AGENDA
OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY TO THE NORCO CRA
SPECIAL MEETING
NORCO CITY HALL – 2870 CLARK AVENUE
CONFERENCE ROOM A
March 23, 2016

CALL TO ORDER: 8:30 a.m.

ROLL CALL:

Patrick Malone, Chairperson
Member of the Public Appointed by the Riverside County Board of Supervisors
Richard L. MacGregor, Vice-Chairperson
Member Representing the Riverside County Flood Control District
Kevin Bash
Member Representing the Former Norco CRA
Aaron Brown
Member Representing the Riverside Community College District
Linda Dixon
Member Appointed by the Riverside County Board of Supervisors
Sherry Mata
Member Representing the Riverside County Superintendent of Schools
Brian Petree
Member Representing the Employees of the Agency

PLEDGE OF ALLEGIANCE: Board Member Linda Dixon

1. BUSINESS ITEMS:

A. Approval of the March 1, 2016 Special Meeting Minutes. **Recommended Action: Adopt OB Resolution No. 2016-05, approving the March 1, 2016 Special Meeting Minutes.** *(Secretary)*

B. Approval of the Purchase and Sale of Successor Agency-Owned 1.63 Acres of Vacant Real Property Parcel Located on Four Wheel Drive. **Recommended Action: Adopt OB Resolution No. 2016-06, approving the Purchase and Sale Agreement between the Successor Agency to the Norco Community Redevelopment Agency and the City of Norco.** *(Executive Director)*

ADJOURNMENT

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's office, (951) 270-5623. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II).All supporting documents are on file in the Office of the City Clerk. Any writings or documents provided to a majority of the Oversight Board regarding any item on this agenda will be available for public inspection at the City Clerk's Counter in City Hall located at 2870 Clark Avenue.

MINUTES
OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY TO THE NORCO CRA
SPECIAL MEETING
NORCO CITY HALL – 2870 CLARK AVENUE
CONFERENCE ROOM A
March 1, 2016

CALL TO ORDER: 9:06 a.m.

ROLL CALL:
Patrick Malone, Chair, **Present**
Richard L. MacGregor, Vice-Chair, **Present**
Kevin Bash, Board Member, **Present**
Aaron Brown, Board Member, **Absent**
Linda Dixon, Board Member, **Absent**
Sherry Mata, Board Member, **Absent**
Brian Petree, Board Member, **Present**

PLEDGE OF ALLEGIANCE: Chair Patrick Malone

1. BUSINESS ITEMS:

A. Approval of the January 28, 2016 Regular Meeting Minutes. *(Secretary)*

M/S BASH/MACGREGOR to adopt OB Resolution No. 2016-03, approving the January 28, 2016 regular meeting minutes. The motion carried as a result of the following roll call vote:
AYES: BASH, MACGREGOR, MALONE, PETREE
NOES: NONE
ABSENT: BROWN, DIXON, MATA
ABSTAIN: NONE

B. Approval of the Repayment Schedule for the SERAF Loan Pursuant to Health and Safety Code 34171(d)(1)(G). *(Executive Director)*

Executive Director Andy Okoro reported that as part of the State of California's Fiscal Year 2009-10 Budget, in an effort to reduce the State's budget deficit, redevelopment agencies were required to shift property taxes for two years to the Supplemental Education Revenue Augmentation Fund (SERAF). The State shifted over $2 billion in property taxes statewide. The effect of the transfer increased K-12 and community colleges district revenue and reduced the financial support from the State. Provisions of the law allowed for agencies to borrow funds from their low and moderate income housing funds. The former Norco Community Redevelopment Agency borrowed $3 million from its Low and Moderate Income Housing Fund (LMIHF) to help make the total payment of $4,904,827 required of the former Norco Community Redevelopment Agency. On July 7th, 2010, the former Norco Community Redevelopment Agency approved a resolution regarding the borrowing of funds from the Low and Moderate Income Housing Fund to assist with the payment of the SERAF loan. Currently, $2.5 million is outstanding on the loan.

Pursuant to HSC section 3417l (d)(l)(G), payments on loans from, and deferrals of former Redevelopment Agency of the City of Norco's Low and Moderate Income Housing Fund are enforceable obligations, provided the Oversight Board approves a repayment schedule.

Chair Malone commented that the schedule shows an annual inflation rate of 5%. Mr. Okoro stated that the formula is set up to calculate the amount that can be paid to repay this loan

based on the FY 2012/2013 tax increment amount, which sets the base from which the amount is determined. This projection assumes that the tax increment will increase over the years.

M/S MALONE/BASH to adopt OB Resolution No. 2016-04, approving the SERAF Loan Repayment Schedule. The motion carried as a result of the following roll call vote:
AYES: BASH, MACGREGOR, MALONE, PETREE
NOES: NONE
ABSENT: BROWN, DIXON, MATA
ABSTAIN: NONE

ADJOURNMENT

Chair Malone adjourned the meeting at 9:17 a.m.

