legally described on Exhibit "A" attached hereto and by this reference incorporated herein ("Property").

B. Developer desires to acquire the Property to effectuate the Redevelopment Plan (as defined below), by providing for the disposition of the Property to Developer and the development of an aviation oriented residential community with associated recreational amenities thereon. The term "Redevelopment Plan" shall mean the Redevelopment Plan for the area in which the Property is located and adopted by the Agency by Ordinance Number 638 on December 23, 1986.

C. The development of the Property pursuant to this Agreement, and the fulfillment generally of this Agreement, are in the vital and best interests of the Agency and the health, safety and welfare of the citizens of the County of Riverside ("County") and in

accord with the public purposes and provisions of applicable federal, state and local laws, including the elimination of present blighting conditions in the Project Area (as defined below). The term "Project Area" shall mean the area included within the Desert Center Airport Sub-Area of the Desert Communities Project Area. The exact boundaries of the Project Area are set forth in the Redevelopment Plan. This Agreement is subject to the provisions of the Redevelopment Plan, which is on file at Agency's office and is incorporated herein by reference.

D. This Agreement is entered into for the purpose of developing the Property and not for speculation in landholding. The development of the Property pursuant to this Agreement, and the fulfillment generally of this Agreement, are in the vital and best interests of Agency in accord with the public purposes and provisions of applicable state and local laws.

E. For the consideration and on the terms and conditions set forth in this Agreement, Developer desires to purchase and Agency desires to sell, the Property to Developer and Developer agrees to develop the Property, as more particularly set forth below.

NOW, THEREFORE, in consideration of the promises contained herein, it is mutually agreed as follows:

1. DESCRIPTION OF PROPERTY. Agency hereby agrees to sell to Developer, and Developer hereby agrees to purchase from Agency all of Agency's right, title and interest in and to the Property. The Property is generally located adjacent to the southeasterly side of Highway 177, also known as Rice Road, about fifty miles east of the City of Indio in the Desert Center region of the unincorporated area of the County of Riverside, California. The Property is currently known as the Desert Center Airport.

2. PURCHASE PRICE. Developer hereby agrees to pay the sum of One Million Four Hundred Thirty-seven Thousand Dollars (\$1,437,000) (the "Purchase Price") to Agency. The Purchase Price has been determined based upon a recent appraisal of the fair market value of the Property. The Purchase Price shall be paid as follows:

(a) Upon the execution of this Agreement, Developer shall deposit into Foresite Escrow Company ("Escrow Company"), a deposit in the amount of One Hundred Forty-three Thousand Seven Hundred Fifty Dollars (\$143,750.00) (the "Deposit"). The Deposit shall be delivered by Developer to Escrow Company upon execution of this Agreement in the form of immediately available funds and made payable to the order of Escrow Company, and shall be deposited by Escrow Company pursuant to the provisions hereof. Escrow Company shall place the Deposit in an interest-bearing account insured by the federal government as directed by Developer. The Deposit shall be retained by Agency pursuant to Section 13 if this Agreement is terminated or the Close of Escrow does not occur by the Closing Date for any reason except for the failure of a condition precedent set forth herein.

(b) (i) One (1) day prior to the Closing (as defined below), Developer shall deliver to Escrow Company an all-inclusive promissory note ("Note") in the amount of Six Hundred Thirty-Seven Thousand Dollars (\$637,000.00). The Note will be in a form attached hereto as Exhibit "B" and by this reference incorporated herein and will have a maturity date of one year from the Close of Escrow, unless it is extended by mutual agreement of the Parties to this Agreement. The Note will be secured by an all-inclusive deed of trust in the form attached hereto as Exhibit "C" and by this reference incorporated herein ("Deed of Trust"); and

(ii) The balance of the Purchase Price shall be paid to Agency through the Escrow Company in immediately available funds at Closing.

3. TITLE/DOCUMENTS

(a) Within five (5) business days after the opening of Escrow, Agency and Developer shall cause Fidelity National Title Company ("Title Company") to deliver to Developer a preliminary report ("PTR") pertaining to the Property together with copies of all documents relating to the title exceptions referred to in the PTR.

(b) Within ten (10) days after the date of the receipt of the PTR, Developer shall notify Agency in writing of any title exceptions within the PTR which Developer disapproves. Any exception not disapproved in writing within said thirty (30) day period shall be deemed approved by Developer, and shall constitute a "Permitted Exception" hereunder. All matters created by or on behalf of Developer, including, without limitation, any documents or instruments to be recorded as part of any financing for the acquisition of the Property by Developer, shall constitute "Permitted Exceptions." As to those items disapproved by Developer, Agency shall have no obligation to remove and/or cure the same. Notwithstanding anything contained herein, Agency shall not be required to remove the certain deed of trust in favor of the County of Riverside, or assignee thereof, ("County Deed of Trust") in the principal sum of One Million Seventy-Seven Thousand Seven Hundred Fifty Dollars (\$1,077,750.00) which may be recorded prior to the recordation of the Quit Claim Deed (described herein), which exception shall constitute a Permitted Exception hereunder. Developer has approved the County Deed of Trust as to form and content and understands that its ownership of the Property shall be subject to the terms and conditions thereof. Agency shall notify Developer in writing of any disapproved title exceptions which Agency is unwilling to cause to be removed or insured against prior to

Closing, and Developer shall then, within five (5) days thereafter, elect, by giving written notice to Agency and Escrow Company: (i) to terminate this Agreement, or (ii) to waive its disapproval of such exceptions, in which case such exceptions shall then be deemed to be Permitted Exceptions. Developer's failure to give such notice shall be deemed an election to waive the disapproval of any such exception. In the event Developer elects to terminate this Agreement, Escrow Company shall return to Developer the Deposit, and interest earned thereon, less escrow, title and cancellation fees and both Party shall be relieved from any liabilities and/or obligations under this Agreement.

(c) Within five (5) days after the Effective Date, Agency shall provide Developer, with copies of any and all documents in Agency's possession or control with respect to the Property.

#### 4. INVESTIGATION OF PROPERTY

(a) Developer represents and warrants that, as specified herein, Developer has, inspected and conducted tests and studies of the Property and that Developer is with the general conditions of the Property. Developer understands and acknowledges that the Property may be subject to earthquake, fire, floods, erosion, high water table, dangerous underground soil conditions, hazardous materials and similar occurrences that may alter its condition or affect its suitability for any proposed use. Agency shall have no responsibility or liability with respect to any such occurrence. Developer represents and warrants that Developer is acting, and will act only upon information obtained by Developer directly from Developer's own inspection of the Property. Notwithstanding anything to the contrary contained in this Agreement, the suitability or lack of suitability of the Property for any proposed or intended use, or availability or lack of availability of (i) permits or approvals or governmental or regulatory authorities, or (ii) rights

with respect to any such proposed or intended use of Property shall not affect the rights or obligations of the Developer hereunder.

Developer shall protect, indemnify, defend and hold the Property, Agency and Agency's officers, directors, officials, employees, tenants, agents, and contractors free and harmless from and against any and all claims, damages, liens, stop notices, liabilities, losses, costs and expenses, including reasonable attorneys' fees and court costs, resulting from Developer's inspection and testing of the Property, including, without limitation, repairing any and all damages to any portion of the Property, arising out of or related (directly or indirectly) to Developer's conducting such inspections, surveys, tests, and studies. Developer shall keep the Property free of any mechanics' liens or materialmen's liens related to Developer's right of inspection activities. They shall not be merged with the Quit Claim Deed (as defined in Paragraph 8 below), and shall survive the Close of Escrow and shall survive the termination of this Agreement and Escrow prior to the Close of Escrow.

5. PROPERTY AS IS:

(a) No person on behalf of Agency is authorized to make, and by execution hereof, Developer acknowledges that no person has made any representation, agreement, statement, warranty, guarantee or promise regarding the Property or the transaction contemplated herein or the zoning, construction, physical condition or other status of the Property except as may be expressly set forth in this Agreement. No representation, warranty, agreement, statement, guarantee or promise, of any, made by any person acting in behalf of Agency which is not contained in this Agreement will be valid or binding on Agency.

