

Successor Agency Members:

*Chair Richard A. DeLaRosa
David J. Toro – District 1
Summer Zamora Jorin – District 2
Frank J. Navarro – District 3
Dr. Luis S. González – District 4
Deirdre H. Bennett – District 5
Isaac T. Suchil – District 6*

Oversight Board Members:

*David J. Toro, Colton Council Member
Denise Bickerstaff, County of San Bernardino
Cindy Saks, San Bernardino Valley Municipal
Water District
Jaime Ayala, County Superintendent of Schools
Steve Sutorus, San Bernardino Community College
District
Linda Mawby, District Supervisor’s Public Member
Arthur Morgan, Former Colton RDA Employee*



CITY OF COLTON

City Hall

650 N. La Cadena Drive
Colton, CA 92324

Website: www.ci.colton.ca.us

SPECIAL MEETING AGENDA

**JOINT SPECIAL MEETING OF THE OVERSIGHT BOARD OF THE SUCCESSOR
AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF COLTON
AND
THE CITY COUNCIL/SUCCESSOR AGENCY TO THE REDEVELOPMENT
AGENCY FOR THE CITY OF COLTON/COLTON UTILITY AUTHORITY/COLTON
PUBLIC FINANCING AUTHORITY/COLTON HOUSING AUTHORITY**

THURSDAY, FEBRUARY 26, 2015 – 5:00 P.M.

COUNCIL CHAMBERS

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**JOINT MEETING CALLED TO ORDER BY SUCCESSOR AGENCY CHAIR**

**FLAG SALUTE**

**NOMINATION OF OVERSIGHT BOARD CHAIR AND VICE CHAIR**

**ROLL CALL OF SUCCESSOR AGENCY**

**ROLL CALL OF OVERSIGHT BOARD**

**PUBLIC COMMENT**

Any person may address the Successor Agency or the Oversight Board at this time on any matter within the subject matter jurisdiction of the Successor Agency or the Oversight Board.

Persons desiring to submit paperwork to the Successor Agency or the Oversight Board Members shall provide copy of any paperwork to the Secretary for the Successor Agency or the Secretary for the Oversight Board for the Official Record.

Speakers will be limited to 5 minutes; provided, however, that the presiding officer shall have certain discretion to extend or limit time as provided for in the Colton City Council Manual of Procedures.

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BUSINESS ITEMS

- (1) Resolutions to Approve a July-December 2015 ROPS [Staff Person: A. Agramonte] –
 - (A) Successor Agency -- Approve and Adopt Resolution Approving a Recognized Obligation Payment Schedule for the Period Covering July 1, 2015 through December 31, 2015 (ROPS 15-16A) Pursuant to Health and Safety Code Section 34177, **RESOLUTION NO. SAR-02-15.**
 - (B) Oversight Board – Approve and Adopt Resolution Approving a Recognized Obligation Payment Schedule for the Period Covering July 1, 2015 through December 31, 2015 (ROPS 15-16A) Pursuant to Health and Safety Code Section 34177, **RESOLUTION NO. OB-01-15.**

- (2) Resolutions to Approve Updated Long-Range Property Management Plan; Resolutions Transferring Certain Rancho Meditterriania Parcels to the Colton Housing Authority [Staff Person: C. Elshof]–
 - (A) Successor Agency -- Approve and Adopt Resolution Approving Updated Long-Range Property Management Plan; and, Approve and Adopt Resolution Approving the Transfer of Certain Rancho Meditterriania Parcels to the Colton Housing Authority, **RESOLUTION NO. SAR-03-15; RESOLUTION NO. SAR-04-15.**
 - (B) Oversight Board -- Approve and Adopt Resolution Approving Updated Long-Range Property Management Plan; and, Approve and Adopt Resolution Approving the Transfer of Certain Rancho Meditterriania Parcels to the Colton Housing Authority, **RESOLUTION NO. OB-02-15; RESOLUTION OB-03-15.]**

- (3) Resolutions to Approve a Purchase and Sales Agreement with California University of Science and Medicine [Staff Person: C. Elshof] –
 - (A) Successor Agency -- Approve and Adopt Resolution Approving a Purchase and Sales Agreement with California University of Science and Medicine, **RESOLUTION NO. SAR-05-15.**
 - (B) Oversight Board -- Approve and Adopt Resolution Approving a Purchase and Sales Agreement with California University of Science and Medicine, **RESOLUTION NO. OB-04-15.**

SUCCESSOR AGENCY, OVERSIGHT BOARD AND STAFF COMMENTS

ADJOURNMENT

POSTING STATEMENT:

I, Faviola Medina, Office Specialist, hereby certify that a true and correct, accurate copy of the foregoing agenda was posted Tuesday, February 24, 2015, at least twenty-four (24) hours prior to the meeting per Government Code 54954.2, at the following locations:

City of Colton City Hall 650 N. La Cadena Drive
City of Colton Website, www.ci.colton.ca.us

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STAFF REPORT
SUCCESSOR AGENCY
OVERSIGHT BOARD

DATE: FEBRUARY 26, 2015

TO: SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF COLTON AND OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF COLTON

FROM: BILL SMITH, CITY MANAGER *B*

PREPARED BY: ANITA AGRAMONTE, FINANCE DIRECTOR

SUBJECT: ADOPTION OF SUCCESSOR AGENCY AND OVERSIGHT BOARD RESOLUTIONS APPROVING AND ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD COVERING JULY 1, 2015 THROUGH DECEMBER 31, 2015 (ROPS 15-16A) PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177

RECOMMENDED ACTION

It is recommended that the Successor Agency to the Redevelopment Agency for the City of Colton (“Successor Agency”) adopt Resolution No. SAR-02-15, and the Oversight Board of the Successor Agency to the Redevelopment Agency for the City of Colton (“Oversight Board”) adopt Resolution No. OB-01-15, approving and adopting a Recognized Obligation Payment Schedule (“ROPS 15-16A”) for the period covering July 1, 2015, through December 31, 2015, pursuant to Health and Safety Code section 34177.

GOAL STATEMENT

The proposed action will support the Successor Agency’s and Oversight Board’s goal to satisfy the legal requirements for dissolving the Agency.

BACKGROUND

The Agency was dissolved, as of February 1, 2012, pursuant to Health and Safety Code sections 34161, et seq. (“Dissolution Act”).

ROPS 15-16A

One of the responsibilities of the Successor Agency under the Dissolution Act is to prepare a draft Recognized Obligation Payment Schedule (“ROPS”) for each six (6) month fiscal period

listing all of the enforceable obligations of the Agency and submit the draft ROPS to the Oversight Board of the Successor Agency to the Redevelopment Agency for the City of Colton (“Oversight Board”) and the State of California Department of Finance (“DOF”) for review and approval.

The Successor Agency has prepared ROPS 15-16A for the period covering July 1, 2015 through December 31, 2015. The Successor Agency is required to submit an electronic copy of the certified ROPS 15-16A, as approved by the Oversight Board, to DOF, no later than March 3, 2015 and post the document to the Successor Agency’s web site.

ISSUES/ANALYSIS

The draft ROPS for each six (6) month fiscal period must list the nature, amount, and source(s) of payment of all outstanding “enforceable obligations” of the Agency (as defined by law) to be paid or performed by the Successor Agency during that six month period. Each ROPS is required to be forward-looking and show obligations over the six month fiscal period.

The “enforceable obligations” listed in the ROPS may include the following: (1) bonds; (2) loans legally required to be repaid pursuant to a payment schedule with mandatory repayment terms; (3) payments required by the federal government, preexisting obligations to the state or obligations imposed by state law; (4) judgments, settlements or binding arbitration decisions that bind the agency; (5) legally binding and enforceable agreements or contracts; (6) contracts or agreements necessary for the continued administration or operation of the agency, including agreements to purchase or rent office space, equipment and supplies; and (7) amounts borrowed from or payments owing to the Low and Moderate Income Housing Fund that had been deferred as of June 29, 2011.

Pursuant to Health and Safety Code section 34177, DOF is required to approve or disapprove the enforceable obligations, including SERAF loan and City/Agency loan repayments, the amounts of and the funding sources for payment of the enforceable obligations shown on ROPS 15-16A, no later than forty-five (45) days after the Oversight Board approved ROPS 15-16A is submitted to DOF.

FISCAL IMPACT

The ROPS 15-16A establishes the funding available for Successor Agency operation and performance of enforceable obligations during the July 1, 2015 through December 31, 2015, time period. The ROPS 15-16A lists enforceable obligations of the former Agency that are to be paid with property tax increment revenues allocated to the Successor Agency, subject to the payment priority provisions of the Dissolution Act.

ALTERNATIVE

The Successor Agency may wish to consider the following alternative:

1. Approve staff's recommendation
2. Provide alternative direction to staff.

ATTACHMENT

- A. Successor Agency Resolution No. SAR-02-15 (adopting ROPS 15-16A)
- B. Oversight Board Resolution No. OB-01-15 (adopting ROPS 15-16A)
- C. Exhibit "A" to SAR-02-15 and OB-01-15, ROPS 15-16A

ATTACHMENT A

**Successor Agency Resolution No. SAR-02-15
(Adopting ROPS 15-16A)**

RESOLUTION NO. SAR-02-15

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF COLTON APPROVING AND ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JULY 1, 2015 THROUGH DECEMBER 31, 2015, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177

WHEREAS, pursuant to Health and Safety Code section 34173(g), the Successor Agency to the Redevelopment Agency for the City of Colton (“Successor Agency”) is a public entity, separate and distinct from the City of Colton; and

WHEREAS, Health and Safety Code section 34177 requires the Successor Agency to prepare a “recognized obligation payment schedule” (“ROPS”), listing outstanding enforceable obligations of the former Redevelopment Agency for the City of Colton (“Agency”) to be performed by the Successor Agency during the time period from July 1, 2015, through December 31, 2015 (“ROPS 15-16A”); and

WHEREAS, Health and Safety Code section 34177 requires the Successor Agency to submit an electronic copy of the certified ROPS 15-16A, as approved by the Successor Agency’s Oversight Board (“Oversight Board”), to the State Controller (“Controller”), the County of San Bernardino Auditor-Controller, and the State of California Department of Finance and posted on the Successor Agency’s website; and

WHEREAS, the Successor Agency is required to submit an Oversight Board approved ROPS 15-16A to the State of California Department of Finance and State Controller’s office and the County of San Bernardino Auditor-Controller no later than March 3, 2015;

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF COLTON, DOES HEREBY RESOLVE AND FIND AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. CEQA Compliance. The approval of the ROPS 15-16A through this resolution does not commit the Successor Agency to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act. The Successor Agency Secretary, is authorized and directed to file a Notice of Exemption with the appropriate official of the County of San Bernardino, California, within five (5) days following the date of adoption of this Resolution.

Section 3. Approval of the ROPS 15-16A. The Successor Agency hereby approves and adopts the ROPS 15-16A, in substantially the form attached to this Resolution as Exhibit A, pursuant to Health and Safety Code Section 34177. If and to the extent that the

1 Oversight Board, at a future meeting, requires listing of additional enforceable obligation
2 amounts on the ROPS 15-16A before or as a condition of approving the ROPS 15-16A for
3 submittal to the State of California Department of Finance, then the Successor Agency
4 Executive Director is hereby authorized to list such Oversight Board required prior year pass-
5 through amounts on the ROPS 15-16A, accompanied by a statement on the ROPS 15-16A or
6 otherwise in writing to the State of California Department of Finance that the amounts are
7 listed by requirement of the Oversight Board and without the concurrence of the Successor
8 Agency.