_____
Cheryl L. Link, Secretary

OB RESOLUTION NO. 2016-05

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE NORCO COMMUNITY REDEVELOPMENT AGENCY, APPROVING THE MARCH 1, 2016 SPECIAL MEETING MINUTES

WHEREAS, on March 1, 2016, the Oversight Board of the Successor Agency to the Norco Community Redevelopment Agency (the "Oversight Board") held a special meeting; and

WHEREAS, the minutes of the March 1, 2016 special meeting have been submitted for the Oversight Board's approval.

NOW, THEREFORE, BE IT RESOLVED, ordered, and determined by the Oversight Board as follows:

SECTION 1. Approval of the March 1, 2016 Minutes. The Minutes of the Oversight Board special meeting of March 1, 2016 are hereby approved.

PASSED AND ADOPTED by the Oversight Board at a special meeting held on March 23, 2016.

_____
Patrick Malone, Chairperson
Oversight Board of the Successor Agency to the
Norco Community Redevelopment Agency

ATTEST:

_____
Cheryl L. Link, Secretary
Oversight Board of the Successor Agency to the
Norco Community Redevelopment Agency

I, Cheryl L. Link, City Clerk of the City of Norco, California and Oversight Board Secretary do hereby certify that the foregoing Resolution was introduced and adopted by the Oversight Board at a special meeting held on March 23, 2016 by the following votes of the Oversight Board:

AYES:
NOES:
ABSENT:
ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Norco, California on March 23, 2016.

_____

Cheryl L. Link, Secretary
Oversight Board of the Successor Agency to the
Norco Community Redevelopment Agency

OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE NORCO COMMUNITY REDEVELOPMENT AGENCY
STAFF REPORT

TO:	Honorable Chair and Members of the Oversight Board
FROM:	Andy Okoro, Executive Director
DATE:	March 23, 2016
SUBJECT:	Approval of Purchase and Sale of Successor Agency Owned 1.63 Acres of Vacant Real Property Parcel Located on Four Wheel Drive
RECOMMENDATION:	Adopt **OB Resolution No. 2016-06,** approving Purchase and Sale Agreement between the Successor Agency to the Norco Community Redevelopment Agency and City of Norco.

SUMMARY: In 2008, the former Norco Community Redevelopment Agency acquired 1.63 acres of vacant real property located on Four Wheel Drive with the goal of attracting a new auto dealership or expanding the Auto Mall. Following dissolution of all redevelopment agencies in the state by the state legislature pursuant to the provisions of ABx1 26 and AB 1484 effective February 1, 2012, the City was required to develop a Long Range Property Management Plan (LRPMP) that describes how the properties owned by the former Norco Community Redevelopment Agency were to be disposed. The City's LRPMP, including related amendment, was approved by the Department of Finance (DOF) on February 6, 2015.

In order to dispose of properties identified in the LRPMP, the Successor Agency retained Kosmont Realty Corporation (KRC) as its broker to market and sell its properties. Following those marketing efforts, KRC received offers from interested parties willing to purchase the 1.63-acre Four Wheel Drive property. Based on the offers received and in order to maintain the intent for which this property was acquired by the former Norco Community Redevelopment Agency, staff is recommending that the Oversight Board approve the execution of a Purchase and Sale Agreement including escrow instructions as necessary to finalize the sale of this property to the City of Norco at the fair market value of $805,000. The City of Norco City Council acting in their capacity as the Successor Agency to the Norco Community Redevelopment Agency approved this recommended sale at its meeting on March 16, 2016. The acquisition of this parcel by the City is necessary in order to further the goals and objectives of the former Redevelopment Agency as it relates to the expansion of auto related uses in the City of Norco, which meets the intent for which the property was initially acquired.

BACKGROUND: In 2008, the former Norco Community Redevelopment Agency acquired 1.63 acres of vacant real property located on Four Wheel Drive with the goal of attracting a

new auto dealership and/or expanding the Auto Mall. In February 2012, the State Legislature dissolved all Redevelopment Agencies in the State including the Norco Community Redevelopment Agency (Agency) pursuant to ABx1 26. Following the dissolution of the former Agency, the City agreed to serve as the Successor Agency and thus became responsible for performing certain duties necessary to wind down the activities of the former Agency.

One of the activities necessary for the wind down of the former Agency is the disposition of real properties owned by the dissolved Agency. In order to dispose of the properties, successor agencies were required to develop a Long Range Property Management Plan (LRPMP), which listed all the real property assets and the intended method of disposition in accordance with Assembly Bill 1484. The City's LRPMP was first approved by the DOF on October 23, 2013 and it was subsequently amended in January 2015 to add the Silverlakes Property. The amended LRPMP was approved by the Department of Finance (DOF) on February 6, 2015.