(b) DEVELOPER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS SPECIFICALLY PROVIDED HEREIN, AGENCY HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (i) VALUE; (ii) THE INCOME TO BE DERIVED FROM THE PROPERTY; (iii) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH DEVELOPER MAY CONDUCT THEREON, INCLUDING THE POSSIBILITIES FOR FUTURE DEVELOPMENT OF THE PROPERTY; (iv) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY; (v) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY, INCLUDING TO ALL SLOPES; (vi) THE NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY; (vii) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAW, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (viii) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATION, ORDER OR REQUIREMENTS, INCLUDING BUT NOT LIMITED TO TITLE III OF THE AMERICANS WITH DISABILITIES ACT OF 1990, CALIFORNIA HEALTH & SAFETY CODE, THE FEDERAL WATER POLLUTION CONTROL ACT, THE FEDERAL RESOURCE CONSERVATION AND RECOVERY ACT, THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40. C.F.R., PART 261, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, THE RESOURCE CONSERVATION AND RECOVERY ACT OF 1976, THE CLEAN WATER ACT, THE SAFE DRINKING WATER ACT, THE HAZARDOUS MATERIALS TRANSPORTATION ACT, THE TOXIC SUBSTANCE CONTROL ACT, AND REGULATIONS PROMULGATED UNDER ANY OF THE FOREGOING; (ix) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS AT, ON, UNDER, OR ADJACENT TO THE PROPERTY; (x) THE CONFORMITY OF THE PROPERTY TO PAST, CURRENT OR FUTURE APPLICABLE ZONING OR BUILDING REQUIREMENTS; (xi) DEFICIENCY OF ANY UNDERSHORING; (xii) DEFICIENCY OF ANY DRAINAGE; (xiii) THE FACT THAT ALL OR PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE; (xiv) THE EXISTENCE OF VESTED LAND USE, ZONING OR BUILDING ENTITLEMENT AFFECTING THE PROPERTY; OR (xv) WITH RESPECT TO ANY OTHER MATTER. DEVELOPER FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY, DEVELOPER IS RELYING SOLELY IN ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY AGENCY. DEVELOPER FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION MADE AVAILABLE TO DEVELOPER OR PROVIDED OR TO BE PROVIDED BY OR ON BEHALF OF AGENCY WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT AGENCY HAD NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. DEVELOPER AGREES TO FULLY AND IRREVOCABLY RELEASE ALL SUCH SOURCES OF



INFORMATION AND PREPARERS OF INFORMATION AND DOCUMENTATION AFFECTING THE PROPERTY WHICH WERE RETAINED BY AGENCY FROM ANY AND ALL CLAIMS THAT THEY MAY NOW HAVE OR HEREAFTER ACQUIRE AGAINST SUCH SOURCES AND PREPARERS OF INFORMATION FOR ANY COSTS, LOSS, LIABILITY, DAMAGES, EXPENSES, DEMAND, ACTION OR CAUSE OF ACTION ARISING FROM SUCH INFORMATION PERTAINING TO THE PROPERTY , OR THE OPERATION THEREOF, FURNISHED BY AN AGENT, EMPLOYEE, SERVANT OR OTHER PERSON. DEVELOPER FURTHER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS WITH ALL FAULTS, AND THAT AGENCY HAS NO OBLIGATIONS TO MAKE REPAIRS, REPLACEMENTS OR IMPROVEMENTS EXCEPT AS MAY OTHERWISE BE EXPRESSLY STATED HEREIN. DEVELOPER REPRESENTS, WARRANTS AND COVENANTS TO AGENCY THAT, EXCEPT FOR AGENCY'S EXPRESS REPRESENTATIONS AND WARRANTIES SPECIFIED IN THIS AGREEMENT, DEVELOPER IS PURCHASING THE PROPERTY BASED ON DEVELOPER'S OWN INVESTIGATION OF THE PROPERTY.

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(c) Developer shall rely solely upon Developer's own knowledge of the Property based on its investigation of the Property and its own inspection of the Property in determining the Property's physical condition. Developer and anyone claiming by, through or under Developer hereby waives its right to recover from and fully irrevocably releases Agency, its employees, officers, directors, representatives, agents, servants, attorneys, affiliates, parent, subsidiaries, successors, and assigns, and all persons, firms, corporations and organizations in its behalf ("Released Parties") from any and all claims that it may now have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to any construction defects, errors, omissions or other conditions, latent or otherwise, including environmental matters, affecting the Property, or any portion thereof. This release includes claims of which Developer is presently unaware or which Developer does not presently suspect to exist which, if known by Developer, would materially affect Developer's release

to Agency. Developer specifically waives the provision of California Civil Code Section 1542, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR EXPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM MUST HAVE MATERIALLY AFFECTED THE SETTLEMENT WITH THE DEBTOR."

In this connection and to the extent permitted by law, Developer hereby agrees represents and warrants that Developer realizes and acknowledges that factual matter now unknown to it may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and Developer further agrees, represents and warrants that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Developer nevertheless hereby intends to release, discharge and acquit Agency from any such unknown cause of action, claims, demands, debts, controversies, damages costs, losses and expenses which might in any way be included as a material portion of the consideration given to Agency by Developer in exchange for Agency's performance hereunder.

Agency and Developer have initialed this Section 5c to further indicate their awareness and acceptance of each and every provision.

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AGENCY'S INITIALS

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DEVELOPER'S INITIALS

6. REPRESENTATIONS

(a) Agency makes the following representations to Developer:

(i) Agency is a public agency, organized and validly existing and in good standing under the laws of the State of California and has the full power and authority to enter into and sign this Agreement on behalf of Agency.

(ii) Agency has received no notice of any pending or contemplated condemnation or other or similar proceeding affecting the Property or any part thereof.

(iii) Agency has not been served with a suit or proceeding against or affecting the Property in any court of law.

(iv) This Agreement is, and all agreements, instruments and documents to be executed by Agency pursuant to this Agreement shall be, duly executed by and are, or shall be, valid and legally binding upon Agency and enforceable in accordance with their respective terms, and the execution and delivery thereof shall not, with due notice or the passage of time, constitute a default under or violate the terms of any indenture, agreement or other instrument to which Agency is a party.

For purposes of this paragraph (a) Agency's actual knowledge shall mean the actual knowledge of Robert Field, Tom Turner and Harry Oliver.

(b) Developer makes the following representations to Agency:

(i) Developer is a limited liability company organized and validly existing and in good standing under the laws of the State of California and has the full power and authority to enter into and sign this Agreement on behalf of Developer.

(ii) All required action has been taken by Developer in connection with the entering into this Agreement, the instruments referenced herein and consummation of this transaction.

(iii) Developer has the legal power, right and authority to enter into this Agreement and the instruments and documents referenced herein, to consummate the transactions contemplated hereby, to take any steps or actions contemplated hereby, and to perform its obligations hereunder.

(iv) This Agreement is, and all agreements, instruments and documents to be executed by Developer pursuant to this Agreement shall be, duly executed by and are, or shall be, valid and legally binding upon Developer and enforceable in accordance with their respective terms, and the execution and delivery thereof shall not, with due notice or the passage of time, constitute a default under or violate the terms of any indenture, agreement or other instrument to which Developer is a party.

7. CONDITIONS.

(a) Precedent to Closing: The following shall be conditions precedent to Developer's obligation to consummate the purchase and sale transaction contemplated herein (the "Developer's Conditions Precedent"):

(i) Developer shall not have terminated this Agreement in accordance with the terms of this Agreement.

(ii) Title Company shall stand ready to issue, at the Closing, an ALTA Standard Owners Policy of Title Insurance (the "Title Policy") with liability equal to the Purchase Price, subject only to (A) the Permitted Exceptions including, but not limited to, the County Deed of Trust; (B) the standard printed exceptions and condition in the Title Policy; and (C) the general and special taxes and assessments not then delinquent and a lien, if any, for current real property taxes for the fiscal year in effect at the time of the Closing. Developer, if it so desires, may obtain an ALTA Extended Coverage Policy of Title Insurance, provided, Developer pays the difference in cost between the ALTA Standard

Form Policy and the ALTA Extended Coverage Policy of Title Insurance and the issuance of the ALTA Extended Coverage Policy of Title Insurance does not extend the Close of Escrow.

(iii) Agency shall have delivered to the Escrow Company the items described in Section 8.

(iv) Developer shall have a period of ten (10) days after the Effective Date to terminate this Agreement ("Due Diligence Period"). At any time on or prior to the expiration of the Due Diligence Period, Developer shall have the right, in its sole discretion, to terminate this Agreement by giving notice to the Agency and Escrow Company. Agency shall deliver to Developer, within two (2) business days after the Effective Date, those documents listed on Exhibit "D" attached hereto and by this reference incorporated herein.

The conditions set forth in this Section are solely for the benefit of Developer and may be waived only by Developer. Developer shall, at all times prior to the termination of this Agreement, have the right to waive any of these conditions; provided that such waiver is in writing. In the event that the conditions are not satisfied or waived by the Developer, in writing, on or before the Closing, Escrow Company shall return to Developer the Deposit and interest earned thereon, less title and escrow cancellation fees and both Party shall be released from any liabilities or obligations under this Agreement.

(b) The following shall be conditions precedent to Agency's obligation to consummate the purchase and sale transaction contemplated herein (the "Agency's Conditions Precedent"):

(i) Developer shall not have terminated the Agreement in accordance with the terms of this Agreement.

(ii) Developer shall have delivered to Escrow Company, prior to the Closing, for disbursement as directed hereunder, all cash or other immediately available funds due from Developer in accordance with this Agreement.