9 **Section 4. Transmittal of the ROPS 15-16A.** The Successor Agency Executive
10 Director is hereby authorized and directed to take any and all action necessary to carry out the
11 purposes of this Resolution and comply with applicable law regarding preparation of the
12 ROPS 15-16A, including submission of the ROPS 15-16A to the Oversight Board for review
13 and approval. After approval of the ROPS 15-16A by the Oversight Board, the Successor
14 Agency Executive Director is hereby authorized and directed to submit such ROPS 15-16A to
15 the State of California Department of Finance, the State Controller's Office, and the County
16 of San Bernardino Auditor-Controller in accordance with Health and Safety Code section
17 34177 and other applicable law.

18 **Section 5. Severability.** If any provision of this Resolution or the application of
19 any such provision to any person or circumstance is held invalid, such invalidity shall not
20 affect other provisions or applications of this Resolution that can be given effect without the
21 invalid provision or application, and to this end the provisions of this Resolution are
22 severable. The Successor Agency declares that the Successor Agency would have adopted
23 this Resolution irrespective of the invalidity of any particular portion of this Resolution.

24 **Section 6. Certification.** The Successor Agency Secretary shall certify to the
25 adoption of this Resolution.

26 **Section 7. Effective Date.** This Resolution shall become effective immediately
27 upon its adoption.

28 **PASSED, APPROVED AND ADOPTED** this 26th day of February, 2015.

By: _____
RICHARD DE LA ROSA, Chairperson

Attest:

CAROLINA R. PADILLA, Secretary

ATTACHMENT B

Oversight Board Resolution No. OB-01-15

(Adopting ROPS 15-16A)

RESOLUTION NO. OB-01-15

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF COLTON APPROVING AND ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JULY 1, 2015 THROUGH DECEMBER 31, 2015, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177

WHEREAS, pursuant to Health and Safety Code section 34173(g), the Successor Agency to the Redevelopment Agency for the City of Colton (“Successor Agency”) is a public entity, separate and distinct from the City of Colton; and

WHEREAS, Health and Safety Code section 34177 requires that the Successor Agency prepare a “recognized obligation payment schedule” (“ROPS”) listing outstanding enforceable obligations of the former Redevelopment Agency for the City of Colton (“Agency”) to be performed by the Successor Agency, during the time period from July 1, 2015, through December 31, 2015 (“ROPS 15-16A”); and

WHEREAS, Health and Safety Code section 34177 requires the Successor Agency to submit an electronic copy of the certified ROPS 15-16A, as approved by the Successor Agency’s Oversight Board (“Oversight Board”), to the State Controller, the County of San Bernardino Auditor-Controller, and the State of California Department of Finance (“DOF”) and post a copy of ROPS 15-16A on the Successor Agency’s website; and

WHEREAS, the Successor Agency is required to submit an Oversight Board approved ROPS 15-16A to DOF no later than March 3, 2015; and

WHEREAS, Successor Agency staff prepared the ROPS 15-16A covering the time period from July 1, 2015 through December 31, 2015, listing all of the outstanding enforceable obligations of the Agency for the period; and

WHEREAS, Health and Safety Code sections 34177(m) and 34180(g) require that the Oversight Board approve ROPS 15-16A; and

WHEREAS, Health and Safety Code section 34177(m) allows DOF 45 days to review obligations listed on the Oversight Board approved ROPS 15-16A;

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF COLTON DOES HEREBY RESOLVE AND FIND AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. CEQA Compliance. The approval of ROPS 15-16A through this Resolution does not commit the Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the

[1]

1 requirements of the California Environmental Quality Act. The Secretary of the Oversight
2 Board is authorized to file a Notice of Exemption under the California Environmental Quality
3 Act with the appropriate official of the County of San Bernardino, California, within five (5)
4 days following the date of adoption of this Resolution.

4 **Section 3. Approval of ROPS 15-16A.** The Oversight Board hereby approves
5 and adopts ROPS 15-16A, in substantially the form attached to this Resolution as Exhibit A,
6 pursuant to Health and Safety Code Section 34177 and 34180.

6 **Section 4. Transmittal of ROPS 15-16A.** The Oversight Board hereby
7 authorizes and directs the Successor Agency to submit copies of ROPS 15-16A approved by
8 the Oversight Board to the State of California Department of Finance, the State Controller's
9 Office and the County of San Bernardino Auditor-Controller, prior to March 3, 2015, in
10 accordance with Health and Safety Code section 34177 and other applicable law.

10 **Section 5. Severability.** If any provision of this Resolution or the application of
11 any such provision to any person or circumstance is held invalid, such invalidity shall not
12 affect other provisions or applications of this Resolution that can be given effect without the
13 invalid provision or application and to this end, the provisions of this Resolution are
14 severable. The Oversight Board declares that the Oversight Board would have adopted this
15 Resolution irrespective of the invalidity of any particular portion of this Resolution.

14 **Section 6. Certification.** The Secretary of the Oversight Board shall certify to the
15 adoption of this Resolution.

16 **Section 7. Effective Date.** Pursuant to Health and Safety Code section 34179(h),
17 all actions taken by the Oversight Board may be reviewed by the State of California
18 Department of Finance and, therefore, this Resolution shall become effective five (5) business
19 days after the date of its adoption, except to the extent that a request for review of the auctions
20 taken in this Resolution is made by the State of California Department of Finance.

19 **PASSED, APPROVED AND ADOPTED** this 26th day of February, 2015.

21
22 By: _____
23 Chairperson

24 *Attest:*

25
26 _____
27 CAROLINA R. PADILLA, Secretary
28

ATTACHMENT C

Exhibit "A" to

Resolution No. SAR-02-15 and Resolution No. OB-01-15

(ROPS 15-16A)

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EXHIBIT A

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE
Covering the period from July 1, 2015 through December 31, 2015

[Attached behind this page]

Recognized Obligation Payment Schedule (ROPS 15-16A) - Summary

Filed for the July 1, 2015 through December 31, 2015 Period

Name of Successor Agency: Colton
Name of County: San Bernardino

Current Period Requested Funding for Outstanding Debt or Obligation	Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding	
A Sources (B+C+D):	\$ 2,073,000
B Bond Proceeds Funding (ROPS Detail)	-
C Reserve Balance Funding (ROPS Detail)	-
D Other Funding (ROPS Detail)	2,073,000
E Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 7,524,369
F Non-Administrative Costs (ROPS Detail)	7,109,034
G Administrative Costs (ROPS Detail)	415,335
H Current Period Enforceable Obligations (A+E):	\$ 9,597,369

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding

I Enforceable Obligations funded with RPTTF (E):	7,524,369
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	-
K Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 7,524,369

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding

L Enforceable Obligations funded with RPTTF (E):	7,524,369
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N Adjusted Current Period RPTTF Requested Funding (L-M)	7,524,369

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (m) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named agency.

Name
/s/
Signature

Title
Date

Recognized Obligation Payment Schedule (ROPS 15-16A) - ROPS Detail
July 1, 2015 through December 31, 2015
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P		
										M						N	O
										Funding Source							
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total		
								\$ 55,894,212		\$ -	\$ -	\$ 2,073,000	\$ 7,109,034	\$ 415,335	\$ 9,597,369		
1	1998 Tax Allocation Bonds Series A	Bonds Issued On or Before 12/31/10	4/1/1998	8/1/2027	US Bank	Bond issue to fund capital projects	RR20-RG01	22,347,804	N				2,493,118		\$ 2,493,118		
2	1999 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	9/1/1999	9/1/2036	US Bank	Bond issue to fund capital projects	RR26-RG01, RR25-RG01	10,073,278	N				289,179		\$ 289,179		
3	2004 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	7/1/2004	8/1/2026	US Bank	Bond issue to fund housing projects	Low/Mod Housing	6,273,353	N				393,109		\$ 393,109		
4	CIEDB Loan Agreement	Third-Party Loans	4/30/2002	7/1/2021	I Bank	Infrastructure loan	RR24-RG01	1,058,814	N				137,020		\$ 137,020		
5	Participation/Cooperation Agreement	OPA/DDA/Construction	8/1/1998	6/30/2020	East Valley Land Co.	Ownership Participation Agreement	RR24-RG01	87,000	N				87,000		\$ 87,000		
6	Price Company DDA	OPA/DDA/Construction	10/1/1986	9/1/2036	Price Company	Disposition & Development Agrmnt/Promissory Note	RR25-RG01	-	N						\$ -		
7	TABS Administration Fees	Fees	4/1/1998	9/1/2036	US Bank	TABS Administration Fees	RR26-RG01, RR25-RG01, Low/Mod Housing	11,715	N				11,715		\$ 11,715		
8	TABS Arbitrage Fees	Fees	9/1/2011	9/1/2036	Willdan Financial Services	Arbitrage calculations	RR26-RG01, RR25-RG01, Low/Mod Housing	5,000	N				5,000		\$ 5,000		
9	TABS Continuing Disclosures	Fees	2/1/2012	9/1/2036	HdL Coren & Cone	Annual Continuing Disclosures & Disseminations	RR26-RG01, RR25-RG01, Low/Mod Housing	-	N						\$ -		
12	East Cooley Drive (11.2 acres)	Property Dispositions	2/1/2012	7/29/2016	City of Colton as SA staff	Project Management of Land Sale by SA	RR24-RG01		N						\$ -		
13	Appraisal Report	Property Dispositions	2/1/2012	7/29/2016	James Smothers	Determination of Fair Market Land Value	RR24-RG01	-	N						\$ -		
14	Title Report	Property Dispositions	2/1/2012	7/29/2016	First American Title	Title Report per parcel	RR24-RG01	-	N						\$ -		
15	Phase I Analysis	Property Dispositions	2/1/2012	7/29/2016	TBD	Determination of Soils Condition	RR24-RG01		N						\$ -		
16	Escrow Closing Cost to Seller	Property Dispositions	2/1/2012	7/29/2016	City of Colton as SA	Seller's share of closing costs	RR24-RG01		N						\$ -		
17	Property Maintenance	Property Dispositions	2/1/2012	7/29/2016	City of Colton as SA	Weed abatement of site until sold	RR24-RG01		N						\$ -		
18	Brokerage Commission	Property Dispositions	2/1/2012	7/29/2016	TBD	Seller pays 6% brokerage fees	RR24-RG01		N						\$ -		
19	For Sale Marketing/Legal Notices	Property Dispositions	2/1/2012	7/29/2016	City of Colton as SA	Printed materials for sale of land	RR24-RG01		N						\$ -		
20	Legal Fees	Property Dispositions	2/1/2012	7/29/2016	Best & Krieger	Legal documents for land sale	RR24-RG01		N						\$ -		
22	6 Parcels - West Valley (22.2 acres)	Property Dispositions	2/1/2012	7/15/2027	City of Colton as SA staff	Project Management of Land Sale by SA	RR25-RG01		N						\$ -		
23	Development Planning	Property Dispositions	2/1/2012	7/15/2027	TBD	Planning for maximum land use & value	RR25-RG01		N						\$ -		
24	Appraisal Report (6 reports @ \$8,000)	Property Dispositions	2/1/2012	7/15/2027	TBD	Determination of Fair Market Land Value	RR25-RG01		N						\$ -		
25	Title Report (6 @ \$500)	Property Dispositions	2/1/2012	7/15/2027	Chicago Title	Title Reports per parcel	RR25-RG01		N						\$ -		
26	Phase I Analysis (6 @ \$5,000)	Property Dispositions	2/1/2012	7/15/2027	TBD	Determination of Soils Condition	RR25-RG01		N						\$ -		
27	Seller Closing Cost (6 @ \$10,000)	Property Dispositions	2/1/2012	7/15/2027	City of Colton as SA	Seller's share of closing costs	RR25-RG01		N						\$ -		
28	Property Maintenance (6 @ \$2,500)	Property Dispositions	2/1/2012	7/15/2027	City of Colton as SA	Weed abatement of site until sold	RR25-RG01		N						\$ -		
29	Brokerage Commission	Property Dispositions	2/1/2012	7/15/2027	TBD	Seller pays 6% brokerage fees	RR25-RG01		N						\$ -		
30	For Sale Marketing/Legal Notices	Property Dispositions	2/1/2012	7/15/2027	City of Colton as SA	Printed materials for sale of land	RR25-RG01		N						\$ -		
31	Legal Fees	Property Dispositions	2/1/2012	7/15/2027	Best Best & Krieger	Legal documents (multiple land sales)	RR25-RG01		N						\$ -		
32	Successor Agency	Admin Costs	1/1/2014	6/30/2014	Best Best & Krieger	Legal Services	All	-	N						\$ -		
33	Successor Agency	Admin Costs	1/1/2014	6/30/2014	City of Colton	Administrative cost	All	125,000	N					125,000	\$ 125,000		