The LRPMP includes two vacant properties that the Successor Agency (SA) received approval to sell from the OB and DOF. One of the properties is located on West Four Wheel Drive and the other is located on Hamner Avenue and Hidden Valley Parkway. The SA retained KRC as its broker to market and sell the properties in compliance with legal requirements related to the dissolution of redevelopment agencies. KRC marketed these properties for more than one year and offers were received from interested buyers for the property on Four Wheel Drive ("Four Wheel Drive Property" or "Property").

The Four Wheel Drive Property APN 126-120-038 is approximately 1.63 acres. The subject property was acquired in November 2008 at a cost of $1,330,000 for potential expansion of the Auto Mall. As part of the LRPMP, the property was appraised for $780,000 in 2013. KRC has been marketing this property through direct solicitation contact with adjacent property owners and through industry trade shows since 2014. On January 28, 2016, KRC provided an update to the OB regarding their efforts to market the SA properties, which discussed that interested buyers were directed to provide "Best and Final Offers" by January 29, 2016. On January 29, 2016, Best and Final Offers were received ranging from $300,000 to $801,225.

One of the offers to purchase the property for $801,225 came from On-Point Commercial LLC, who proposed to build a multi-unit building or two to three single tenant freestanding buildings with auto repair maintenance/auto collision type uses. The proposed use for the Property was not compliant with the current zoning or consistent with the intent of the Auto Mall Specific Plan and the offer was not further considered.

Following the receipt of Best and Final Offers by KRC, Norco Truck Center, which initially submitted an offer of $550,000, subsequently raised their offer twice with a final offer price of $800,000 on February 16, 2016. The intended use by Norco Truck Center is to store additional inventory for their existing used car dealership in Norco. However, at this time, the City felt that it was in its best interest to purchase this parcel for its fair market value and pursue other opportunities and interests to advance the goals and objectives of the

former Redevelopment Agency's purpose of acquisition and the Auto Mall Specific Plan in order to increase employment and its existing tax base to provide greater public benefits to the community.

PUCHASE BY THE CITY: To significantly enhance the City's economic base through increased sales tax and employment, the City proposes to purchase this parcel for $805,000. Staff is recommending that the Oversight Board approve the Purchase and Sale Agreement including Escrow Instructions.

FISCAL IMPACT: The net sale proceeds, after payment of commission and escrow charges, will be sent to the County Auditor Controller for distribution to the affected taxing entities.

Attachments: OB Resolution No. 2016-06
Purchase and Sale Agreement by and between the Successor Agency to the former Norco Redevelopment Agency and the City of Norco

OB RESOLUTION NO. 2016-06

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE NORCO COMMUNITY REDEVELOPMENT AGENCY APPROVING A PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS BY AND BETWEEN THE SUCCESSOR AGENCY TO THE FORMER NORCO COMMUNITY REDEVELOPMENT AGENCY AND THE CITY OF NORCO TO PURCHASE 1.63 ACRES OF VACANT REAL PROPERTY, APN 126-120-038, LOCATED ON FOUR WHEEL DRIVE IN NORCO, CALIFORNIA

WHEREAS, in 2008, the former Norco Redevelopment Agency ('Agency") acquired 1.63 acres of vacant real property APN 126-120-038 located on Four Wheel Drive in the City of Norco, California for $1,330,000 with the long-term goal of expanding or attracting a new auto dealership; and

WHEREAS, the Agency was dissolved by the State of California effective February 1, 2012 pursuant to Assembly Bill x1 26 ("AB 26") as amended by Assembly Bill 1484 ("AB 1484"); and

WHEREAS, the City Council of the City of Norco elected for the City to serve as the Successor Agency ("SA") to the Agency and perform the duties necessary to wind down the activities of the Agency; and

WHEREAS, one of the duties of the SA is to dispose of real properties owned by the Agency pursuant to California Department of Finance (DOF) approved Long Range Property Management Plan ("LRPMP"); and

WHEREAS, the LRPMP was first approved by the DOF on October 23, 2013 and subsequently amended in January 2015; and then approved again by the DOF on February 6, 2015; and

WHEREAS, as part of the LRPMP, the subject property was appraised in 2013 for $780,000; and

WHERAS, the SA engaged Kosmont Realty Corporation ("KRC") to market SA properties for sale and KRC marketed the subject property for more than one year and subsequently received multiple offers ranging from $300,000 to $801,225, thus establishing the fair market value for the property; and

WHEREAS, in order to realize the long-term goal for which the property was acquired by the Agency, the City desires to purchase the property for $805,000; subject to the approval of the Successor Agency Oversight Board; and immediately sell it to Paul Blanco's Good Car Company Inland Empire; and

WHEREAS, the City Council has conducted a Public Hearing pursuant to Assembly Bill 562 as codified in Government Code Section 53083 on the terms of the agreement to provide economic subsidy to Paul Blanco's Good Car Company Inland Empire; and

WHEREAS, the Successor Agency and the City have considered all the terms and conditions of the proposed agreement and finds that it serves the public interest of the City of Norco.