(iii) Title Company shall stand ready to issue, at the Closing, an ALTA Lender's Policy of Title Insurance (the "Lender's Title Policy") with liability equal to the Note, subject only to (A) the Permitted Exceptions; (B) the standard printed exceptions and condition in the Lender's Title Policy; and (C) the general and special taxes and assessments not then delinquent and a lien, if any, for current real property taxes for the fiscal year in effect at the time of the Closing.

(iv) Developer shall have delivered to Escrow Company the items described in Section 9.

The conditions set forth in this Section are solely for the benefit of Agency and may be waived only by Agency. Agency shall, at all times prior to the termination of this Agreement, have the right to waive any of these conditions; provided that such waiver is in writing. In the event that the conditions are not satisfied or waived by the Agency, in writing, on or before the Closing, Escrow Company shall return to Developer the Deposit and interest earned thereon, less title and escrow cancellation fees, and both Party shall be released from any liabilities or obligations under this Agreement.

8. AGENCY'S CLOSING DELIVERIES

At least one (1) business day prior to the Closing, Agency shall deliver or cause to be delivered to Developer or Escrow Company the following:

(a) A deed in the form and content as set forth in Exhibit "E" attached hereto and by this reference incorporated herein (the "Quit Claim Deed").

(b) An affidavit certifying that Agency is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986 (the "Certificate of Non-Foreign Status").

(c) A properly executed California form 590 or other evidence sufficient to establish that Developer is not required to withhold any portion of the Purchase Price pursuant to sections 18805 and 26131 of the California Revenue and Taxation Code.

(d) An executed and acknowledged County Deed of Trust.

(e) Any other documents, instruments or agreements reasonably necessary to effectuate the transaction contemplated by this Agreement.

9. DEVELOPER'S CLOSING DELIVERIES

At least one (1) business day prior to the Closing Developer shall deliver to Agency or Escrow Company:

(a) A fully executed Note; and

(b) An executed and acknowledged Deed of Trust;

(c) The balance of the Purchase Price, together with such other sums as Escrow Company shall require to pay Developer's share of the closing costs, prorations and adjustments set forth herein, in immediately available funds.

(d) Any other documents, instruments or agreements reasonably necessary to effectuate the transaction as contemplated by this Agreement.

10. ESGROW AND TITLE COSTS. Agency shall pay the fee for recording the Quit Claim Deed (if any), the portion of the premiums for the Title Policy equal to the amount of an ALTA Standard Owner's Policy of Title Insurance and fifty percent (50%) of all other escrow and closing costs. Developer shall pay the cost of any additional title

insurance coverage requested by Developer, including the ALTA Extended Coverage Policy of Title Insurance and any requested title endorsements, and fifty percent (50%) of all other escrow and closing costs. Developer shall pay the premium for the Lender's Title Policy. Each Party shall bear the expense of its own counsel. Developer and Agency agree to pay any other typical buyer and seller escrow, title, and other related costs incurred in this transaction not set forth above

11. PRORATIONS AND ADJUSTMENTS. Escrow Company shall prorate real property taxes and assessments on the Property as of the Close of Escrow for the current fiscal year based on the most current official real property tax information available from the County Assessor's office where the Property is located or other assessing authorities. If real property tax and assessment figures for the current fiscal year are not available, real property taxes shall be prorated based on real property taxes for the previous year. Agency is a public agency and generally not liable for real property taxes for its period of ownership of the Property. Developer hereby acknowledges that Developer may receive a supplemental tax bill covering real property taxes and assessments covering its ownership of the Property from the Close of Escrow.

12. CONDITION OF TITLE. At the Close of Escrow, fee simple title to the Property will be conveyed to Developer by Agency by Quit Claim Deed, subject to the following matters:

- (a) A lien for real property taxes and assessments not then delinquent;
- (b) Matters of title respecting the Property approved or deemed approved by Developer in accordance with this Agreement including, without limitation, the County Deed of Trust;



(c) Matters affecting the condition of title to the Property created by or with the written consent of the Developer; and

(d) Any matters which would be shown by a survey of the Property or by inquiry of persons in possession of the Property.

13. DEFAULT.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, IF THE SALE OF THE PROPERTY TO DEVELOPER IS NOT CONSUMMATED FOR ANY REASON OTHER THEN AGENCY'S DEFAULT UNDER THIS AGREEMENT, EXCEPT IN THE EVENT DEVELOPER TERMINATES THIS AGREEMENT PURSUANT TO THE TERMS HEREOF, AGENCY SHALL BE ENTITLED TO RETAIN THE DEPOSIT AND INTEREST THEREON, AS LIQUIDATED DAMAGES. THE PARTIES AGREE THAT IT WOULD BE IMPRACTICABLE AND EXTREMELY DIFFICULT TO ASCERTAIN THE ACTUAL DAMAGES SUFFERED BY AGENCY AS A RESULT OF DEVELOPER'S FAILURE TO COMPLETE THE PURCHASE OF THE PROPERTY PURSUANT TO THIS AGREEMENT, AND THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AGREEMENT, THE LIQUIDATED DAMAGES PROVIDED FOR IN THIS SECTION REPRESENTS A REASONABLE ESTIMATE OF THE DAMAGES WHICH AGENCY WILL INCUR AS A RESULT OF SUCH FAILURE, PROVIDED, HOWEVER, THAT THIS PROVISION SHALL NOT LIMIT AGENCY'S RIGHTS TO RECEIVE REIMBURSEMENT FOR ATTORNEYS' FEES NOR WAIVE OR AFFECT AGENCY'S RIGHTS AND DEVELOPER'S INDEMNITY OBLIGATIONS OTHER SECTIONS OF THIS AGREEMENT. THE PARTIES ACKNOWLEDGE THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED AS FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO AGENCY PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676, AND 1677. NOTWITHSTANDING THE FOREGOING, IF DEVELOPER INTERFERES WITH OR MAKES ANY ATTEMPT TO INTERFERE WITH AGENCY RECEIVING OR RETAINING, AS THE CASE MAY BE, THE LIQUIDATED DAMAGES PROVIDED FOR THIS SECTION, INCLUDING WITHOUT LIMITATION, GIVING ANY NOTICE OR INSTRUCTIONS TO ESCROW COMPANY NOT TO DELIVER THE DEPOSIT TO AGENCY, AGENCY SHALL HAVE THE RIGHT TO ELECT TO RECOVER THE GREATER OF ITS ACTUAL DAMAGES OR THE LIQUIDATED DAMAGES BY GIVEN WRITTEN NOTICE TO DEVELOPER AND AGENCY HAVE ALL OTHER RIGHTS AND REMEDIES AGAINST DEVELOPER PROVIDED AT LAW AND IN EQUITY, AND AGENCY SHALL HAVE THE RIGHT TO REQUIRE THAT DEVELOPER SPECIFICALLY PERFORM DEVELOPER'S OBLIGATIONS UNDER THIS AGREEMENT. THE PARTIES HAVE SET FORTH THEIR INITIALS BELOW TO INDICATE THEIR AGREEMENT WITH THE LIQUIDATED DAMAGES PROVISION CONTAINED IN THIS

SECTION.

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AGENCY'S INITIALS

DEVELOPER'S INITIALS

14. CLOSING DATE. Agency and Developer agree that, unless otherwise agreed upon in writing by the Parties, escrow will close (the "Closing," "Close," "Close of Escrow" or "Closing Date") no later than thirty (30) days following the end of the Due Diligence Period set forth in Section 7(a)(iv). As used herein, the term "Closing" means the date and time that the Quit Claim Deed is recorded in the Official Records of Riverside County, California.

15. BROKER'S COMMISSION. Developer represents and warrants to Agency that there is no broker and no brokerage commission, finder's fee or other compensation due or payable with respect to the transaction contemplated hereby. Agency represents and warrants to Developer that it has not entered into any agreement under which a brokerage commission, finder's fee or other compensation would be due or payable with respect to the transaction contemplated hereby. Each party hereby agrees to indemnify, defend, and hold the other harmless from and against any losses, damages, costs and expenses (including, but not limited to, attorneys' fees and costs) incurred by such party by reason of any breach or inaccuracy of the representations and warranties contained in this Section 15. The provisions of Section 15 shall survive the Closing.

16. ESCROW

(a) Within two (2) days after their respective execution of this Agreement, Developer and Agency each shall deposit a counterpart original of this Agreement executed by such Party (or either of them shall deposit a counterpart executed by both Developer and Agency) with Escrow Company. This Agreement, together with

such further instructions, if any, as the Parties shall provide to Escrow Company by written agreement, shall constitute the escrow instructions. If any requirements relating to the duties or obligations of Escrow Company hereunder are not acceptable to Escrow Company, or if Escrow Company require additional instructions, the Parties hereto agree to make such deletions, substitutions and additions hereto as counsel for Developer and Agency shall mutually approve, which additional instructions shall not substantially alter the terms of this Agreement unless otherwise expressly provided therein.