Recognized Obligation Payment Schedule (ROPS 15-16A) - ROPS Detail
July 1, 2015 through December 31, 2015
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					O	P
										Funding Source						
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)		RPTTF				
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total	
34	Rancho Mill Project area	SERAF/ERAF	6/30/2010	9/1/2036	Low/Mod Project area	SERAF	RR19-RG01	75,000	N				75,000		\$ 75,000	
35	Mt. Vernon Project area	SERAF/ERAF	6/30/2010	9/1/2036	Low/Mod Project area	SERAF	RR26-RG01	442,977	N				442,977		\$ 442,977	
36	Downtown 1 Project area	SERAF/ERAF	6/30/2010	9/1/2036	Low/Mod Project area	SERAF	RR21-RG01	50,000	N				50,000		\$ 50,000	
37	Downtown 2 Project area	SERAF/ERAF	6/30/2010	9/1/2036	Low/Mod Project area	SERAF	RR22-RG01	450,000	N				450,000		\$ 450,000	
38	West Valley Project area	SERAF/ERAF	6/30/2010	9/1/2036	Low/Mod Project area	SERAF	RR25-RG01	442,975	N				442,975		\$ 442,975	
39	Santa Ana River Project area	SERAF/ERAF	6/30/2010	9/1/2036	Low/Mod Project area	SERAF	RR20-RG01	442,975	N				442,975		\$ 442,975	
40	Passthrough Agreements -Mt. Vernon DS	Miscellaneous	6/30/1987	6/30/2012	None	None	RR26-RG01	-	N						\$ -	
41	Passthrough Agreements - Santa Ana River DS	Miscellaneous	3/7/1983	6/30/2012	None	None	RR20-RG01	-	N						\$ -	
42	Passthrough Agreements - Santa Ana River DS	Miscellaneous	12/29/1982	6/30/2012	None	None	RR20-RG01	-	N						\$ -	
44	Passthrough Agreements - West Valley DS	Miscellaneous	9/16/1986	6/30/2012	None	None	RR25-RG01	-	N						\$ -	
45	Passthrough Agreements - West Valley DS	Miscellaneous	10/8/1986	6/30/2012	None	None	RR25-RG01	-	N						\$ -	
48	Multiple	Miscellaneous	9/21/1987	6/30/2012	SB County Superintendent of Schools	Pass throughs			N						\$ -	
49	West Valley Project area	Miscellaneous	7/15/1986	7/15/1986	Rialto Unified school District	Pass throughs			N						\$ -	
50	West Valley Project area	City/County Loans On or Before	9/5/2005	9/6/2005	City of Colton	Land purchase			N						\$ -	
51	West Valley Project area	City/County Loans On or Before	5/15/2007	5/15/2007	City of Colton	Land purchase			N						\$ -	
52	Rancho Mill Project area	City/County Loans On or Before	9/5/2007	9/18/2007	City of Colton	Blight elimination projects			N						\$ -	
53	Housing entity	Housing Entity Admin Cost	7/1/2014	7/1/2018	City of Colton Housing Authority	Administrative cost allowance			N						\$ -	
54	West Valley Project area	City/County Loans On or Before	9/6/2005	10/1/2016	City of Colton Utility Authority	Real property acquisition		2,073,000	N			2,073,000			\$ 2,073,000	
55	West Valley Project area	City/County Loans On or Before	5/15/2007	10/1/2016	City of Colton	Real property acquisition		1,554,033	N				1,554,033		\$ 1,554,033	
56	1998 Tax Allocation Bonds Series A & B	Bonds Issued On or Before 12/31/10	4/1/1998	8/1/2027	US Bank	Bond issue to fund capital projects		-	N						\$ -	
57	1999 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	9/1/1999	9/1/2036	US Bank	Bond issue to fund capital projects		-	N						\$ -	
58	2004 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	7/1/2004	8/1/2026	US Bank	Bond issue to fund housing projects		-	N						\$ -	
59	CIEDB Loan Agreement	Third-Party Loans	4/30/2002	7/1/2021	I Bank	Infrastructure loan		-	N						\$ -	
60	1999 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	9/1/1999	9/1/2036	US Bank	Bond issue to fund capital projects	RR26-RG01, RR25-RG01	10,073,278	N				217,258		\$ 217,258	
61	TABS Administration Fees	Fees	4/1/1998	9/1/2036	US Bank	TABS Administration Fees	RR26-RG01, RR25-RG01, Low/Mod Housing	7,425	N				7,425		\$ 7,425	
62	TABS Continuing Disclosures	Fees	2/1/2012	9/1/2036	HdL Coren & Cone	Annual Continuing Disclosures & Disseminations	RR26-RG01, RR25-RG01, Low/Mod Housing	6,000	N				6,000		\$ 6,000	
63	Successor Agency	Admin Costs	7/1/2012	12/31/2012	City of Colton	Administrative cost	All	125,000	N					125,000	\$ 125,000	
64	Successor Agency	Admin Costs	7/1/2013	12/31/2013	City of Colton	Administrative cost	All	70,608	N					70,608	\$ 70,608	
65	TABS Arbitrage Fees	Fees	9/1/2011	9/1/2036	Willdan Financial Services	Arbitrage calculations	RR26-RG01, RR25-RG01, Low/Mod Housing	1,250	N				1,250		\$ 1,250	
66	Appraisal Report	Property Dispositions	2/1/2012	7/15/2027	James Smothers	Determination of Fair Market Land Value	RR25-RG01	3,000	N				3,000		\$ 3,000	
67	Successor Agency	Admin Costs	7/1/2014	12/31/2014	City of Colton	Administrative cost	All	94,727	N					94,727	\$ 94,727	
68									N						\$ -	
69									N						\$ -	
70									N						\$ -	
71									N						\$ -	
72									N						\$ -	

Recognized Obligation Payment Schedule (ROPS 15-16A) - Report of Cash Balances

(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see https://rad.dof.ca.gov/rad-sa/pdf/Cash_Balance_Agency_Tips_Sheet.pdf.

A	B	C	D	E	F	G	H	I						
									Fund Sources					
									Bond Proceeds		Reserve Balance		Other	RPTTF
Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, Grants, Interest, Etc.	Non-Admin and Admin									
Cash Balance Information by ROPS Period														
ROPS 14-15A Actuals (07/01/14 - 12/31/14)														
1	Beginning Available Cash Balance (Actual 07/01/14)	5,296,901	-	-	-	-	262,992							
2	Revenue/Income (Actual 12/31/14) RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014	20,226				35,285	3,385,002							
3	Expenditures for ROPS 14-15A Enforceable Obligations (Actual 12/31/14) RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q	35,285					3,495,441							
4	Retention of Available Cash Balance (Actual 12/31/14) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	-												
5	ROPS 14-15A RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 14-15A PPA in the Report of PPA, Column S	No entry required												
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 5,281,842	\$ -	\$ -	\$ -	\$ 35,285	\$ 152,553							
ROPS 14-15B Estimate (01/01/15 - 06/30/15)														
7	Beginning Available Cash Balance (Actual 07/01/15) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 5,281,842	\$ -	\$ -	\$ -	\$ 35,285	\$ 152,553							
8	Revenue/Income (Estimate 06/30/15) RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015	-					4,033,849							
9	Expenditures for ROPS 14-15B Enforceable Obligations (Estimate 06/30/15)						961,480							
10	Retention of Available Cash Balance (Estimate 06/30/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						3,312,426							
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ 5,281,842	\$ -	\$ -	\$ -	\$ 35,285	\$ (87,504)							

Recognized Obligation Payment Schedule (ROPS 15-16A) - Notes

July 1, 2015 through December 30, 2015

Item #	Notes/Comments
	PRIOR ROPS SHORTFALL:
60	Debt service payment - ROPS II, Line 2 (\$283,944) was requested, approved, funded and disbursed. However, (\$217,257.50) disbursed on 8/23/12 was not included with PPA.
61	Administration Fees - ROPS II, Line 8 (\$8,800) was requested and approved. \$7,425 was disbursed on 9/13/12 & 11/15/12 but not included with PPA.
62	Continuing Disclosure Reporting costs(\$6,000) - ROPS II, Line 10 was not previously requested but was disbursed on 8/30/12.
63	Administrative Costs (\$125,000) - ROPS II, Line 32 & 33 was requested and approved but no funding was received.
64	Administrative Costs \$125,000) - ROPS 13-14A, Line 32 & 33 was requested and approved but only \$54,392 was received.
65	Arbitrage Rebate Service (\$1,250) - ROPS 13-14B, Line 8 was not previously requested but was disbursed on 5/08/14 and reported as PPA on ROPS 14-15B. However, reimbursement was denied.
66	Appraisal Services \$3,000) - ROPS 13-14B, Line 27 was not previously requested but was disbursed on 5/01/14 and reported as PPA on ROPS 14-15B. However, reimbursement was denied.
67	Administrative Costs (\$125,000) - ROPS 14-15A, Line 32 & 33 was requested and approved but only \$30,273 was received.