NOW, THEREFORE, BE IT RESOLVED, that the Oversight Board of the Successor Agency to the Norco Community Redevelopment Agency does hereby approve the Purchase and Sale Agreement and Escrow Instructions by and between the Successor Agency to the former Norco Redevelopment Agency and the City of Norco.

PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the Norco Community Redevelopment Agency at a special meeting held March 23, 2016.

_____
Patrick Malone, Chairperson
Oversight Board of the Successor Agency
to the Norco Community Redevelopment Agency

ATTEST:

_____
Cheryl L. Link, CMC, Secretary
Oversight Board of the Successor Agency to the Norco
Community Redevelopment Agency

I, Cheryl L. Link, Secretary of the Oversight Board of the Successor Agency to the Norco Community Redevelopment Agency, do hereby certify that the foregoing Resolution was adopted by the Board of Directors at a special meeting held on March 23, 2016 by the following vote of the City Council:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Cheryl L. Link, CMC, Secretary
Oversight Board of the Successor Agency to the Norco
Community Redevelopment Agency

AGREEMENT FOR
PURCHASE AND SALE AND ESCROW INSTRUCTIONS

THIS AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS (the "Agreement") is dated as of March 16, 2016 (the "Date of Agreement"), and is entered into by and between the **SUCCESSOR AGENCY TO NORCO COMMUNITY REDEVELOPMENT AGENCY**, a public entity established pursuant to California Health and Safety Code Section 34177 et. seq. (the "Seller") and the **CITY OF NORCO**, a municipal corporation (the "Buyer"), for acquisition by Buyer of certain real property as described below.

RECITALS

A. Seller is the owner of the property located near Hamner Avenue and West Four Wheel Drive within the City of Norco, California, known as Assessor Parcel Number 126-120-038, which parcel is approximately 1.63 acres, is primarily unimproved and as more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Property").

B. Buyer desires to purchase the Property from Seller and Seller desires to sell the Property to Buyer.

NOW, THEREFORE, for valuable consideration, and subject to all terms and conditions hereof, the Buyer and the Seller hereby agree as follows:

1. CONDITION PRECEDENT. The effectiveness of this Agreement is conditioned upon the approval of this Agreement by the Oversight Board of the Successor Agency to the Norco Community Redevelopment Agency (the "Oversight Board").

2. PURCHASE PRICE.

2.1 Sale and Purchase. Seller agrees to sell the Property to Buyer and Buyer agrees to purchase the Property upon the terms and conditions set forth herein.

2.2 Purchase Price. The purchase price ("Purchase Price") for the Property shall be EIGHT HUNDRED FIVE THOUSAND AND NO/100 DOLLARS ($805,000.00).

3. TITLE.

3.1 General. Title to the Property shall be conveyed by grant deed and shall be evidenced by a CLTA Standard Coverage Form of Owner's Policy of Title Insurance ("Title Policy"), the cost of which shall be borne by Seller, issued by North American Title Company, Attention Erin Tweedy, Senior Commercial Escrow Officer, 6 Hutton Center Drive, Suite 550, Santa Ana, California 92707, (949) 419-9450 phone ("Title Company"), with liability in the full amount of the Purchase Price, insuring title to the Property as vested in Buyer, free and clear of all liens and encumbrances and other matters affecting title to the Property.

3.2 Acts After Date of Agreement. During the period from the date of this Agreement through Close of Escrow, Seller shall not record, or file for record or permit to be recorded or filed for record any document or instrument which will affect the title to or use of the Property without the prior written consent of Buyer, which consent shall not be unreasonably withheld.

3.3 Option for ALTA Coverage. Buyer shall have the option of obtaining an ALTA Extended Coverage Form Policy of Title or an ALTA Standard Coverage Form Owners Policy of Title Insurance. In such event, Buyer shall, at its sole expenses, procure and pay for the extended coverage and obtain and pay for any required survey in that regard (the "Survey").

4. RIGHT OF ENTRY AND POSSESSION DURING ESCROW.

4.1 Seller hereby grants Buyer and its agents, employees, contractors, subcontractors and other parties as designated by Buyer (collectively "Representatives") the right of entry to the Property at reasonable times until the date that is fifteen (15) days after the Date of Agreement (the "Inspection Deadline") for the purpose of conducting soils and geological investigation and testing for toxic or hazardous substances and other contamination. Such investigation shall be at Buyer's expense. If Buyer desires to terminate this Agreement as a result of its inspection, Buyer may do so by written notice to Seller given on or before the Inspection Deadline.

4.2 Buyer shall deliver advance written notice to the Seller of its intention to enter the Property to conduct activities pursuant to this Section 4 at least two (2) business days prior to any entry onto the Property. Such notice of entry shall include the proposed dates and times of such entry, and the nature, specific location and scope of any test, investigation, or other activity upon the Property. Seller and its representatives shall have the right to accompany and observe all of Buyer's and its Representatives' activities on the Property.