(b) Agency shall make its deposits into escrow in accordance with Section 8. Developer shall make its deposits into escrow in accordance with Section 9. Escrow Company is hereby authorized to close the escrow only if and when: (i) Escrow Company has received all items to be delivered by Agency and Developer pursuant to Sections 8 and 9; and (ii) Title Company can and will issue the Title Policy and Lender's Title Policy concurrently with the Closing.

(c) Provided that Escrow Company shall not have received written notice in a timely manner from Developer or Agency of the failure of any condition to the Closing or of the termination of the escrow, and if and when Developer and Agency have deposited into the escrow the matters required by this Agreement and Title Company can and will issue the Title Policy and the Lender's Title Policy concurrently with the Closing, Escrow Company shall:

(i) Deliver to Developer: (A) the Quit Claim Deed by causing it to be recorded in the Official Records of the Office of the County Recorder of Riverside County, California; and immediately upon recording, delivering to Developer a conformed copy of the Quit Claim Deed; (B) California form 590; and (C) the Certificate of Non-Foreign Status.

(ii) Deliver to Agency: (A) the Note; (B) the County Deed of Trust by causing it to be recorded in the Official Records of the Office of the County Recorder of Riverside County, California; and immediately upon recording, delivering to Agency a conformed copy of the County Deed of Trust **[THE PARTIES INSTRUCT THE ESCROW COMPANY TO RECORD THE COUNTY DEED OF TRUST PRIOR TO RECORDING THE QUIT CLAIM DEED.]**; (C) the Deed of Trust by causing it to be recorded in the Official Records of the County of Riverside, California; and immediately upon recording, delivering to Agency a conformed copy of the Deed of Trust; and (D) Payment of cash the portion of the Purchase Price to the Agency, to be delivered to the Agency by wire transfer of federal funds, after satisfying the closing costs, prorations and adjustments to be paid by Agency.

(iii) Deliver to Developer: any funds deposited by Developer, and any interest earned thereon, in excess of the amount required to be paid by Developer hereunder.

(iv) Deliver the Title Policy issued by Title Company to Developer.

(v) Deliver the Lender's Title Policy issued by Title Company to Agency.

17. DEVELOPMENT OF THE PROPERTY.

(a) Subject to the County of Riverside's land use approvals, Developer agrees to develop on the Property as an aviation oriented housing development with associated recreational amenities (the "Project"). Developer is solely responsible for securing and funding all costs associated with obtaining the appropriate land use and permit approvals necessary to develop the Project. Developer agrees to endeavor to design and construct the Project within a timely fashion in order to effectuate the Redevelopment Plan. Developer shall:

(i) Prepare a site development plan within two years after the close of escrow;

(ii) Submit plans to the County of Riverside for land use approvals within five years after the close of escrow;

(iii) Obtain land use approvals within eight years after the close of escrow;

(iv) Initiate construction of the first phase of development within fifteen years after the close of escrow.

(b) Developer has or shall prepare and submit to Agency for approval the site development plan ("Site Development Plan") and related documents containing the overall plan for the Property. The Property shall be developed fully and in substantial conformity with the approved Site Development Plan and related documents except as changes may be mutually approved by the Parties. The Agency agrees not to unreasonably delay the review and approval of the items as set forth in paragraph 17 (a)(i)-(iv) above.

(c) To the extent required, Developer shall prepare and submit construction drawings and related documents for the Property to the County Planning Department and notify the Executive Director of Agency ("Executive Director") within five (5) days of such submittal to allow for reasonable review as to conformity to this Agreement.

During the preparation of all drawings and plans, the Parties shall hold regular progress meetings to coordinate the preparation of, submission to, and review of construction plans and related documents by Agency and the County of Riverside. The Parties shall communicate and consult informally as frequently as is necessary to ensure

that the formal submittal of any documents to Agency can receive prompt and speedy consideration.

Review of progressively more detailed drawings and specifications will be promptly completed by Agency if developed as a logical evolution of drawings and specifications previously approved.

(d) The County Planning Department shall review all plans submitted for appropriate entitlements. County shall act as review authority for Agency concurrently and shall review and either approve or disapprove the plans, specifications, drawings and related documents as set forth in this Agreement consistent with the time periods needed for plan review by the Planning Department.

If Developer desires to make any substantial change in the approved working drawings, Developer shall submit the proposed change to County Planning Department and Agency for approval. If the drawings as modified by the proposed change conform to this Agreement the Site Development Plan, the County and Agency shall review the change and Agency shall notify Developer of its approval or disapproval in writing, or if legislative action is needed, within a time frame as required of such review body.

The Executive Director or his or her designee shall have authority to determine on behalf of Agency, as necessary, if a proposed revision or change to any plans, drawings, or other documents previously approved by Agency is a substantial change requiring Agency approval. If the Executive Director or his or her designee determines that the proposed revision or change is not substantial, no approval by Agency of such revision or change will be necessary. Agency's review is intended to insure that the plans, drawings and related documents are consistent with the Redevelopment Plan. Any disapproval shall state in writing the reasons for disapproval and the changes which

Agency requests to be made. Such reasons and such changes must be consistent with any items previously approved or deemed approved hereunder. Developer, upon receipt of a disapproval based upon powers reserved by Agency hereunder, shall revise the plans, drawings and related documents, and shall resubmit to Agency as soon as possible after receipt of the notice of disapproval; provided that in no case shall Agency be entitled to require changes which are inconsistent with approved plans, including the Site Development Plan.

Except as expressly provided in this Agreement, Agency and County neither undertake nor assume, nor will Agency and County have any responsibility or duty to Developer, or to any third party, to review, inspect, supervise, pass judgment upon or inform Developer or any third party of any matter in connection with the Project, whether regarding the quality, adequacy or suitability of the plans, any labor, service, equipment or material furnished to the Project, any person furnishing the same or otherwise. Developer and all third parties shall rely upon their own judgment regarding such matter. Any review, inspection, supervision, exercise of judgment or information supplied to Developer or to any third party by Agency or County in connection with such matter is for the public purposes and neither Developer (except for the purposes set forth in this Agreement), nor any third party is entitled to rely thereon.

(e) The cost of developing the Property, together with all on- and off-site improvements required by the County, shall be borne by Developer. The Parties hereby acknowledge and agree that any increase in costs above the amounts projected or assumed by Developer, or decreases in revenues below the amounts projected or assumed by Developer, shall be at the sole financial risk of Developer.

(f) After conveyance of title to Developer, Developer shall promptly begin and thereafter diligently prosecute to completion the development of the Property.

(g) (i) Developer shall take all necessary steps so that the development and use of the Property shall be in conformity with applicable zoning and General Plan requirements, including the conditions of approval of any required land use entitlements, and that all applicable environmental mitigation measures and other requirements shall have been complied with.

(ii) If any revisions or modifications to this Agreement shall be required to comply with any requirement of a governmental official, Agency, department or bureau having jurisdiction over the development of the Property, Agency and Developer shall cooperate in making such reasonable changes, consistent with the public purposes of this Agreement, as may be necessary.

(h) Without limiting any rights of access that Agency or County may have irrespective of this Agreement, representatives of Agency shall have a reasonable right of access to the Property at normal construction hours during the period of construction for the purposes of this Agreement, including but not limited to the inspection of the work being performed in constructing the improvements, so long as they comply with all safety rules and observe any rules adopted by Developer for purposes of maintaining order on the Property, including requirements that such representatives be escorted.

(i) Developer shall indemnify, defend and hold Agency and the County, and their representatives, officials, directors, supervisors, volunteers, officers, employees and agents, harmless from and against all liability, loss, damage, costs, or expenses (including attorneys' fees and court costs) arising from or as a result of the death of any person or any accident, injury, loss, and damage whatsoever caused to any person or to



the property of any person, including accidental death (including attorney fees and costs), which may be caused by any acts or omissions of Developer or its agents, servants, employees, or contractors under or related to this Agreement and whether such damage shall accrue or be discovered before or after termination of this Agreement. Provided, however, that Developer's obligation to indemnify Agency and County pursuant to this subparagraph (j) shall not apply to any liability, loss, damage, costs, or expenses arising solely from the willful misconduct or negligence of Agency or County, or their designated agents or employees.

(j) Developer shall pay, prior to delinquency, all real estate taxes and assessments assessed and levied on the Property subsequent to Developer's acquisition of fee title thereto.

(k) The Developer herein covenants by and for itself, its officers, agents, employees and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through them, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

18. USE OF THE PROPERTY

(a) Developer shall develop the Property as an aviation oriented housing development. Developer covenants and agrees for itself and its successors and assigns,

and every successor in interest to the Property, or any portion thereof, that during construction and thereafter, Developer and such successors and assigns shall use the Property exclusively for the purposes herein stated and shall not devote the Property to any uses which are inconsistent with this Agreement and applicable County land use entitlements.