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STAFF REPORT

SUCCESSOR AGENCY OVERSIGHT BOARD

DATE: FEBRUARY 26, 2015

TO: SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF COLTON AND OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF COLTON

FROM: BILL SMITH, CITY MANAGER *BS*

PREPARED BY: ARTHUR W. MORGAN, ECONOMIC DEVELOPMENT MANAGER *AM*

SUBJECT: ADOPTION AND APPROVAL OF SUCCESSOR AGENCY AND OVERSIGHT BOARD RESOLUTIONS APPROVING THE TRANSFER OF CERTAIN PARCELS TO THE COLTON HOUSING AUTHORITY AND CLARIFICATIONS TO THE LONG-RANGE PROPERTY MANAGEMENT PLAN PREPARED PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE 34191.5

RECOMMENDED ACTION

It is recommended that the Successor Agency to the Redevelopment Agency for the City of Colton (“Successor Agency”), 1) adopt Resolution No. SAR-03-15, and, 2) adopt Resolution No. SAR-04-15; and, the Oversight Board of the Successor Agency to the Redevelopment Agency for the City of Colton (“Oversight Board”), 1) adopt Resolution No. OB-02-15; and 2) adopt Resolution No. OB-03-15; respectively, approving the deletion of a remnant parcel from the list of Successor Agency assets; and identifying three common area parcels and a mobile home parcel of Rancho Mediterrania Mobile Home Estates as assets of the Colton Housing Authority.

GOAL STATEMENT

The proposed action will support the Successor Agency’s goal to meet the legal requirements of dissolving the former Redevelopment Agency for the City of Colton and disposing of its assets in accordance with law.

BACKGROUND

AB 1X 26 dissolved the Redevelopment Agency for the City of Colton (“Agency”) as of February 1, 2012. On June 27, 2012, AB 1484 was enacted to make technical and substantive amendments to AB 1X 26 (collectively, these laws are referred to as the “Dissolution Act”).

One of the Successor Agency’s responsibilities under the Dissolution Act is to prepare a Long-Range Property Management Plan (“LRPMP”) that governs the disposition and use of the real properties of the former Agency. Pursuant to Health and Safety Code section 34191.5, the Plan was submitted to the Department of Finance (“DOF”) following the issuance to the Successor

Agency of DOF's Finding of Completion, which was issued on May 16, 2013. The LRPMP was approved by the Successor Agency on September 17, 2013, and approved by the Oversight Board on September 26, 2013. The LRPMP was then submitted to DOF for their review. During 2014 to present, DOF has requested numerous supporting documents relating to the Successor Agency's real estate assets. Final updates to the asset schedule of the LRPMP are attached to this staff report as Attachment "A".

ISSUES/ANALYSIS

Permissible uses of the former Agency's real property assets include retention for governmental use, retention for future development, sale or satisfaction of enforceable obligations. If the Plan directs use or liquidation of real property for a project identified in an approved redevelopment plan, the property shall transfer to the City.

The Plan listed San Bernardino County Assessor's Parcel Number ("APN") 0162-151-32, which is a remnant parcel that is 10 inches wide and 150 feet long, as an asset of the former RDA. However, a quit claim deed was recorded in 1974 that transferred any interest in the parcel at that time. That deed was not picked up by the title company in subsequent property transfers, but was located by them in a requested records search. DOF has asked that we execute a Successor Agency and an Oversight Board Resolution (Attachment "B" and "D", respectively) removing the parcel from our asset list. We will subsequently record a quitclaim of the parcel to the current underlying property owner to help clarify ownership.

The Colton Housing Authority list of assets did not list the "Common Area" parcels of Rancho Mediterrania Mobile Home Estates ("Rancho Med"), APNs 0275-313-82, 83, 0275-181-73 and a mobile home parcel, APN 0275-311-30-6000, which are all currently in the name of the former Agency. When the Condominium Map was recorded on Rancho Med in 1993 and amended in 1994, the Common Areas were to have been transferred to the Homeowner's Association at the time of recording, but that is not reflected on reports from the County Assessor's office. DOF has asked that we execute a Successor Agency and an Oversight Board Resolution (Attachment "C" and "E") adding the Common Area parcels to our list of assets for transfer to the Colton Housing Authority, which will subsequently transfer them to the Homeowner's Association as originally intended.

FISCAL IMPACTS

Due to the complexities of the research needed for the legal descriptions on the Common Area parcels at Rancho Mediterrania Mobile Home Estates, the cost for providing those legal descriptions is estimated at \$650.00. Those charges will be paid from the Colton Housing Authority budget, account number 898-9000-9000-2350, and will be placed on the ROPS for reimbursement.

ALTERNATIVES

1. Approve staff's recommendation.
2. Provide alternative direction to staff.

ATTACHMENTS

1. Attachment "A" - Updated LRPMP – Exhibit "A" to Resolution No SAR-03-15 and Resolution No. OB-02-15
2. Attachment "B" - Resolution No. SAR-03-15, Remnant Parcel
3. Attachment "C" - Resolution No.SAR-04-15, Rancho Mediterrania Parcels
4. Attachment "D" - Resolution No. OB-02-15, Remant Parcel
5. Attachment "E" - Resolution No. OB-03-15, Rancho Mediterrania Parcels

ATTACHMENT A

Exhibit "A" to

Resolution No. SAR-03-15 and Resolution No. OB-02-15

Updated Long-Range Property Management Plan

EXHIBIT A

UPDATED LONG-RANGE PROPERTY MANAGEMENT PLAN

[Attached behind this page]

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ATTACHMENT "A"

EXHIBIT "A"

EXHIBIT "A" TO COLTON'S ORIGINAL LONG RANGE PROPERTY MANAGEMENT PLAN - UPDATED INFORMATION

No.	HSC 34191.5 (c)(1)(C)		Property Type	HSC 34191.5 (c)(2)		Purchase Value	Estimated Current Value	Estimate of Parcel Current Value	Proposed Sale Value	Proposed Sale Date	Notes
	Address	APN		Current Permissible Use							
1	22 Acre Site	0162-281-56; 0162-281-66; 0162-281-04; 0162-281-14; 0162-281-34; 0162-281-52	Vacant Lot/Land	Sale of Property		Purchase price for Parcels 0162-281- 56 and 66 was \$2,073,000. The Purchase price for Parcels 04, 14, 34 and 52 was \$3,654,893.	Total Current Value: \$4,630,000	Parcels 0162-281-56 and 66 are valued at \$2,640,000. Parcels 0162-281-52, -34, -04 and -14 are valued at \$1,990,000 for a total value of \$4,630,000.	The Proposed Sale Value is \$4,630,000. A Disposition and Development Agreement will be entered into with an identified buyer for the Proposed Sale Value and development of a Medical Educational-Retail Campus as identified within the initial LRPMP.	The proposed Sale Date is estimated at 05/15/2015 to provide enough time for the proposed buyer to receive City approvals and entitlements for the proposed Medical Educational-Retail Campus as identified within the LRPMP.	Proceeds from the sale of Parcels 0162-281-56 and 66 will be used to pay back the 2005 loan from the Colton Utility Authority. Excess proceeds will be used to pay State Department of Finance approved Enforceable Obligations or remitted to County Auditor-Controller for distribution to the taxing entities. Proceeds from the sale of Parcels 0162-281-52, 34, 04, and 14 will be used to pay State Department of Finance approved Enforceable Obligations or remitted to County Auditor-Controller for distribution to the taxing entities.
2	11 Acre Site	0276-144-48 0276-144-49 0276-144-52 0276-144-53	Vacant Lot/Land	Sale of Property		Purchase price of parcels 0276-144-48, 49, 52, 53 was \$4,900,000 in 2009	\$ 1,980,000.00	Most recent appraisal, dated February 18, 2014, determines current value of \$1,980,000 for all 4 contiguous parcels; however, the Planned Community Zoning allows for a variety of uses, the Appraiser chose to appraise the 4 parcels as Industrial. An updated appraisal will be commissioned to take into consideration the higher and better use as Commercial.	Appraised value at time of sale	The proposed Sale Date is estimated at 10/15/2015	Proceeds from the sale of Parcels 0276-144-48, 49, 52 and 53 will be used to pay State Department of Finance approved Enforceable Obligations or remitted to County Auditor-Controller for distribution to the taxing entities.
3	Remnant Parcel	0162-221-25	Other	Governmental Use		\$0.00	\$0.00	\$0.00	\$0.00	Not Applicable	Parcel Number 0162-221-25: This is a public right-of-way.

ATTACHMENT B

Resolution No. SAR-03-15

Remnant Parcel

RESOLUTION NO. SAR-03-15

1
2 **A RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT**
3 **AGENCY FOR THE CITY OF COLTON APPROVING A MINOR CLARIFICATION**
4 **TO THE A LONG RANGE PROPERTY MANAGEMENT PLAN, REMOVING**
5 **ASSESSOR'S PARCEL NUMBER 0162-151-32 FROM THE LIST OF ASSETS OF**
6 **THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE**
7 **CITY OF COLTON**

8 **WHEREAS**, Assembly Bill 1X 26 ("AB 26"), enacted as part of the 2011-2012 State
9 of California budget bill, and as modified by the Supreme Court of the State of California in
10 the matter of *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No.
11 S194861 ("Legal Action"), dissolved and set out procedures for the wind-down of all
12 redevelopment agencies throughout the State effective February 1, 2012, and in June 2012,
13 the California Legislature adopted Assembly Bill 1484 ("AB 1484," and collectively with AB
14 26, the "Dissolution Act") further modifying some of the procedures set forth in AB 26, and
15 adding certain other procedures and requirements for the dissolution and wind-down of
16 redevelopment agencies; and

17 **WHEREAS**, pursuant to Health and Safety Code section 34173(g), the Successor
18 Agency to the Redevelopment Agency for the City of Colton ("Successor Agency") is a
19 public entity, separate and distinct from the City of Colton; and

20 **WHEREAS**, on July 17, 2012, the Successor Agency approved Resolution No. SAR-
21 04-12, designating certain assets and properties of the former Redevelopment Agency for the
22 City of Colton ("Agency") for disposal pursuant to Health and Safety Code section 34177(e);
23 and

24 **WHEREAS**, Health and Safety Code section 34191.5 requires the Successor Agency
25 to prepare, approve and adopt a Long Range Property Management Plan ("LRPMP")
26 regarding disposal of real property assets of the former Agency; and

27 **WHEREAS**, the LRPMP was approved by the Successor Agency on September 17,
28 2013, and by the Oversight Board on September 26, 2013 before submittal to the State of
California Department of Finance ("DOF") for its review and approval; and

WHEREAS, on November 20, 2014, the Oversight Board adopted Resolution No.
OB-09-14 approving certain amendments to the LRPMP; and

WHEREAS, the Department of Finance ("DOF") has requested the removal of
Assessor's Parcel Number 0162-151-32 ("Parcel") from the LRPMP, which was listed as an
asset of Successor Agency, and was listed due to an error on the part of a title company; and

WHEREAS, pursuant to the Dissolution Act, the Successor Agency's Oversight
Board shall consider adopting a resolution approving the Updated LRPMP, attached as
Exhibit "A", with removal of the Parcel.

1 NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE
2 REDEVELOPMENT AGENCY FOR THE CITY OF COLTON, DOES HEREBY
RESOLVE AND FIND AS FOLLOWS:

3 **Section 1. Recitals.** The Recitals set forth above are true and correct and are
4 incorporated into this Resolution by this reference.