4.3 Buyer and its Representatives shall promptly notify the Seller of any discovery, spill, release, or discharge of any "Hazardous Materials", as defined in Section 7.4, on, under or about the Property which is discovered, encountered, or

results from or is related to the Buyer's or its Representatives' access to and/or use of the Property under this Agreement.

4.4 Buyer and its Representatives shall remove from the Property any wastes and Hazardous Materials used in or generated by the activities of Buyer or its Representatives on the PropertyJo no later than the date of completion of their environmental investigation activities and operations on the Property.

4.5 The Buyer shall be entitled to take possession and occupy the Property at any time following the opening of escrow upon the deposit of the full Purchase Price with the Escrow Agent. During such time, Buyer shall hold Seller harmless from claims or injuries of any type occurring as a result of said possession and occupancy.

5. ESCROW.

5.1 Agreement to Constitute Escrow Instructions. This Agreement shall constitute escrow instructions and a copy hereof shall be deposited with the Escrow Holder, defined in Section 5.2, for this purpose.

5.2 Escrow Holder. The escrow shall be opened with Title Company ("Escrow Holder"), within five (5) business days after the execution of this Agreement by Buyer and Seller depositing an executed copy or executed counterparts of this Agreement with Escrow Holder. This document shall be considered as the escrow instructions between the parties, with such further instructions as Escrow Holder requires in order to clarify the duties and responsibilities of Escrow Holder. If Escrow Holder shall require further escrow instructions, Escrow Holder shall promptly prepare such escrow instructions on its usual form for the purchase and sale of the Property upon the terms and provisions hereof. Provided such further escrow instructions are consistent with this Agreement, they shall be promptly signed by Buyer and Seller within five (5) business days after delivery thereof to each party. The further escrow instructions shall incorporate each and every term of this Agreement and shall provide that in the event of any conflict between the terms and conditions of this Agreement and such further escrow instructions, the terms and conditions of this Agreement shall control.

5.3 Close of Escrow. For the purposes of this Agreement, "Close of Escrow" shall be the date on which a grant deed for the Property in favor of Buyer is recorded in the Official Records of the Riverside County Recorder's Office. Provided all of Seller's and Buyer's obligations to be performed on or before Close of Escrow have been performed and all the conditions to the Close of Escrow set forth in this Agreement have been satisfied, escrow shall close as soon as possible, but in no event later than thirty (30) days after the Inspection Deadline ("Closing Date"). All risk of loss or damage with respect to the Property shall pass from Seller to Buyer at the Close of Escrow. Possession of the Property shall be delivered to Buyer upon the Close of Escrow.

5.4 Buyer Required to Deliver. On or before the Close of Escrow, Buyer shall deposit into escrow the following (properly executed and acknowledged, if applicable):

5.4.1 The Purchase Price;

5.4.2 Costs to be paid by Buyer under Section 5.9 below; and

5.4.3 All other documents contemplated by this Agreement and required by Escrow Holder to be deposited by Buyer to carry out this escrow.

5.5 Seller Required to Deliver. Before the Close of Escrow, Seller shall deposit into escrow the following:

5.5.1 A grant deed conveying the Property to Buyer, in the form attached hereto as Exhibit "B", duly executed by Seller and acknowledged (the "Grant Deed");

5.5.2 A California 593 certificate and a federal non-foreign affidavit with respect to Seller, if required by Escrow Holder; and

5.5.3 Any other documents contemplated by this Agreement or required by Escrow Holder or the Title Company to be deposited by Seller to carry out this escrow.

5.6 Conditions to the Close of Escrow. Escrow shall not close unless and until both parties have deposited with Escrow Holder all sums and documents required to be deposited as provided in this Agreement. The failure of a party to timely deposit any such sums and/or documents shall constitute a default by such party. Buyer's obligation to proceed with the transaction contemplated by this Agreement is subject to the satisfaction of all of the following conditions precedents, which are for the Buyer's benefit and may be waived only by Buyer:

5.6.1 Seller shall have performed all agreements to be performed by Seller hereunder;

5.6.2 As of the Close of Escrow, there shall have been no material adverse changes in the physical condition of the Property caused by Seller since Buyer's inspection; and

5.6.3 Title Company shall have issued or shall have committed to issue the Title Policy to Buyer, for the amount of the Purchase Price showing fee title to the Property to be vested in Buyer, subject only to the Approved Title Exceptions.

In the event that the conditions to Close of Escrow are not timely satisfied for a reason other than a default of Buyer or Seller under this Agreement, then upon termination of this Agreement, Escrow Holder shall promptly return to Buyer all funds (and all interest accrued thereon) and documents deposited by Buyer in escrow and to return to Seller all funds and documents deposited by Seller in escrow and which are held by Escrow Holder on the date of the termination, less in the case of the party

otherwise entitled to such funds, however, the amount of any cancellation charges required to be paid by such party under Section 5.11 below.