(b) From and after Developer's acquisition of title of the Property, Developer covenants that Developer shall reasonably maintain the improvements on the Property and shall keep the Property free from any accumulation of debris or waste materials.

(c) (i) Developer covenants by and for itself and any successors in interest that there shall be no discrimination against, or segregation of, any persons, or group of persons, on account of sex or sexual orientation, race, color, creed, marital status, religion, disability, national origin or ancestry in the enjoyment of the Property or any portion or component thereof, nor shall Developer itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, subleases or vendees of the Property. The foregoing covenants shall run with the land and shall remain in effect for the periods specified in the Quit Claim Deed for such the Property and any land subdivided therefrom.

(ii) Developer shall refrain from restricting the rental, sale, or lease of the Property or any portion or component thereof on the basis of race, color, creed, religion, disability, sex or sexual orientation, marital status, ancestry or national origin of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(A) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrator, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, disability, sex or sexual orientation, marital status, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee, or any persons claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, subleases or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

(B) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, disability, sex or sexual orientation, marital status, ancestry or national origin in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the land herein leased nor shall the lessee himself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subleases, subtenants or vendees in the land herein leased."

(C) In contracts: "There shall be no discrimination

against or segregation of any persons or group of persons on account of race, color, creed, religion, disability, sex or sexual orientation, marital status, ancestry or national origin in the sale, lease, transfer, use, occupancy, tenure or enjoyment of land, nor shall the transferee, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, subleases or vendees of premises."

The foregoing covenants shall remain in effect in perpetuity.

(d) The covenants established in this Agreement, shall, without regard to technical classification or designation, be binding on Developer and any successor in interest to the Property or any part thereof for the benefit and in favor of Agency, its successors and assigns, and the County. Except as otherwise set forth in this Agreement, the covenants contained in this Agreement shall remain in effect until December 31, 2029. The covenants against discrimination (as described above) shall remain in perpetuity.

19. COOPERATION. Agency and Developer agree to mutually cooperate and otherwise exercise their best efforts to assist each other in the performance of the duties and obligations described in this Agreement.

20. COMPLIANCE WITH GOVERNMENT REGULATIONS. Developer shall, at Developer's sole cost and expense, comply with the requirements of all local, state and federal statutes, regulations, rules, ordinances and orders now in force or which may be hereafter in force, pertaining to the Property.

21. TERMINATION BY AGENCY.

(a) Prior to the conveyance of the Property to Developer, Agency shall

have the right to terminate this Agreement in the event Developer fails to perform, keep or observe any of its duties or obligations hereunder; provided however, that Developer shall have thirty (30) days in which to correct such breach or default after written notice thereof has been served on it by Agency.

(b) (i) In the event Developer fails to develop the Property pursuant to this Agreement and desires to sell the Property, Developer shall provide the Agency shall have the first option to repurchase the Property. The right of Agency to repurchase the Property pursuant to this Section 21 (b)(i) shall be set forth in the Quit Claim Deed. The right of the Agency to repurchase the Property shall terminate immediately upon the commencement of construction of the first phase of the development, as set forth in Section 17(a)(iv) herein. Upon the termination of the right to repurchase, the Agency agrees to record with the County Recorder's Office, a release of the right to purchase.

(ii) (A) The purchase price ("Option Purchase Price") shall be the Purchase Price.

(B) Agency shall deliver the Option Purchase Price to Developer concurrently with delivery of title to Agency. Agency shall receive a policy of title insurance subject only to exceptions that (1) existed at the time of Developer's acquisition of the Property, or (2) were created with the written consent of Agency or approved in writing by Agency, including but not limited to the deed of trust or other lien securing the construction financing.

22. TERMINATION BY DEVELOPER. Prior to the conveyance of the Property to Developer, Developer shall have the right to terminate this Agreement in the event Agency fails to perform, keep or observe any of its other duties or obligations hereunder; provided however, that Agency shall have thirty (30) days in which to correct such breach

or default after written notice thereof has been served on it by Developer.

23. CLOSE OF ESCROW. All warranties, covenants and other obligations stated in this Agreement shall survive delivery of the Quit Claim Deed. All warranties, covenants, and other obligations that the Developer discovers to be breached before the Close of Escrow, and that Developer either expressly waives or does not object to before the close of escrow, shall not survive delivery of the Quit Claim Deed.

24. ASSIGNMENT. Developer shall neither assign its rights nor delegate its obligations hereunder without obtaining Agency's prior written consent, which may be withheld in Agency's sole discretion. In no event shall any assignment relieve Developer from its obligations under this Agreement. Any other purported or attempted assignment or delegation without obtaining Agency's prior written consent shall be void and of no effect.

25. BINDING ON SUCCESSORS. Subject to the restrictions on transfer set forth in the Paragraph 24 above, this Agreement shall be binding upon and inure to the benefit of the assigns and successors-in-interest to the Parties.

26. NON LIABILITY OF AGENCY AND COUNTY OFFICIALS AND EMPLOYEES. No member, official or employee of Agency or County shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by Agency or County or for any amount which may become due to Developer or its successors, or on any obligations under the terms of this Agreement.

27. WAIVER OF PERFORMANCE. No waiver by Agency at any time of any of the terms and conditions of this Agreement shall be deemed or construed as a waiver at any time thereafter of the same or of any other terms or conditions contained herein or of the strict and timely performance of such terms and conditions.

28. SEVERABILITY. The invalidity of any provision in this Agreement as

determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

29. VENUE. Any action at law or in equity brought by either of the Parties hereto for the purpose of enforcing a right or rights provided for by this Agreement shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the Parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county.

30. ATTORNEYS' FEES. In the event of any litigation, mediation or arbitration between Developer and County to enforce any of the provisions of this Agreement or any right of either Party hereto, the unsuccessful Party to such litigation, mediation or arbitration agrees to pay to the successful Party all costs and expenses, including reasonable attorneys' fees, incurred therein by the successful Party, all of which shall be included in and as a part of the judgment or ruling rendered in such litigation, mediation or arbitration.

31. NOTICES. Any notices required or desired to be served by either Party upon the other Party shall be addressed to the respective Parties as set forth below:

**AGENCY:**  
Robin Zimpfer, Executive Director  
Economic Development Agency  
PO Box 1180  
Riverside, CA 92502  
(951) 955-8916  
(951) 955-6686 (fax)

**DEVELOPER**  
Chuckwalla Valley Associates, LLC  
45-445 Portola Ave. Suite 5  
Palm Desert, CA 92260  
760-568-2969

or to such other addresses as from time to time shall be designated by the respective Parties. Notices must be in writing and will be deemed to have been given when personally delivered, sent by facsimile receipt acknowledged, deposited with any nationally recognized overnight carrier that routinely issues receipts, or deposited in any depository regularly maintained by the United States Postal Service, postage prepaid, certified mail, return

receipt requested, addressed to the Party for whom it is intended at its address set forth above.

32. PERMITS, LICENSES AND TAXES. Developer shall secure, at its expense, all necessary permits and licenses as it may be required to obtain, and Developer shall pay for all fees and taxes levied or required by an authorized public entity.

33. PARAGRAPH HEADINGS. The Paragraph headings herein are for the convenience of the Parties only, and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions or language of this Agreement.

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

35. TIME OF ESSENCE. Time is of the essence in the performance of and compliance with each of the provisions of this Agreement.

36. CAPACITY. Each individual and entity executing this Agreement hereby represents and warrants that he, she or it has the capacity set forth on the signature pages hereof with full power and authority to bind the Party on whose behalf he, she or it is executing this Agreement, to the terms hereof.

37. NO JOINT VENTURE. Notwithstanding anything to the contrary contained herein, this Agreement shall not be deemed or construed to make the Parties partners or



joint venturers, or to render either Party liable for any of the debts or obligations of the other, it being the intention of the Parties to merely create the relationship of seller and buyer with respect to the Property to be conveyed as contemplated hereby.

38. NO RECORDATION. Neither this Agreement nor a memorandum thereof, shall be recorded or filed in the public land or other public records of any jurisdiction by either Party and any attempt to do so may be treated by the other Party as a breach of this Agreement.

39. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be an original and all such counterparts together shall constitute the entire agreement of the Parties hereto.