5 **Section 3. Approval of the Removal of Parcel.** The Successor Agency hereby
6 approves and adopts this Resolution for the removal of Parcel 0162-151-32 from the Updated
7 LRPMP, attached as Exhibit "A" which was listed due to an error on the part of a title
company.

8 **Section 4. Severability.** If any provision of this Resolution or the application of
9 any such provision to any person or circumstance is held invalid, such invalidity shall not
10 affect other provisions or applications of this Resolution that can be given effect without the
11 invalid provision or application, and to this end the provisions of this Resolution are
severable. The Successor Agency declares that the Successor Agency would have adopted
this Resolution irrespective of the invalidity of any particular portion of this Resolution.

12 **Section 6. Certification.** The Successor Agency Secretary shall certify to the
13 adoption of this Resolution.

14 **Section 7. Effective Date.** This Resolution shall become effective immediately
15 upon its adoption.

16 **PASSED, APPROVED AND ADOPTED** this 26th day of February, 2015.

17
18 By: _____
19 RICHARD DE LA ROSA
20 Chairperson

21 *Attest:*

22
23 _____
24 CAROLINA R. PADILLA
25 Secretary
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ATTACHMENT C

Resolution No. SAR-04-15

(Rancho Mediterrania Common Area and Single Mobile Home Parcels)

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RESOLUTION NO. SAR-04-15

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF COLTON, DESIGNATING RANCHO MEDITERRANIA COMMON AREA PARCELS, COUNTY OF SAN BERNARDINO ASSESSOR'S PARCEL NUMBERS (APN) 0275-313-82, 83, 0275-181-73 AND APN 0275-311-30-6000, TO THE LIST OF ASSETS TO BE TRANSFERRED TO THE COLTON HOUSING AUTHORITY

WHEREAS, Assembly Bill 1X 26 ("AB 26"), enacted as part of the 2011-2012 State of California budget bill, and as modified by the Supreme Court of the State of California in the matter of *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861 ("Legal Action"), dissolved and set out procedures for the wind-down of all redevelopment agencies throughout the State effective February 1, 2012, and in June 2012, the California Legislature adopted Assembly Bill 1484 ("AB 1484," and collectively with AB 26, the "Dissolution Act") further modifying some of the procedures set forth in AB 26, and adding certain other procedures and requirements for the dissolution and wind-down of redevelopment agencies; and

WHEREAS, pursuant to Health and Safety Code section 34173(g), the Successor Agency to the Redevelopment Agency for the City of Colton ("Successor Agency") is a public entity, separate and distinct from the City of Colton; and

WHEREAS, pursuant to Health and Safety Code section 34177(e), the Successor Agency is responsible for disposing of assets and properties of the Agency, as directed by the Successor Agency's oversight board ("Oversight Board"), expeditiously and in a manner aimed at maximizing value; and

WHEREAS, on July 17, 2012, the Successor Agency approved Resolution No. SAR-04-12, designating certain assets and properties of the former Redevelopment Agency for the City of Colton ("Agency") for disposal pursuant to Health and Safety Code section 34177(e); and

WHEREAS, on July 24, 2012, the Oversight Board approved Resolution OB-09-12, directing the transfer of the housing assets to the Colton Housing Authority ("Authority") pursuant to Health and Safety Code sections 34176, 34177 and 34181; and

WHEREAS, the Department of Finance ("DOF") has requested the addition of the Common Area Parcels of Rancho Mediterrania Mobile Home Estates, APNs 0275-313-82, 83, 0275-181-73 and a mobile home parcel, APN 0275-311-30-6000 ("Parcels"), which Parcels were not listed as a housing asset for transfer to the Authority, be transferred as assets from the former Agency to the Authority as these parcels were purchased with low-mod funds for purposes of low-mod affordable housing; and

WHEREAS, pursuant to the Dissolution Act, the Successor Agency's Oversight Board shall consider adopting a resolution approving and directing the transfer of the Parcels as assets of the Authority.

1 NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE REDEVELOPMENT
2 AGENCY FOR THE CITY OF COLTON, DOES HEREBY RESOLVE AND FIND AS
FOLLOWS:

3 **Section 1. Recitals.** The Recitals set forth above are true and correct and are
4 incorporated into this Resolution by this reference.

5 **Section 2. CEQA Compliance.** The direction to dispose of assets and properties
6 through this Resolution does not commit the Successor Agency to any action that may have a
7 significant effect on the environment. As a result, such action does not constitute a project
8 subject to the requirements of the California Environmental Quality Act. The City Clerk,
9 acting Secretary to the Successor Agency, is authorized and directed to file a Notice of
10 Exemption with the appropriate official of the County of San Bernardino, California, within
11 five (5) days following the date of adoption of this Resolution.

12 **Section 3. Approval of the Addition of Parcels.** The Successor Agency hereby
13 approves and adopts this Resolution for the transfer of Parcels 0275-313-82, 83, 0275-181-73
14 and APN 0275-311-30-6000 to the Colton Housing Authority.

15 **Section 4. Severability.** If any provision of this Resolution or the application of
16 any such provision to any person or circumstance is held invalid, such invalidity shall not
17 affect other provisions or applications of this Resolution that can be given effect without the
18 invalid provision or application, and to this end the provisions of this Resolution are
19 severable. The Successor Agency declares that the Successor Agency would have adopted
20 this Resolution irrespective of the invalidity of any particular portion of this Resolution.

21 **Section 6. Certification.** The Successor Agency Secretary shall certify to the
22 adoption of this Resolution.

23 **Section 7. Effective Date.** This Resolution shall become effective immediately
24 upon its adoption.

25 **PASSED, APPROVED AND ADOPTED** this 26th day of February, 2015.

26 By: _____
27 Richard De La Rosa, Chair

28 *Attest:*

Carolina R. Padilla, Secretary

ATTACHMENT D

Resolution No. OB-02-15

(Remnant Parcel)

RESOLUTION NO. OB-02-15

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF COLTON APPROVING A MINOR CLARIFICATION TO THE LONG RANGE PROPERTY MANAGEMENT PLAN, REMOVING ASSESSOR'S PARCEL NUMBER 0162-151-32 FROM THE LIST OF ASSETS OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF COLTON

WHEREAS, Assembly Bill 1X 26 ("AB 26"), enacted as part of the 2011-2012 State of California budget bill, and as modified by the Supreme Court of the State of California in the matter of *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861 ("Legal Action"), dissolved and set out procedures for the wind-down of all redevelopment agencies throughout the State effective February 1, 2012, and in June 2012, the California Legislature adopted Assembly Bill 1484 ("AB 1484," and collectively with AB 26, the "Dissolution Act") further modifying some of the procedures set forth in AB 26, and adding certain other procedures and requirements for the dissolution and wind-down of redevelopment agencies; and

WHEREAS, pursuant to Health and Safety Code section 34173(g), the Successor Agency to the Redevelopment Agency for the City of Colton ("Successor Agency") is a public entity, separate and distinct from the City of Colton; and

WHEREAS, on July 17, 2012, the Successor Agency approved Resolution No. SAR-04-12, designating certain assets and properties of the former Redevelopment Agency for the City of Colton ("Agency") for disposal pursuant to Health and Safety Code section 34177(e); and

WHEREAS, Health and Safety Code section 34191.5 requires the Successor Agency to prepare, approve and adopt a Long Range Property Management Plan ("LRPMP") regarding disposal of real property assets of the former Agency; and

WHEREAS, the LRPMP was approved by the Successor Agency on September 17, 2013, and by the Oversight Board on September 26, 2013 before submittal to the State of California Department of Finance ("DOF") for its review and approval; and

WHEREAS, on November 20, 2014, the Oversight Board adopted Resolution No. OB-09-14 approving certain amendments to the LRPMP; and

WHEREAS, the Department of Finance ("DOF") has requested the removal of Assessor's Parcel Number 0162-151-32 ("Parcel") from the LRPMP, which was listed as an asset of Successor Agency, and was listed due to an error on the part of a title company; and

WHEREAS, pursuant to the Dissolution Act, the Successor Agency's Oversight Board shall consider adopting a resolution approving the Updated LRPMP, attached as Exhibit "A", with removal of the Parcel.

ATTACHMENT E

Resolution No. OB-03-15

(Rancho Mediterrania Common Area and Single Mobile Home Parcels)

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RESOLUTION NO. OB-03-15

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF COLTON, DESIGNATING RANCHO MEDITERRANIA COMMON AREA PARCELS, COUNTY OF SAN BERNARDINO ASSESSOR'S PARCEL NUMBERS (APN) 0275-313-82, 83, 0275-181-73 AND APN 0275-311-30-6000, TO THE LIST OF ASSETS TO BE TRANSFERRED TO THE COLTON HOUSING AUTHORITY

WHEREAS, Assembly Bill 1X 26 ("AB 26"), enacted as part of the 2011-2012 State of California budget bill, and as modified by the Supreme Court of the State of California in the matter of *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861 ("Legal Action"), dissolved and set out procedures for the wind-down of all redevelopment agencies throughout the State effective February 1, 2012, and in June 2012, the California Legislature adopted Assembly Bill 1484 ("AB 1484," and collectively with AB 26, the "Dissolution Act") further modifying some of the procedures set forth in AB 26, and adding certain other procedures and requirements for the dissolution and wind-down of redevelopment agencies; and

WHEREAS, pursuant to Health and Safety Code section 34173(g), the Successor Agency to the Redevelopment Agency for the City of Colton ("Successor Agency") is a public entity, separate and distinct from the City of Colton; and

WHEREAS, pursuant to Health and Safety Code section 34177(e), the Successor Agency is responsible for disposing of assets and properties of the Agency, as directed by the Successor Agency's oversight board ("Oversight Board"), expeditiously and in a manner aimed at maximizing value; and

WHEREAS, on July 17, 2012, the Successor Agency approved Resolution No. SAR-04-12, designating certain assets and properties of the former Redevelopment Agency for the City of Colton ("Agency") for disposal pursuant to Health and Safety Code section 34177(e); and

WHEREAS, on July 24, 2012, the Oversight Board approved Resolution OB-09-12, directing the transfer of the housing assets to the Colton Housing Authority ("Authority") pursuant to Health and Safety Code sections 34176, 34177 and 34181; and

WHEREAS, the Department of Finance ("DOF") has requested the addition of the Common Area Parcels of Rancho Mediterrania Mobile Home Estates, APNs 0275-313-82, 83, 0275-181-73 and a mobile home parcel, APN 0275-311-30-6000 ("Parcels"), which Parcels were not listed as a housing asset for transfer to the Authority, be transferred as assets from the former Agency to the Authority as these parcels were purchased with low-mod funds for purposes of low-mod affordable housing; and

WHEREAS, pursuant to the Dissolution Act, the Successor Agency's Oversight Board shall consider adopting a resolution approving and directing the transfer of the Parcels as assets of the Authority.

1 **NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY**
2 **TO THE REDEVELOPMENT AGENCY FOR THE CITY OF COLTON, DOES HEREBY**
3 **RESOLVE AND FIND AS FOLLOWS:**

4 **Section 1. Recitals.** The Recitals set forth above are true and correct and are
5 incorporated into this Resolution by this reference.