5.7 Recordation of Grant Deed; Delivery of Funds. Upon receipt of the funds and instruments described in this Section 5, Escrow Holder shall cause the Grant Deed to be recorded in the office of the County Recorder of Riverside County, California. Thereafter, Escrow Holder shall deliver the proceeds of this escrow (less appropriate charges) to Seller.

5.8 Prorations. All real and personal property taxes and assessments shall be prorated between Buyer and Seller as of the Close of Escrow, which in the case of taxes and assessments shall be based on the latest available tax information. Any supplemental or escape real estate taxes and assessments, if any, on the Property attributable to the period prior to the Close of Escrow shall be paid by Seller outside of the escrow. All prorations shall be determined on the basis of a 360-day year.

5.9 Costs of Escrow.

5.9.1 Seller shall pay:

(a) The premium for the ALTA Standard Title Policy;

(b) One-half (1/2) of the escrow fees; and

(c) Any other closing costs or charges not expressly provided for herein and customarily paid by a Seller of real property in Riverside County, California.

5.9.2 Buyer shall pay:

(a) One-half (1/2) of the escrow fees;

(b) The cost of recording the Grant Deed, if any;

(c) The cost of documentary transfer taxes in connection with the recordation of the Grant Deed, if any;

(d) The excess cost of extended title insurance coverage (including any survey), if Buyer has elected to obtain extended coverage; and

(e) Any other closing costs or charges not expressly provided for herein and customarily paid by a Buyer of real property in Riverside County, California.

5.10 Broker's Commission. Seller represents and warrants to Buyer that it has worked with no other real estate broker except Kosmont Realty Corporation ("Seller's Broker") and Buyer represents and warrants that it has worked with no real estate

broker. Through escrow, Seller shall pay the sales commission to Seller's Broker, computed in the amount of 4% of the Purchase Price.

5.11 Escrow Cancellation Charges. In the event that his escrow shall fail to close by reason of the default of either party hereunder, the defaulting party shall be liable for all escrow and title cancellation charges. In the event that the escrow shall fail to close for any other reason, each party shall pay one-half (1/2) of all escrow and title cancellation charges.

6. PHYSICAL DAMAGE OR DESTRUCTION.

6.1 If prior to the Close of Escrow, any material portion of the Property is physically damaged or destroyed due to any cause, natural or otherwise, including without limitation due to (i) fire or flooding, (ii) any destructive seismic or geological conditions such as an earthquake or tremor, subsidence, or unstable subsurface conditions; or (iii) a condition arising from discharge of Hazardous Materials or other violation of any Environmental Laws, Seller shall immediately notify Buyer of such fact. In such event, Buyer shall have the option, in its sole and absolute discretion, to terminate this Agreement upon written notice to Seller given not later than ten (10) business days after receipt of Seller's notice. If Buyer does not exercise this option to terminate this Agreement, neither party shall have the right to terminate this Agreement, but the Seller shall assign and turn over, and the Buyer shall be entitled to receive and keep, insurance proceeds paid by Seller's insurer in connection with such damage or destruction, and the parties shall proceed to the Close of Escrow pursuant to the terms hereof, without modification of the terms of this Agreement and without any reduction in the Purchase Price.

7. CONDITION OF PROPERTY: "AS-IS" SALE; INDEMNITY AND RELEASE.

7.1 There are no representations or warranties of any kind whatsoever, express or implied, made by Seller, including, without limitation, any representation or warranty concerning the potential use, development or physical condition of the Property (including the presence of any hazardous or toxic substances or the structural condition of any improvements) or any income, expenses, or any other matter or thing arising or related to the Property. Except as otherwise provided for herein, the purchase of the Property hereunder is and will be made on an "AS IS AND WITH ALL FAULTS" basis. Seller shall not be required to make any repairs, alterations or improvements to the Property. The Buyer shall fully investigate the Property, including, but not limited to, analysis of soils and hazardous materials, zoning and use issues and other matters which a prudent purchaser would deem necessary, and in the event Buyer shall purchase the Property, Buyer will be relying entirely on its own investigation of the Property.