40. APPROVAL. This Agreement shall not be binding or consummated until its approval by County's Board of Supervisors.

*[SIGNATURES APPEAR ON FOLLOWING PAGE]*

*[SIGNATURES APPEAR ON FOLLOWING PAGE]*

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

CHUCKWALLA VALLEY ASSOCIATES, LLC, a California limited liability corporation

By: Matthew V. Johnson  
Matthew V. Johnson, Managing Member

THE REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE, a political subdivision of the State of California

By: Bob Buster  
Bob Buster, Chairman

ATTEST:

Clerk of the Board

By: Janet Schlemmer  
Deputy

APPROVED AS TO FORM:

Special  
Agency Counsel  
REDWINE & SHERILL

By: Gild Egan  
Deputy

FORM APPROVED  
COUNTY COUNSEL

OCT 18 2006

By: [Signature]

OCT 24 2006

**ATTACHMENT NO. 3**

**FIRST AMENDMENT**

(behind this page)

1  
2 **FIRST AMENDMENT TO THE DEVELOPMENT AND DISPOSITION AGREEMENT FOR DESERT**  
3 **CENTER AIRPORT BETWEEN THE REDEVELOPMENT AGENCY FOR THE COUNTY OF**  
4 **RIVERSIDE AND CHUCKWALLA VALLEY ASSOCIATES, LLC**

5 THIS FIRST AMENDMENT TO THE DISPOSITION AND DEVELOPMENT  
6 AGREEMENT FOR DESERT CENTER AIRPORT BETWEEN THE REDEVELOPMENT  
7 AGENCY FOR THE COUNTY OF RIVERSIDE AND CHUCKWALLA VALLEY ASSOCIATES  
8 ("First Amendment") is entered into as of Nov 3, 2009, by and between the  
9 Redevelopment Agency for the County of Riverside, a public body, corporate and politic (the  
10 "Agency"), and Chuckwalla Valley Associates, LLC, a California limited liability company (the  
11 "Developer").

12 **RECITALS**

13 **WHEREAS**, the Agency and Developer entered into that certain Development and  
14 Disposition Agreement for Desert Center Airport on October 24, 2006. ("DDA"); and

15 **WHEREAS**, pursuant to the DDA, Developer agreed to develop an aviation oriented  
16 housing development with associated recreational amenities on the subject property; and

17 **WHEREAS**, section 2(b)(i) of the DDA provides that the Developer shall deliver to  
18 Escrow Company an all-inclusive promissory note in the amount of Six Hundred Thirty Seven  
19 Thousand Dollars ("Note") with a maturity date of one year from the Close of Escrow, unless  
20 the Note it is extended by mutual agreement of the Parties; and

21 **WHEREAS**, the Close of Escrow was December 13, 2006, and the Note was delivered  
22 to the Escrow Company; and

23 **WHEREAS**, the balance of the Note as of October 31, 2009, is \$797, 913.28, which  
24 includes the Note balance of \$637,000, accrued simple interest of \$129, 063.28 and a late fee  
25 of \$31,850; and

26 **WHEREAS**, the Agency and Developer have determined that it is necessary to  
27 restructure the terms of the Note and modify the subject property's planned development and  
28 use; and

**WHEREAS**, the objective of the Redevelopment Plan for Redevelopment Project  
Airports - 1988, is to eliminate blight by providing needed public improvements, encouraging  
rehabilitation and repair of deteriorated structures, by facilitating commercial and industrial  
development which will result in employment opportunities and by promoting development in  
accordance with the Riverside County Comprehensive General Plan and Airport Land Use  
plans; and

**WHEREAS**, section 34 of the DDA provides that the DDA may be changed or modified  
only upon written consent of the Agency and Developer.

1           **NOW, THEREFORE**, in consideration of the mutual understanding provided herein, the  
2 Agency and Developer do hereby agree to the following:

3           **Section 1.** The following is added to Section 2 of the DDA:

4           (c) Developer hereby agrees to pay the sum of \$797, 913.28 in accordance with the  
5 terms set forth in the First Amendment to Promissory Note Secured by All Inclusive Deed of  
6 Trust and All Inclusive Purchase Money Deed of Trust with Assignment of Rents, which is  
7 attached hereto as Exhibit A and incorporated herein by reference.

8           **Section 2.** Section 17(a) of the DDA is hereby amended in its entirety and replaced with  
9 the following:

10           17.    **DEVELOPMENT OF THE PROPERTY:**

11           (a) Subject to the County of Riverside's land use approvals, Developer agrees to  
12 develop on the Property a multi use recreational facility including an  
13 automotive race track facility with accessory buildings, dry on-site camping  
14 and associated amenities to be constructed in phases (the "Project").  
15 Developer is solely responsible for securing and funding all costs associated  
16 with obtaining the appropriate land use and permit approvals necessary to  
17 develop the Project. Developer agrees to endeavor to design and construct  
18 the Project within a timely fashion in order to effectuate the Redevelopment  
19 Plan. Developer shall:

- 20           (i)     Prepare a site development plan within two years after the close of  
21           escrow;
- 22           (ii)    Submit plans to the County of Riverside for land use approvals  
23           within five years after the close of escrow;
- 24           (iii)   Obtain land use approvals within eight years after the close of  
25           escrow;
- 26           (iv)    Initiate construction of the first phase of development within fifteen  
27           years after the close of escrow.

28           **Section 3.** Section 18(a) of the DDA is hereby amended in its entirety and replaced with  
the following:

1           18.    **USE OF THE PROPERTY**

2           (a) Developer shall develop the Project on the Property. Developer covenants  
3 and agrees for itself and its successors and assigns and every successor in  
4 interest to the Property, or any portion thereof, that during construction and  
5 thereafter, Developer and such successors and assigns shall use the Property  
6 exclusively for the purposes herein stated and shall not devote the Property to  
7 any uses which are inconsistent with this Agreement and applicable County land  
8 use entitlements.

9           **Section 4.** This First Amendment shall be governed by the laws of the State of  
10 California.

1        **Section 5.** This First Amendment may be signed in counterparts, with all such  
2 counterparts taken together constituting a single original.

3        **Section 6.** Except to the extent modified by this First Amendment, the DDA remains  
4 in full force and effect as originally written. All defined terms used herein shall have the same  
5 meaning as in the DDA, as originally written.

6        **Section 7.** This First Amendment shall not be binding until its approval by the  
7 Agency's Board of Directors.

8        **IN WITNESS WHEREOF**, Agency and Developer have executed this First Amendment  
9 on the date first above written.

10       **Agency:**  
11       **Redevelopment Agency for the**  
12       **County of Riverside**

13       By: Jeff Stone  
14       Jeff Stone, Chairman

15       ATTEST:  
16       KECIA HARPER-IHEM, Clerk  
17       By: Michelle Clack  
18       DEPUTY

19       **Developer:**  
20       **Chuckwalla Valley Associates**  
21       **a California limited liability company**

22       By: Matthew Johnson  
23       Matthew V. Johnson  
24       Managing Member

25       APPROVED AS TO FORM  
26       PAMELA J. WALLS  
27       Agency Counsel

28       By: Michelle Clack 10/22/09  
Michelle Clack, Deputy

EACH DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED IS CERTIFIED TO BE A FULL, TRUE AND CORRECT COPY OF THE ORIGINAL ON FILE AND OF RECORD IN MY OFFICE  
Dated December 14 2009  
Kedia Harper-Ihem  
Clerk of the Board of Supervisors  
County of Riverside, California  
By: [Signature]

**FIRST AMENDMENT TO THE PROMISSORY NOTE  
SECURED BY ALL-INCLUSIVE DEED OF TRUST AND ALL INCLUSIVE PURCHASE MONEY  
DEED OF TRUST WITH ASSIGNMENT OF RENTS**

THIS FIRST AMENDMENT TO THE Promissory Note Secured by All Inclusive Deed of Trust and All Inclusive Purchase Money Deed of Trust with Assignment of Rents ("First Amendment") is entered into as of Nov. 3, 2009, by and between the Redevelopment Agency for the County of Riverside, a public body, corporate and politic (the "Agency"), and Chuckwalla Valley Associates, LLC, a California limited liability company (the "Developer").

**RECITALS**

**WHEREAS**, the Agency and Developer entered into that promissory note dated as of June 30, 2006, in the amount of Six Hundred Thirty-Seven Thousand Dollars (\$637,000) ("Note"), which is secured by an All Inclusive Purchase Money Deed of Trust with Assignment of Rents dated June 30, 2006 ("Deed of Trust") recorded in the Office of the Recorder of the County of Riverside as Document No. 2006-0913983 on December 13, 2006; and

**WHEREAS**, the Agency and Developer entered into that certain Development and Disposition Agreement for Desert Center Airport on October 24, 2006. ("DDA"); and

**WHEREAS**, section 2(b)(i) of the DDA provided that the Developer shall deliver to Escrow Company the Note with a maturity date of one year from the Close of Escrow, unless the Note it is extended by mutual agreement of the Parties; and

**WHEREAS**, the balance of the Note as of October 31, 2009, is \$797,913.28, which includes the Note balance of \$637,000, accrued simple interest of \$129,063.28 and a late fee of \$31,850; and

**WHEREAS**, the Note was subordinate to a deed of trust securing a promissory note dated February 2, 2006, given by the Agency in favor of the County of Riverside in the principal sum of One Million Seventy Seven Thousand Seven Hundred Fifty Dollars (\$1,077,750) ("County Note"); and

**WHEREAS**, the County Note has been paid in full; and

**WHEREAS**, the Developer has requested modifications to the Note; and

**WHEREAS**, the Agency and Developer have determined that it is necessary to restructure the terms of the Note; and

**WHEREAS**, the Note was incorporated into the DDA; and

**WHEREAS**, section 34 of the DDA provides that the DDA may be changed or modified only upon written consent of the Agency and Developer.