6 **Section 2. CEQA Compliance.** The direction to dispose of assets and properties
7 through this Resolution does not commit the Oversight Board to any action that may have a
8 significant effect on the environment. As a result, such action does not constitute a project
9 subject to the requirements of the California Environmental Quality Act. The City Clerk,
10 acting Secretary to the Oversight Board, is authorized and directed to file a Notice of
11 Exemption with the appropriate official of the County of San Bernardino, California, within
12 five (5) days following the date of adoption of this Resolution.

13 **Section 3. Approval of the Addition of Parcels.** The Oversight Board hereby
14 approves and adopts this Resolution for the transfer of Parcels 0275-313-82, 83, 0275-181-73
15 and APN 0275-311-30-6000 to the Colton Housing Authority.

16 **Section 4. Severability.** If any provision of this Resolution or the application of
17 any such provision to any person or circumstance is held invalid, such invalidity shall not
18 affect other provisions or applications of this Resolution that can be given effect without the
19 invalid provision or application, and to this end the provisions of this Resolution are
20 severable. The Oversight Board declares that the Oversight Board would have adopted this
21 Resolution irrespective of the invalidity of any particular portion of this Resolution.

22 **Section 6. Certification.** The Successor Agency Secretary shall certify to the
23 adoption of this Resolution.

24 **Section 7. Effective Date.** Pursuant to Health and Safety Code Section 34179(h),
25 all actions taken by the Oversight Board may be reviewed by the State of California
26 Department of Finance, and, therefore, this Resolution shall not be effective for five (5)
27 business days, pending a request for review by the State of California Department of Finance.

28 **PASSED, APPROVED AND ADOPTED** this 26th day of February, 2015.

By: _____

Chairperson

Attest:

Carolina R. Padilla, Secretary



STAFF REPORT

SUCCESSOR AGENCY OVERSIGHT BOARD

DATE: FEBRUARY 26, 2015

TO: SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF COLTON AND OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF COLTON

FROM: BILL SMITH, CITY MANAGER *BS*

PREPARED BY: ARTHUR W. MORGAN, ECONOMIC DEVELOPMENT MANAGER *AM*

SUBJECT: ADOPTION OF SUCCESSOR AGENCY AND OVERSIGHT BOARD RESOLUTIONS APPROVING A PURCHASE AND SALE AGREEMENT FOR ASSESSORS PARCELS 0162-281-04, 14, 34, 52, 56, 66 WITH CALIFORNIA UNIVERSITY OF SCIENCE AND MEDICINE

RECOMMENDED ACTION

It is recommended that the Successor Agency to the Redevelopment Agency for the City of Colton (“Successor Agency”) adopt Resolution No. SAR-05-15, and the Oversight Board of the Successor Agency to the Redevelopment Agency for the City of Colton (“Oversight Board”) adopt Resolution No. OB-04-15, approving a Purchase and Sale Agreement with California University of Science and Medicine (“Cal Med”) for San Bernardino County Assessor’s Parcels 0162-281-04, 14, 34, 52, 56, 66.

GOAL STATEMENT

The proposed action will support the Successor Agency’s and Oversight Board’s goal to meet the legal requirements of dissolving the former Redevelopment Agency for the City of Colton (“Agency”), and disposing of its assets in accordance with law.

BACKGROUND

On March 21, 2014, a non-binding letter of intent to negotiate a purchase and sales agreement, was submitted by Cal Med regarding the former Redevelopment Agency-owned site of approximately 22 acres (the “Site”) located within Colton’s Hub City Centre Specific Plan (formerly “Colton’s West Valley Redevelopment Project Area”).

On April 15, 2014, in Closed Session, the Successor Agency directed staff to negotiate with Cal Med the terms for a Disposition and Development Agreement (“DDA”) for the sale/purchase of the Site for the proposed Project. On November 4, 2014, Council approved a DDA with Cal Med, subject to Oversight Board approval, for purchase and development of the Site. At the November 20, 2014 meeting of the Oversight Board, the DDA was approved and sent to the Department of Finance (“DOF”) for review and approval. The DDA has been fully executed by both the Successor Agency and Cal Med.

During a recent review of all documents by DOF from the City of Colton to complete the Long Range Property Management Plan (“LRPMP”), DOF determined that they would not accept a DDA as the document to govern the sale and development of the Site. DOF has informed the City that their interpretation of AB 1484 governing disposal of assets of a former redevelopment agency does not allow for a Successor Agency to have any control over how a parcel is developed once purchased. They will allow Purchase and Sale Agreements with no Successor Agency involvement after close of escrow. Since the City, the Successor Agency and the Oversight Board have all agreed that the future development of the site as a medical campus is the best way to maximize value to the City and to the taxing entities over time, we sought guidance from DOF. They have informed the City, that what they wish to see from the Agency is a Purchase and Sale Agreement, not a DDA. The City may request that Cal Med execute a document with the City to govern development of the site, separate and apart from Successor Agency actions. The Purchase and Sale Agreement does require the approval of the Oversight Board before it is sent to DOF for their review and approval.

The Project Site is currently vacant, and was appraised by the Successor Agency with a fair market value of \$4,630,000. Two of the six parcels (APNs 0162-281-56 and 66) were acquired in 2005 for a retail development which did not occur. The purchase price was approximately \$2,073,000 which is a loan owed to the Colton Utility Authority (“CUA”) from the Agency upon sale of the two parcels. The other four parcels (APNs 0162-281-04, -14, -34, and -52) were acquired in 2007 for Delhi Sands Flower Loving Fly (“Fly”) habitat conservation for a total cost of \$3,654,893, under a loan agreement with the City of Colton (“the City”) and has a remaining balance of approximately \$1,554,033 owed to the City.

ISSUES/ANALYSIS

Long-Range Property Management Plan

One of the Successor Agency’s responsibilities under the Dissolution Act is to prepare a Long-Range Property Management Plan (the “LRPMP”) that governs the disposition and use of the real properties of the former Agency. On September 17, 2013, the Successor Agency approved its LRPMP which included the Site. On September 26, 2013, the Oversight Board of the Successor Agency (“Oversight Board”) approved the LRPMP and submitted the Plan to the Department of Finance (“DOF”) for approval. The LRPMP is still under review by DOF and the Site cannot be sold until DOF approves the LRPMP. The LRPMP did identify the potential sale and use of the 22 acres for a Mixed-Use Medical Educational-Retail-Housing Campus.

DOF Determination Regarding the CUA and City Loans

In a letter dated April 9, 2014, DOF approved and accepted the initial 2005 and 2007 loan agreements, mentioned above, for re-establishment pursuant to Health and Safety Code Section 34191.4. On May 6, 2014, the Successor Agency approved and adopted Resolution No. SAR-02-14, ratifying Amendment Agreements between the Successor Agency and the City re-entering into (1) the 2005 Colton Utility Authority Redevelopment Cooperation Loan Agreement (the “CUA loan”) and (2) the 2007 City of Colton Redevelopment Cooperation Loan Agreement (the “City loan”). On May 22, 2014, the Oversight Board approved the two re-established loan agreements and submitted the two agreements to DOF for approval.

In a letter dated July 17, 2014, DOF approved both of the re-established City and CUA loan agreements. However, as part of the LRPMP review, DOF has required the Successor Agency to identify the estimated value of the parcels associated with each of the above mentioned loan agreements. The Successor Agency's appraiser, Smothers Appraisal Services, has given a value of estimate for the parcels associated with their respective loans. The two parcels (APNs 0162-281-56 and 66), associated with the CUA loan, fronting Valley Boulevard are valued at \$2,640,000 due to their location and value as commercial property. DOF has stated that the principal balance and accrued interest on the CUA loan shall be repaid solely from the sale proceeds of these two parcels and not from the Redevelopment Property Tax Trust Fund ("RPTTF"). The remaining balance of the total sale proceeds from these two parcels will most likely be directed to the County Auditor Controller-Tax Collector for distribution to the various affected taxing entities including the City.

The remaining four parcels (APNs 0162-281-04, -14, -34, and -52), associated with the City loan, are valued at \$1,990,000 by Smothers Appraisal Services. DOF has stated that the Successor Agency must request repayment of the City loan on a Recognized Obligation Payment Schedule ("ROPS") using any available RPTTF funds. The sales proceeds associated with these two parcels will most likely be directed to the County Auditor Controller-Tax Collector for distribution to the various affected taxing entities including the City.

Should the Successor Agency approve the Purchase and Sale Agreement, the next step is for the Oversight Board to consider approving the Agreement. Should the Oversight Board approve the Agreement, it will be submitted to DOF for their final approval.

FISCAL IMPACTS

No City funds are involved in this transaction. However, upon final review and approval of both the LRPMP and the Purchase and Sale Agreement, it is most likely that DOF will require the sale proceeds (\$4,630,000) to be distributed as follows:

1. \$2,073,000 of the \$2,640,000 to pay back the CUA loan with the remaining balance of \$567,000 to be paid to the affected taxing entities through the San Bernardino County Auditor Controller-Tax Collector's office.
2. \$1,990,000 to be paid to the affected taxing entities through the San Bernardino County Auditor Controller-Tax Collector's office.

The Project will be catalyst to the Hub City Centre area causing new retail, office and housing development which will generate new sales and property tax revenues to the City.