7.2 BUYER HEREBY WAIVES ITS RIGHT TO RECOVER FROM AND FULLY AND IRREVOCABLY RELEASES SELLER, AND ITS OFFICERS, BOARD MEMBERS, EMPLOYEES, REPRESENTATIVES, AGENTS AND CONTRACTOR'S (COLLECTIVELY, THE "**RELEASED PARTIES**") FROM ANY AND ALL CLAIMS, RESPONSIBILITY AND/OR LIABILITY THAT BUYER MAY NOW HAVE OR HEREAFTER ACQUIRE AGAINST ANY OF THE RELEASED PARTIES FOR ANY COSTS, LOSSES, LIABILITIES, DAMAGES, EXPENSES, CLAIMS, DEMANDS, ACTION OR CAUSE OF ACTION ARISING FROM HAZARDOUS MATERIALS IN, ON OR UNDER THE PROPERTY. THIS RELEASE INCLUDES CLAIMS OF WHICH BUYER IS PRESENTLY UNAWARE OR WHICH BUYER DOES NOT PRESENTLY SUSPECT TO EXIST WHICH, IF KNOWN BY BUYER, WOULD MATERIALLY AFFECT BUYER'S RELEASE OF THE RELEASED PARTIES. IF THE PROPERTY IS NOT IN A CONDITION SUITABLE FOR THE INTENDED USE OR USES, THEN IT IS THE SOLE RESPONSIBILITY AND OBLIGATION OF BUYER TO TAKE SUCH ACTION AS MAY BE NECESSARY TO PLACE THE PROPERTY IN A CONDITION SUITABLE FOR DEVELOPMENT.

THE BUYER HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH IS SET FORTH BELOW:

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

BY INITIALING BELOW, BUYER HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES.

Buyer's Initials

_____

The waivers and releases by Buyer herein contained shall survive the Close of Escrow and the recordation of the Grant Deed and shall not be deemed merged into the Grant Deed upon its recordation.

7.3 Buyer shall defend, indemnify and hold Seller harmless from and against any and all claims, losses, damages, costs and expenses arising from or relating to the presence of hazardous materials in, on or under the Property and this Section 7.3 shall survive the Close of Escrow and the recordation of the Grant Deed.

7.4 The term "Hazardous Materials" shall mean and include the following, including mixtures thereof: any hazardous substance, pollutant, contaminate, waste,

by-product, or constituent regulated under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et. seq.; oil and petroleum products and natural gas, natural gas liquids, liquefied natural gas and synthetic gas usable for fuel; pesticides regulated under the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 et seq.; asbestos and asbestos-containing materials, PCBs and other substances regulated under the Toxic Substances Control Act 15 U.S.C. Section 2601 et. seq.; source material, special nuclear material, by-product material and any other radioactive materials or radioactive wastes, however produced, regulated under the Atomic Energy Act or the Nuclear Waste Policy Act of 1982; chemicals subject to the O.S.H.A. Hazard Communication Standard, 29 C.F.R. Section 1910.1200 et. seq.; industrial process and pollution control wastes, whether or not hazardous within the meaning of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et. seq.; any substance defined as a "hazardous substance" in California Civil Code Section 2929.5 (e)(2) or California Code of Civil Procedure Section 736(f)(3); and any other substance or material regulated by any Environmental Laws, defined below.

7.5 The term "Environmental Laws" shall mean and include all federal, state and local statutes, ordinances, regulations and rules in effect on or prior to the date hereof relating to environmental quality, health, safety, contamination and clean-up, including, without limitation, the Clean Air Act, 42 U.S.C. Section 7401 et. seq.; the Clean Water Act 33 U.S.C. Section 1251 et. seq.; and the Water Quality Act of 1987; the Federal Insecticide, Fungicide and Rodenticide Act 7 U.S.C. Section 136 et. seq.; the Marine Protection Research and Sanctuaries Act, 33 U.S.C. Section 1401 et. seq.; the National Environmental Policy Act, 42 U.S.C. Section 4321 et. seq.; the Noise Control Act, 42 U.S.C. Section 4901 et. seq.; the Occupational Safety and Health Act, 29 U.S.C. Section 651 et. seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et. seq.; as amended by the Hazardous and Solid Waste Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. Section 300(f) et. seq.; the Comprehensive Environmental Response, Compensation and Liability Act 42 U.S.C. Section 9601 et. seq.; as amended by the Superfund Amendments and Reauthorization Act, the Emergency Planning and Community Right-to-Know Act and the Radon Gas and Indoor Air Quality Research Act; the Toxic Substances Control Act 15 U.S.C. Section 2601 et. seq.; the Atomic Energy Act, 42 U.S.C. Section 2011 et. seq.; and the Nuclear Waste Policy Act of 1982, 42 U.S.C. Section 10101 et. seq.; and state and local environmental statutes and ordinances, and implementing regulations and rules.

8. <u>INCORPORATION OF EXHIBITS</u>. All exhibits attached hereto and referred to herein are incorporated in this Agreement as though fully set forth herein.

9. <u>ATTORNEY'S FEES</u>. In any action between Buyer and Seller seeking enforcement of any of the terms and provision of this Agreement, or in connection with the Property, the prevailing party in such action shall be awarded, in addition to

damages, injunctive or other relief, its reasonable costs and expenses, not limited to taxable costs, reasonable attorney's fees and reasonable fees of expert witnesses.