1       **NOW, THEREFORE**, in consideration of the mutual understanding provided herein, and  
2 for other good and valuable consideration, the receipt and sufficiency of which are hereby  
acknowledged, the parties hereto agree as follows:

3       **Section 1.** The introductory paragraph of the Note is hereby amended in its entirety  
4 and replaced with the following:

5               FOR VALUE RECEIVED, the undersigned, Chuckwalla Valley Associates, LLC,  
6 a California limited liability company, ("Chuckwalla") as a principal and not as an  
7 accommodating party, hereby promises to pay to the order of the Redevelopment Agency for  
8 the County of Riverside ("RDA") at such place as designated from time to time by the holder or  
9 holders of this note, the principal sum of Seven Hundred Ninety-Seven Thousand Nine  
Hundred Thirteen and Twenty Eight cents (\$797,913.28), with interest thereon at the rate of  
five percent (5%) per annum from the date hereof until paid in full. Interest shall be computed  
on a per annum basis of a year of Three Hundred Sixty (360) days and for the actual number  
of days elapsed.

10  
11       **Section 2.** Section 1.1 of the Note is hereby amended in its entirety and replaced with  
12 the following:

13               1.1           Fifty Thousand Dollars (\$50,000) shall be due and payable upon  
14 execution of this First Amendment by Agency and Developer.

15               1.2           Interest only shall be paid quarterly beginning on January 31, 2010.

16               1.3           All unpaid principal and interest shall be due and payable in full on  
17 October 31, 2012.

18       **Section 3.** Existing Section 1.2 of the Note shall be renumbered as Section 1.4.

19       **Section 4.** Existing Section 1.3 of the Note shall be renumbered as Section 1.5.

20       **Section 5.** Section 2 of the Note is hereby amended in its entirety and replaced with  
21 the following:

22               **Security.** This note is secured by an All-Inclusive Deed of Trust ("Deed of  
Trust"), executed by Chuckwalla, as Trustor, in favor of RDA as Beneficiary, which is a lien on  
23 that certain real property described therein (the "Property") located in Riverside County,  
California.

24       **Section 6.** All references to the principal sum or principal amount of Six Hundred  
25 Thirty Seven Thousand (\$637,000.00) in the Deed of Trust are hereby replaced with the  
26 principal sum of Seven Hundred Ninety-Seven Thousand Nine Hundred Thirteen and Twenty  
Eight cents (\$797,913.28).

27       **Section 7.** This First Amendment may be signed in counterparts, with all such  
28 counterparts taken together constituting a single original.

1 **Section 8.** Except to the extent modified by this First Amendment, the Note and Deed  
2 of Trust remain in full force and effect as originally written. All defined terms used herein shall  
3 have the same meaning as in the Note and Deed of Trust, as originally written.

4 **Section 9.** This First Amendment shall not be binding until its approval by the  
5 Agency's Board of Directors.

6 **IN WITNESS WHEREOF,** Agency and Developer have executed this First Amendment  
7 on the date first above written.

8 **Agency:**  
9 **Redevelopment Agency for the**  
10 **County of Riverside**

11 By: Jeff Stone  
12 Jeff Stone, Chairman

13 **ATTEST:**  
14 **KECIA HARPER-IHEM, Clerk**  
15 By: [Signature]  
16 **DEPUTY**

17 **Developer:**  
18 **Chuckwalla Valley Associates**  
19 **a California limited liability company**

20 By: Matthew V. Johnson  
21 Matthew V. Johnson  
22 Managing Member

23 **APPROVED AS TO FORM**  
24 **PAMELA J. WALLS**  
25 **Agency Counsel**

26 By: [Signature] 10/22/09  
27 Michelle Clack, Deputy  
28

## ATTACHMENT NO. 4

### LEGAL DESCRIPTION OF 77 ACRES

All that real property located in the Count of Riverside legally described as follows:

PORTIONS OF SECTIONS 4, 5, 8 AND 9, TOWNSHIP 5 SOUTH, RANGE 16 EAST, SAN BERNARDINO MERIDIAN, RIVERSIDE COUNTY, CALIFORNIA:

THE NORTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 9; ALSO THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 4; ALSO THE EASTERLY RECTANGULAR 1100.00 FEET OF THE NORTH 1/2 OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 8; ALSO THE EASTERLY RECTANGULAR 1100.00 FEET OF THE SOUTHEAST 1/4 OF SAID SECTION 5, EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN THE NORTH 1/2 OF THE NORTHEAST 1/4 OF SAID SOUTHEAST 1/4, ALSO EXCEPTING THEREFROM THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SAID SOUTHEAST 1/4 OF SAID SECTION 5.

EXCEPT, THE EAST 1/2 OF THE NORTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 9

ALSO EXCEPT, THE FOLLOWING DESCRIBED PARCEL:

COMMENCING AT THE SECTION CORNER TO SECTIONS 4, 5, 8 & 9,

THENCE ALONG THE NORTH LINE OF THE NORTHWEST 1/4 OF SAID SECTION 9, N89°05'55"E, A DISTANCE OF 664.27 FEET, TO THE NORTHWEST CORNER OF THE SAID EAST 1/2;

THENCE SOUTH ALONG THE WEST LINE OF SAID EAST 1/2, S00°48'22"E, A DISTANCE OF 621.69, TO THE POINT OF BEGINNING;

THENCE CONTINUING S00°48'22"E, A DISTANCE OF 35.53 FEET, TO THE SOUTHWEST CORNER OF SAID EAST 1/2;

THENCE ALONG THE SOUTH LINE OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SAID NORTHWEST 1/4, S89°09'56"W, A DISTANCE OF 36.18 FEET;

THENCE N44°42'18"E, A DISTANCE OF 50.72 FEET, TO THE POINT OF BEGINNING.

CONTAINING 333,425 SQUARE FEET OR 76.62 ACRES, MORE OR LESS.

AREA AND DISTANCES SHOWN HEREON ARE BASED ON CALIFORNIA STATE PLANE COORDINATE SYSTEM,  
ZONE 6.

EASEMENT PARCELS:

THAT PARCEL OF LAND LOCATED IN THE UNINCORPORATED AREA OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BEING A PORTION OF THE NORTHEAST QUARTER, OF THE NORTHWEST QUARTER, OF SECTION 8, TOWNSHIP 5 SOUTH, RANGE 16 EAST, SAN BERNARDINO MERIDIAN AS DESCRIBED ON THE GOVERNMENT LAND OFFICE PLAT, APPROVED 7/12/1856, ON FILE AT THE RIVERSIDE COUNTY SURVEYOR'S OFFICE, SAID PARCEL BEING A PORTION OF PARCEL 1, AS DESCRIBED IN THE QUITCLAIM DEED, TO THE CHUCKWALLA VALLEY ASSOCIATES, LLC, ON 12/13/2006, AS INSTRUMENT NUMBER 2006-0913982, OF RECORDS OF SAID COUNTY. THE PURPOSE OF THIS LAND DESCRIPTION IS TO DESCRIBE AN EASEMENT OVER A PARCEL OF LAND FOR ELECTRICAL TRANSMISSION FACILITIES, INGRESS, EGRESS AND RIGHTS INCIDENTAL THERETO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER, OF THE WEST HALF, OF THE NORTHWEST QUARTER, OF SAID SECTION 8, SAID NORTHEAST CORNER BEING THE NORTHEAST CORNER OF THE LANDS DESCRIBED IN THE GRANT DEED TO THOMAS H. LUTHI, RECORDED 7/05/2012, AS DOCUMENT NUMBER 2012-0311847 OF OFFICIAL RECORDS OF SAID COUNTY, THENCE SOUTH, 660.00 FEET ALONG THE EAST LINE OF SAID WEST HALF TO THE TRUE POINT OF BEGINNING. SAID TRUE POINT OF BEGINNING BEING LOCATED AT THE INTERSECTION OF SAID EAST LINE AND THE WESTERLY EXTENSION OF THE SOUTH LINE OF PARCEL 2, OF THE LANDS DESCRIBED IN THE GRANT DEED TO TRANSITO AND MARTHA L. CASTELLANOS, RECORDED 12/17/1999 AS DOCUMENT NUMBER 1999-545989 OF SAID OFFICIAL RECORDS;

THENCE EASTERLY ALONG SAID WESTERLY EXTENSION TO THE SOUTHWEST CORNER OF SAID PARCEL 2, EAST, 300.00 FEET;

THENCE ALONG THE SOUTH LINE OF SAID PARCEL 2, EAST, 150.00 FEET;

THENCE AT RIGHT ANGLES TO SAID SOUTH LINE, SOUTH, 150.00 FEET, TO THE EASTERLY TERMINUS OF A LINE PARALLEL TO AND 150 FEET SOUTHERLY OF SAID SOUTH LINE;

THENCE WESTERLY ALONG SAID PARALLEL LINE AND THE WESTERLY EXTENSION THEREOF, WEST, 450.00 FEET TO THE EAST LINE OF WEST HALF, OF THE NORTHWEST QUARTER, OF SAID SECTION 8;

THENCE NORTHERLY ALONG SAID EAST LINE, NORTH, 150.00 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 67,500 SQUARE FEET (1.55 ACRES) MORE OR LESS.