ALTERNATIVES

1. Approve staff's recommendation.
2. Provide alternative direction to staff.

ATTACHMENTS

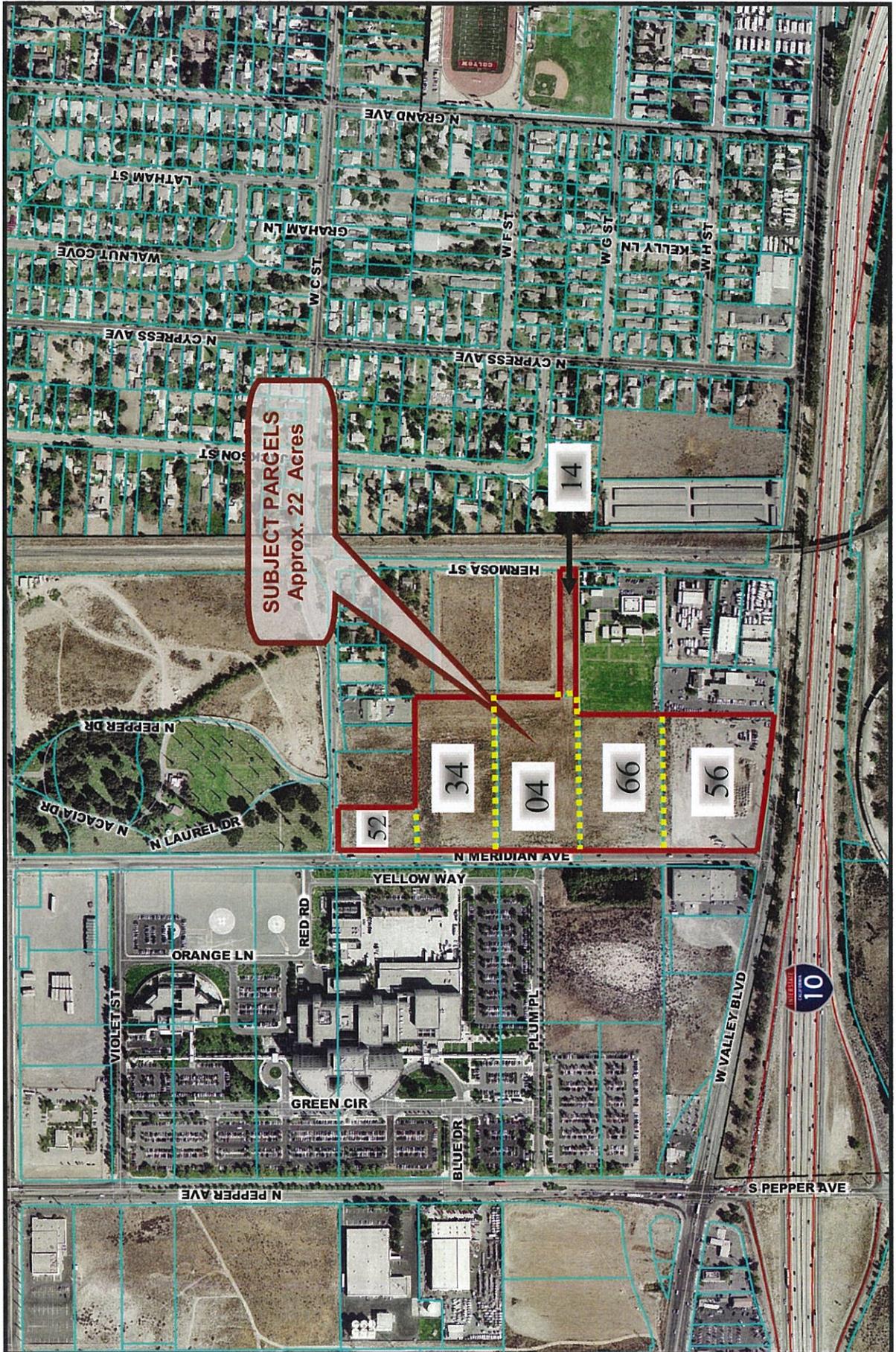
1. Attachment "A" – Aerial Site Map of former RDA 22 acre site
2. Attachment "B" – Resolution No. SAR-05-15
3. Attachment "C" – Resolution No. OB-04-15
4. Attachment "D" – Exhibit "A" to Resolution Nos. SAR-05-15 and OB-04-15
- the Purchase and Sale Agreement

ATTACHMENT A

**Aerial Site Map of
Former RDA 22-Acre Parcels**

ATTACHMENT "A" - Aerial Site Map

PARCELS SUBJECT TO PROPERTY MANAGEMENT PLAN and Cal Med PSA



NOTE: All Subject Parcels start with 0162-281-

— Represents Parcel No.



ATTACHMENT B

**Resolution No. SAR-05-15,
Approving the Purchase and Sale Agreement**

ATTACHMENT C

Resolution No. OB-04-15

Approving Purchase and Sale Agreement

(CAL MED)

1 **WHEREAS**, the Oversight Board of the Successor Agency to the Redevelopment
2 Agency for the City of Colton is required to review and approve any sale or transfer of land
3 approved by the Successor Agency; and

4 **WHEREAS**, the Oversight Board finds and determines that the Agreement would
5 dispose of the Property expeditiously and at fair market value, in accordance with the LRPMP.

6 **NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR
7 AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF COLTON
8 RESOLVES AS FOLLOWS:**

9 **SECTION I.** **RECITALS.** The recitals set forth above are true and correct and are
10 hereby incorporated into this Resolution.

11 **SECTION II.** **FINDING.** The Oversight Board hereby finds and determines that the
12 Agreement, in substantially the form attached hereto as Exhibit "A.", disposes of the property
13 expeditiously, and at fair market value.

14 **SECTION III.** **CERTIFICATION.** The City Clerk, acting on behalf of the Oversight
15 Board, shall certify to the adoption of this Resolution.

16 **SECTION IV.** **EFFECTIVE DATE.** Pursuant to Health and Safety Code Section
17 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California
18 Department of Finance, and, therefore, this Resolution shall not be effective for five (5) business
19 days, pending a request for review by the State of California Department of Finance.

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24 **PASSED, APPROVED AND ADOPTED** this 26th day of February, 2015.

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Chairperson

ATTEST:

Carolina R. Padilla, City Clerk

ATTACHMENT D

Exhibit "A" to

Resolution No. SAR-05-15 and Resolution No. OB-04-15

(CAL MED Purchase and Sale Agreement)

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EXHIBIT "A"
PURCHASE AND SALE AGREEMENT
(Cal Med)

[attached behind this page]

**REAL PROPERTY PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS
(Cal Med)**

This REAL PROPERTY PURCHASE AND SALE AGREEMENT (Cal Med) (“**Agreement**”) is dated as of February 26, 2015, for reference purposes only, and is entered into by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF COLTON, a public body, corporate and politic (“**Seller**”), and CALIFORNIA UNIVERSITY OF SCIENCE AND MEDICINE, a California non-profit corporation (“**Buyer**”). Seller and Buyer enter into this Agreement with reference to the following recitals of fact (each, a “**Recital**”):

RECITALS

A. The Redevelopment Agency for the City of Colton (“**RDA**”) purchased approximately 22 acres of that certain real property generally located at the northeast corner of West Valley Boulevard and Meridian Avenue in the City of Colton, California consisting of six (6) contiguous and adjacent parcels (APNs 0162-281-04, 0162-281-14, 0162-281-34, 0162-281-52, 0162-281-56, and 0162-281-66) (“**Property**”), as more particularly defined in Section 1.1.48 of this Agreement.

B. Assembly Bill 1X 26, enacted as part of the 2011-2012 State of California budget bill, and as modified by the Supreme Court of the State of California in the matter of *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861 dissolved and set out procedures for the wind-down of all redevelopment agencies throughout the State effective February 1, 2012, and in June 2012, the California Legislature adopted Assembly Bill 1484 (Assembly Bill 1X 26 and Assembly Bill 1484 are collectively referred to herein as the “**Dissolution Act**”) further modifying some of the procedures set forth in Assembly Bill 1X 26, and adding certain other procedures and requirements for the dissolution and wind-down of redevelopment agencies.

C. Seller is the successor entity to the RDA and, pursuant to the Dissolution Act, upon the RDA’s dissolution the Property automatically transferred to the Seller.

D. Pursuant to Health and Safety Code section 34177(e), the Seller is responsible for disposing of the assets and properties of the former RDA, as directed by the Oversight Board to the Seller, expeditiously and in a manner aimed at maximizing value.

E. Pursuant to Health and Safety Code section 34191.5, the Property was listed on the Seller’s Long Range Property Management Plan, to be sold expeditiously and at fair market value.

F. In order to dispose of the Property expeditiously and in a manner aimed at maximizing value, Buyer desires to purchase the Property from Seller for fair market value, and Seller desires to sell the Property pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION AND THE PROMISES AND COVENANTS OF SELLER AND BUYER SET FORTH IN THIS AGREEMENT, SELLER AND BUYER AGREE, AS FOLLOWS:

TERMS AND CONDITIONS

1. DEFINITIONS

1.1 **Definitions.** The following words, terms and phrases are used in this Agreement with the following meanings, unless the particular context or usage of a word, term or phrase requires another interpretation:

1.1.1 **Affiliate.** Any other Person, directly or indirectly, Controlling or Controlled by or under common Control with the specified Person.

1.1.2 **Agreement.** This Real Property Purchase and Sale Agreement between Seller and Buyer, including all of the exhibits attached to this Agreement.

1.1.3 **ALTA Survey.** A survey of the Property prepared by a State licensed civil engineer or surveyor selected by Buyer in accordance with current ALTA/ASCM standards and sufficient for the Title Company to issue the Buyer Title Policy.

1.1.4 **Business Day.** Any weekday on which Seller is open to conduct regular business functions with Seller personnel.

1.1.5 **Buyer.** California University of Science and Medicine, a California non-profit corporation, and any successors or assigns of the California University of Science and Medicine permitted under the terms and conditions of this Agreement.

1.1.6 **Buyer Parties.** Collectively, Buyer and the directors, officers, employees, agents, shareholders, members, managers and partners of Buyer.

1.1.7 **Buyer Title Policy.** An ALTA owners' policy of title insurance issued by the Title Company, with coverage in the amount of the Purchase Price, showing title to the Property vested in Buyer.

1.1.8 **City.** The City of Colton, a California municipal corporation.

1.1.9 **Claim.** Any claim, loss, cost, damage, expense, liability, lien, action, cause of action (whether in tort, contract, under statute, at law, in equity or otherwise), charge, award, assessment, fine or penalty of any kind (including consultant and expert fees and expenses and investigation costs of whatever kind or nature, and if an Indemnitor improperly fails to provide a defense for an Indemnitee, then Legal Costs) and any judgment.

1.1.10 **Close of Escrow.** The first date on which the Escrow Agent has filed all of the documents set forth in Section 3.8.1 with the County for recording in the official records of the County in accordance with Section 3.8.1.

1.1.11 **Control.** Possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether by ownership of Equity Interests, by contract or otherwise.

1.1.12 **County.** The County of San Bernardino, California.

1.1.13 **Default.** An Escrow Default, Monetary Default or Non-Monetary Default.

1.1.14 **Deposit.** Fifty Thousand Dollars (\$50,000) in cash or immediately available funds.

1.1.15 **Due Diligence Completion Notice.** A written notice from Buyer delivered to Seller prior to the end of the Due Diligence Period and stating Buyer's unconditional acceptance of the condition of the Property or stating Buyer's rejection of the condition of the Property and refusal to accept a conveyance of title to the Property, describing in reasonable detail the actions that Buyer reasonably believes are indicated to allow Buyer to unconditionally accept the condition of the Property.

1.1.16 **Due Diligence Period.** The time period of one hundred twenty (120) continuous calendar days commencing on the day immediately following the Effective Date.

1.1.17 **Effective Date.** The date after Buyer signs the Notice to Seller (as described below) after all of the following have occurred: (a) Seller has received three (3) counterpart originals of this Agreement signed by the authorized representative(s) of Buyer; (b) this Agreement is approved by the governing body of Seller; (c) this Agreement is approved by the Oversight Board to the Seller and the California Department of Finance in accordance with the Dissolution Act; (d) this Agreement is signed by the authorized representative(s) of Seller; and (e) one (1) original of this Agreement signed by the authorized representative(s) of Seller has been delivered by Seller to Buyer. Seller shall send Notice of the Effective Date to Buyer within seven (7) days following the Effective Date. Buyer shall sign and return a copy of such Notice to Seller within seven (7) days after receipt of such Notice.

1.1.18 **Environmental Claim.** Any and all claims, demands, damages, losses, liabilities, obligations, penalties, fines, actions, causes of action, judgments, suits, proceedings, costs, disbursements and expenses, including Legal Costs and fees and costs of environmental consultants and other experts, and all foreseeable and unforeseeable damages or costs of any kind or of any nature whatsoever, directly or indirectly, relating to or arising from any actual or alleged violation of any Environmental Laws or Hazardous Substance Discharge.