10. NOTICES. All notices, requests, demands and other communication given or required to be given hereunder shall be in writing and sent by first class United States registered or certified mail, postage prepaid return receipt requested, or sent by a nationally recognized courier service such as Federal Express, duly address to the parties as follows:

To Seller: Successor Agency to Norco Community
Redevelopment Agency
2870 Clark Avenue
Norco CA 92860
Attention: Chair (of Successor Agency)

To Buyer: City of Norco
2870 Clark Avenue
Norco CA 92860
Attention: City Manager, Andy Okoro

Delivery of any notice or other communication hereunder shall be deemed made on the date indicated in the return receipt or courier's records as the date of delivery or as the date of first attempted delivery, if sent by mail or courier service. Any party may change its address for purposes of this Section by giving notice to the other party as herein provided.

11. ASSIGNMENT. Neither this Agreement nor any interest herein may be assigned by either party without the prior written consent of the other party.

12. BINDING EFFECT. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their successors and assigns.

13. ENTIRE AGREEMENT. This Agreement contains all of the agreements of the parties hereto with respect to the matters contained herein, and all prior or contemporaneous agreements or understandings, oral or written, pertaining to any such matters are merged herein and shall not be effective for any purpose. No provision of this Agreement may be amended, supplemented or in any way modified except by an agreement in writing signed by the parties hereto or their respective successors in interest and expressly stating that it is an amendment of this Agreement.

14. HEADINGS. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of the provisions of this Agreement.

15. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

16. EMAIL DELIVERY. This executed Agreement (and executed counterparts of this Agreement), may be delivered by email.

17. TIME OF THE ESSENCE. Time is of the essence of this Agreement.

18. THIRD PARTIES. Nothing contained in this Agreement, expressed or implied, is intended to confer upon any person, other than the parties hereto and their successors and assigns, any rights or remedies under or by reason of this Agreement.

19. SEVERABILITY. If any of or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, unless such invalidity, illegality or unenforceability materially affects the economic terms of the transactions contemplated by this Agreement or the ability of either party to perform its obligations under this Agreement. In such case, either party may terminate this Agreement and the escrow upon written notice to the other party given no later than ten (10) business days after the party giving such notice becomes aware of such invalidity, illegality or unenforceability. In the event of such termination, all funds deposited with Escrow Holder by Buyer and any interest accrued thereon shall be returned to Buyer.

20. ADDITIONAL DOCUMENTS. Each party hereto agrees to perform any further acts and to execute, acknowledge and deliver any further documents that may be reasonably necessary to carry out the provisions of this Agreement.

21. EXECUTIVE DIRECTOR AUTHORITY. The Executive Director of Seller shall have the authority to reasonably extend deadlines in this Agreement provided the extension(s) is in writing.

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

BUYER:

City of Norco
A Municipal Corporation

By: _____

Printed Name: Kevin Bash.

Title: Mayor.

SELLER:

Successor Agency to Norco Community Redevelopment Agency

By: _____

Printed Name: Kevin Bash.

Title: Chairman.

ATTEST:

_____
Cheryl L. Link, CMC
City Clerk
City of Norco

As to Form:

_____
John Harper
City Attorney

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the City of Norco, County of Riverside, State of California, described as follows:

PARCEL 2 OF PARCEL MAP NO. 27744, AS SHOWN BY MAP ON FILE IN BOOK 180, PAGES 54 AND 55 OF PARCEL MAPS ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA.

APN: 126-120-038

EXHIBIT "B"

FORM OF GRANT DEED

[attached]

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO
(AND SEND TAX STATEMENTS TO):

City of Norco
2870 Clark Avenue
Norco CA 92860

APN: 126-120-038

(SPACE ABOVE FOR RECORDER'S USE ONLY)

GRANT DEED

THE UNDERSIGNED GRANTOR DECLARES AS FOLLOWS:

The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383.

Documentary Transfer Tax is $ _____.

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the SUCCESSOR AGENCY TO NORCO COMMUNITY REDEVELOPMENT AGENCY ("**Grantor**") hereby grants to CITY OF NORCO ("**Grantee**") the land located in the County of Riverside, State of California, more particularly described on **Exhibit A** attached hereto and incorporated herein by reference and all improvements thereon (collectively, the "Property").

SUBJECT TO:

General and special real property taxes and assessments for the current fiscal year;

All liens, encumbrances, easements, covenants, conditions and restrictions of record; and

All matters which would be revealed or disclosed in an accurate ALTA survey of the Property.

IN WITNESS WHEREOF, Grantor has executed this Grand Deed as of the date set forth below.

Dated: _____, 2016

Successor Agency to Norco Community Redevelopment Agency

By: _____

Print Name: _____

Title: _____

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 Riverside)

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit A
To Grant Deed

LEGAL DESCRIPTION

PARCEL 2 OF PARCEL MAP NO. 27744, AS SHOWN BY MAP ON FILE IN BOOK 180, PAGES 54 AND 55 OF PARCEL MAPS ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA.

APN: 126-120-038