SUBJECT TO ALL COVENANTS, RIGHTS, RIGHTS-OF-WAYS AND EASEMENTS OF RECORD.

TOGETHER WITH THE WEST 300' FEET OF THE STRIP OF LAND PARALLEL AND DIRECTLY TO THE NORTH OF THE NORTHERN BOUNDARY OF THE ABOVE DESCRIBED EASEMENT PARCEL WITH THE NORTHERN BOUNDARY OF SAID STRIP BEING PARALLEL TO THE SOUTHERN BOUNDARY OF THE NEXT PARCEL OF LAND TO THE NORTH.

**ATTACHMENT NO. 5**

**AMENDED LEGAL DESCRIPTION OF PROPERTY**

(behind this page)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

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)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

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)



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  
Exempt Recording Fee Code 27383

RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:

Chuckwalla Valley Associates, LLC  
25300 Rice Road  
Desert Center, CA 92239  
Atten: Aimee L. Grana

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Assessor's Parcel Nos. 811-122-006, 811-122-009,  
811-130-010, 811-142-015, 811-142-016, 811-150-002,  
811-150-004, 811-150-005, 811-170-012, and 811-190-025

**TERMINATION AND RELEASE OF RIGHT OF REPURCHASE**

Reference is made to that certain Disposition and Development Agreement for Desert Center Airport dated October 24, 2006, as amended by that certain First Amendment to the Development and Disposition Agreement for Desert Center Airport dated November 3, 2009 (together, the "**DDA**"), entered into by and between the Redevelopment Agency for the County of Riverside (the "**RDA**"), a public body, corporate and politic, of the State of California, and Chuckwalla Valley Associates, LLC, a California limited liability company ("**Developer**"), and in connection with the DDA, a Quitclaim Deed with Right of Repurchase dated October 10, 2006, was recorded on December 13, 2006, as Document No. 2006-0913982, in the Official Records of the County, of Riverside, California ("**Right of Repurchase Deed**"), relating to certain real property described in Exhibit A attached hereto and incorporate therein by this reference (the "**Property**").

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"). Pursuant to the Dissolution Act, the 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 all authority, rights, powers, duties, and obligations previously vested with the former RDA (except for the former RDA's housing assets and functions) under the CRL have been vested in the Successor Agency to the Redevelopment Agency for the County of Riverside ("Successor Agency"), including the DDA and Right of Repurchase Deed.

Section 21(b)(i) of the DDA states the following:

"In the event Developer fails to develop the Property pursuant to this Agreement and desires to sell the Property, Developer shall provide the Agency shall have the first option to repurchase the Property. The right of Agency to repurchase the Property pursuant to this Section 21(b)(i) shall be set forth in the Quit Claim Deed. The right of the Agency to repurchase the Property shall terminate

immediately upon the commencement of construction of the first phase of the development, as set forth in Section 17(a)(iv) herein. Upon the termination of the right to repurchase, the Agency agrees to record with the County Recorder's Office, a release of the right to purchase."

The Successor Agency hereby acknowledges that Developer has commenced construction of the first phase of the development of the Property in accordance with the terms of the DDA, as amended, and agrees that the right of the Successor Agency to repurchase the Property has terminated.

NOW, THEREFORE, the Successor Agency hereby terminates and releases its right to repurchase the Property as provided in the DDA, as amended, and in the Right of Repurchase Deed. The execution and delivery of this Termination and Release of Right of Repurchase does not constitute a release, amendment or reduction in any of Developer's construction and development obligations set forth in the DDA, as amended.

IN WITNESS WHEREOF, the Successor Agency has caused this Termination and Release of Right of Repurchase to be executed by its duly authorized representatives as of the date set forth below:

Dated: \_\_\_\_\_, 2019

**SUCCESSOR AGENCY:**

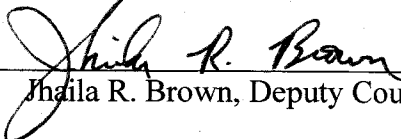
SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY FOR THE  
COUNTY OF RIVERSIDE, a public entity

By: \_\_\_\_\_  
Frankie Ezzat,  
Chief Deputy County Executive Officer

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

GREGORY P. PRIAMOS  
COUNTY COUNSEL

By:  \_\_\_\_\_  
Jhaila R. Brown, Deputy County Counsel

**EXHIBIT A**

**LEGAL DESCRIPTION**

**(behind this page)**

THOSE PORTIONS OF SECTIONS 5, 8, 9, 16 AND 17, T5S., R16E., S.B.M., DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EAST LINE OF SAID SECTION 9 FROM WHENCE THE SOUTHEAST CORNER THEREOF BEARS S. 0° 48' 32" E. A DISTANCE OF 1912.21 FEET; THENCE S. 63° 53' 19" W. AND PASSING THROUGH A POINT, SAID POINT BEING THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 16, A DISTANCE OF 7476.86 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 17 FROM WHENCE THE SOUTHEAST CORNER OF SAID NORTH HALF BEARS N. 89° 47' 10" E. A DISTANCE OF 1447.37 FEET; THENCE WESTERLY ALONG SAID SOUTH LINE OF THE NORTH HALF AND ALONG THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 17 TO THE SOUTHWEST CORNER OF SAID NORTHEAST QUARTER; THENCE NORTHERLY ALONG THE WEST LINE OF SAID NORTHEAST QUARTER, AND THE WEST LINE OF THE EAST HALF OF THE WEST HALF OF SAID SECTION 8, AND THE WEST LINE OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 5, TO THE SOUTHEASTERLY LINE OF THE DESERT CENTER - RICE ROAD AS SHOWN ON MAP ON FILE IN RECORD OF SURVEY BOOK 12, PAGE 81, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA; THENCE NORTHEASTERLY ALONG SAID SOUTHEASTERLY LINE TO A LINE PARALLEL WITH AND 100 FEET EASTERLY, MEASURED AT A RIGHT ANGLE, FROM SAID WEST LINE OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 5; THENCE SOUTHERLY ALONG SAID PARALLEL LINE AND ALONG A LINE PARALLEL WITH AND 100 FEET EASTERLY OF THE WEST LINE OF THE NORTH HALF OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 8, TO THE SOUTH LINE OF SAID NORTH HALF; THENCE EASTERLY ALONG SAID SOUTH LINE AND ALONG THE SOUTH LINE OF THE NORTH HALF OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 8, AND ALONG THE SOUTH LINE OF THE NORTH HALF OF THE NORTH HALF OF THE NORTH HALF OF SAID SECTION 9 TO THE EAST LINE THEROF; THENCE SOUTHERLY ALONG SAID EASEMENT LINE TO THE POINT OF BEGINNING.

PARCEL2:

AN EASEMENT FOR ROAD PURPOSES AFFECTING TRACT NO. 35, AS RECORDED ON MARCH 5, 1946 IN BOOK NO. 730, AT PAGE NO. 547, OFFICIAL RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA.

**PARCEL 3:**

**AN EASEMENT OF POLE LINE PURPOSES AFFECTING TRACT NO. 37, AS RECORDED ON MARCH 5, 1946, IN BOOK NO. 715, AT PAGE NO. 556, OFFICIAL RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA.**

**PARCEL 4:**

**THE N ½ OF THE NW ¼ OF THE NW ¼ OF SECTION 9, T5S., R16E., S.B.M. ALSO THE SW ¼ OF THE SW ¼ OF THE SW ¼ OF SECTION 4, SAID TOWNSHIP AND RANGE; ALSO THE EASTERLY RECTANGULAR 1100 FEET OF THE N ½ OF THE NE ¼ OF THE NE ¼ OF SECTION 8, SAID TOWNSHIP AND RANGE; ALSO THE EASTERLY RECTANGULAR 1100 FEET OF THE SE ¼ OF SECTION 5, SAID TOWNSHIP AND RANGE, EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN THE N ½ OF THE NE ¼ OF SAID SE ¼, ALSO EXCEPTING THEREFROM THE SE ¼ OF THE NE ¼ OF SAID SE ¼ OF SECTION 5.**

**PARCEL 5:**

**THE NE ¼ OF THE NE ¼ OF THE NE ¼ OF SECTION 9, T5S., R16E., S.B.M.**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 2019, 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 OF THE NOTARY PUBLIC

[SEAL]