1.1.19 **Environmental Laws.** All Federal, State, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any government authority regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance (as later defined), or pertaining to occupational health or industrial hygiene (and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to hazardous substances on, under, or about the Property), occupational or environmental conditions on, under, or about the Property, as now or may at any later time be in effect, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") [42 USC Section 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 ("RCRA") [42 USC Section 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act ("FWPCA") [33 USC Section 1251 et seq.]; the Toxic Substances Control Act ("TSCA") [15 USC Section 2601 et seq.]; the Hazardous Materials Transportation Act ("HMTA") [49 USC Section 1801 et seq.];

the Insecticide, Fungicide, Rodenticide Act [7 USC Section 6901 et seq.] the Clean Air Act [42 USC Section 7401 et seq.]; the Safe Drinking Water Act [42 USC Section 300f et seq.]; the Solid Waste Disposal Act [42 USC Section 6901 et seq.]; the Surface Mining Control and Reclamation Act [30 USC Section 101 et seq.] the Emergency Planning and Community Right to Know Act [42 USC Section 11001 et seq.]; the Occupational Safety and Health Act [29 USC Section 655 and 657]; the California Underground Storage of Hazardous Substances Act [California Health & Safety Code Section 25288 et seq.]; the California Hazardous Substances Account Act [California Health & Safety Code Section 25300 et seq.]; the California Safe Drinking Water and Toxic Enforcement Act [California Health & Safety Code Section 24249.5 et seq.]; the Porter-Cologne Water Quality Act [California Water Code Section 13000 et seq.]; together with any amendments of or regulations promulgated under the statutes cited above or any other Federal, State, or local law, statute, ordinance, or regulation now in effect or later enacted that pertains to occupational health or industrial hygiene (to the extent the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property) or the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water, or land use.

1.1.20 **Equity Interest.** All or any part of any direct equity or ownership interest(s) (whether stock, partnership interest, beneficial interest in a trust, membership interest in a limited liability company, or other interest of an ownership or equity nature) in any entity, at any tier of ownership, that directly owns or holds any ownership or equity interest in a Person.

1.1.21 **Escrow.** An escrow, as defined in Civil Code Section 1057 and Financial Code Section 17003(a), that is conducted by the Escrow Agent with respect to the conveyance of the Property from Seller to Buyer pursuant to this Agreement.

1.1.22 **Escrow Agent.** First American Title Insurance Company, through its office located at 3281 E. Guasti Road, Suite 440, Ontario, CA 91761, or such other Person mutually agreed upon in writing by both Seller and Buyer.

1.1.23 **Escrow Closing Statement.** A statement prepared by the Escrow Agent indicating among other things, the Escrow Agent's estimate of all funds to be deposited or received by Seller or Buyer, respectively, and all charges to be paid by Seller or Buyer, respectively, through the Escrow.

1.1.24 **Escrow Default.** The unexcused failure to submit any document or funds to the Escrow Agent as reasonably necessary to close the Escrow, pursuant to the terms and conditions of this Agreement, after all other conditions precedent to the Close of Escrow for the benefit of such Party are satisfied or waived by such Party.

1.1.25 **Escrow Opening Date.** The first date on which a copy of this Agreement signed by both Seller and Buyer is deposited with the Escrow Agent.

1.1.26 **Event of Default.** The occurrence of any one or more of the following:

(a) **Monetary Default.** A Monetary Default that continues for seven (7) calendar days after Notice from the non-defaulting Party, specifying in reasonable detail the amount of money not paid and the nature and calculation of each such payment;

(b) **Escrow Default.** An Escrow Default that continues for seven (7) calendar days after Notice from the non-defaulting Party, specifying in reasonable detail the document or funds not submitted;

(c) **Non-Monetary Default.** Any Non-Monetary Default other than those specifically addressed in Sections 1.1.26(a) or 1.1.26(b) that is not cured within thirty (30) days after Notice to the Party alleged to be in Default describing the Non-Monetary Default in reasonable detail, or, in the case of a Non-Monetary Default that cannot with reasonable diligence be cured within thirty (30) calendar days after the effective date of such Notice, if the Party alleged to be in Default does not do all of the following: (a) within thirty (30) calendar days after the initial Notice of such Non-Monetary Default, advise the other Party of the intention of the Party alleged to be in Default to take all reasonable steps to cure such Non-Monetary Default; (b) duly commence such cure within such period; and (c) diligently prosecute such cure to completion within a reasonable time under the circumstances.

1.1.27 **Executive Director.** The Executive Director of Seller or his or her designee or successor in function.

1.1.28 **Federal.** The federal government of the United States of America.

1.1.29 **Form 593.** A California Franchise Tax Board Form 593-C.

1.1.30 **Government.** Any and all courts, boards, agencies, commissions, offices, or authorities of any nature whatsoever for any governmental unit (Federal, State, County, district, municipal, City, Seller or otherwise) whether now or later in existence.

1.1.31 **Hazardous Substance.** Any flammable substances, explosives, radioactive materials, asbestos, asbestos-containing materials, polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, medical wastes, toxic substances or related materials, explosives, petroleum, petroleum products and any “hazardous” or “toxic” material, substance or waste that is defined by those or similar terms or is regulated as such under any Law, including any material, substance or waste that is: (a) defined as a “hazardous substance” under Section 311 of the Water Pollution Control Act (33 U.S.C. § 1317), as amended; (b) designated as “hazardous substances” pursuant to 33 U.S.C. § 1321; (c) defined as a “hazardous waste” under Section 1004 of the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq., as amended; (d) defined as a “hazardous substance” or “hazardous waste” under Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Reauthorization Act of 1986, 42 U.S.C. § 9601 et seq., or any so-called “superfund” or “superlien” law; (e) defined as a “pollutant” or “contaminant” under 42 U.S.C. § 9601(33); (f) defined as “hazardous waste” under 40 C.F.R. Part 260; (g) defined as a “hazardous chemical” under 29 C.F.R. Part 1910; (h) any matter within the definition of “hazardous substance” set forth in 15 U.S.C. § 1262; (i) any matter, waste or substance regulated under the

Toxic Substances Control Act (“TSCA”) [15 U.S.C. Sections 2601 et seq.]; (j) any matter, waste or substance regulated under the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801 et seq.; (k) those substances listed in the United States Department of Transportation (DOT)Table [49 C.F.R. 172.101]; (l) any matter, waste or substances designated by the EPA, or any successor authority, as a hazardous substance [40 C.F.R. Part 302]; (m) any matter, waste or substances defined as “hazardous waste” in Section 25117 of the California Health and Safety Code; (n) any substance defined as a “hazardous substance” in Section 25316 of the California Health and Safety Code; (o) subject to any other Law regulating, relating to or imposing obligations, liability or standards of conduct concerning protection of human health, plant life, animal life, natural resources, property or the enjoyment of life or property free from the presence in the environment of any solid, liquid, gas, odor or any form of energy from whatever source; or (p) other substances, materials, or wastes that are, or become, regulated or classified as hazardous or toxic under Law or in the regulations adopted pursuant to said Law, including manure, asbestos, polychlorinated biphenyl, flammable explosives and radioactive material.

1.1.32 **Hazardous Substance Discharge.** Any deposit, discharge, generation, release, or spill of a Hazardous Substance that occurs at, on, under, into or from the Property, or during transportation of any Hazardous Substance to or from the Property, or that arises at any time from the construction, installation, use or operation of the Property, whether or not caused by a Party.

1.1.33 **Indemnify.** Where this Agreement states that any Indemnitor shall “indemnify” any Indemnitee from, against, or for a particular Claim, that the Indemnitor shall indemnify the Indemnitee and defend and hold the Indemnitee harmless from and against such Claim (alleged or otherwise). “**Indemnified**” shall have the correlative meaning.

1.1.34 **Indemnitee.** Any Person entitled to be Indemnified under the terms of this Agreement.

1.1.35 **Indemnitor.** A Party that agrees to Indemnify any other Person under the terms of this Agreement.

1.1.36 **Independent Contract Consideration.** Defined in Section 2.2.

1.1.37 **Law.** Every law, ordinance, requirement, order, proclamation, directive, rule, or regulation of any Government applicable to the Property.

1.1.38 **Legal Costs.** In reference to any Person, all reasonable costs and expenses such Person incurs in any legal proceeding (or other matter for which such Person is entitled to be reimbursed for its Legal Costs), including reasonable attorneys’ fees, court costs and expenses and consultant and expert witness fees and expenses.

1.1.39 **Monetary Default.** Any failure by either Party to pay or deposit, when and as this Agreement requires, any amount of money, any bond or surety or evidence of any insurance coverage required to be provided under this Agreement, whether to or with a Party or a Third Person, except to the extent constituting an Escrow Default.

1.1.40 **Non-Monetary Default.** The occurrence of any of the following, except to the extent constituting a Monetary Default or an Escrow Default: (a) any failure of a Party to perform any of its obligations under this Agreement; (b) any failure of a Party to comply with any material restriction or prohibition in this Agreement; or (c) any other event or circumstance that, with passage of time or giving of Notice, or both, or neither, would constitute a breach of this Agreement by a Party.

1.1.41 **Notice.** Any consent, demand, designation, election, notice, or request relating to this Agreement. All Notices must be in writing.

1.1.42 **Notify.** To give a Notice.

1.1.43 **Outside Closing Date.** The date that is six (6) months following the Effective Date; provided, however, that the Buyer may in writing exercise its option to extend the Outside Closing Date for up to two (2) consecutive one (1) month extensions, in its sole and absolute discretion.

1.1.44 **Parties.** Collectively, Seller and Buyer.

1.1.45 **Party.** Individually, either Seller or Buyer, as applicable.

1.1.46 **Person.** Any association, corporation, governmental entity or Seller, individual, joint venture, joint-stock company, limited liability company, partnership, trust, unincorporated organization, or other entity of any kind.

1.1.47 **Preliminary Report.** The preliminary report issued by the Title Company in contemplation of issuance of the Buyer Title Policy, accompanied by the best available copies of all documents listed in Schedule B of the report as exceptions to coverage under the proposed policy of title insurance.

1.1.48 **Property.** Approximately 22 acres of certain real property generally located at the northeast corner of West Valley Boulevard and Meridian Avenue in the City of Colton, California consisting of six (6) contiguous and adjacent parcels (APNs 0162-281-04, 0162-281-14, 0162-281-34, 0162-281-52, 0162-281-56, and 0162-281-66), as more particularly described in Exhibit A attached to this Agreement.

1.1.49 **Purchase Price.** Four Million Six Hundred Thirty Thousand Dollars (\$4,630,000), which was determined to be the fair market value for the Property pursuant to an appraisal conducted by Smothers Appraisal, a copy of which is on file with the Seller.

1.1.50 **Seller.** The Successor Agency to the Redevelopment Agency for the City of Colton, a public body, corporate and politic.

1.1.51 **Seller Deed.** A grant deed conveying the Property from Seller to Buyer, at the Close of Escrow, substantially in the form of Exhibit B attached to this Agreement.

1.1.52 **Seller Parties.** Collectively, Seller and the officials, officers, employees, agents and volunteers of Seller.

1.1.53 **State.** The State of California.

1.1.54 **Third Person.** Any Person that is not a Party, an Affiliate of a Party or an elected official, officer, director, manager, shareholder, member, principal, partner, employee or agent of a Party.

1.1.55 **Title Company.** First American Title Insurance Company, or such other Person mutually agreed upon in writing by both Seller and Buyer.

1.1.56 **Title Notice.** A written notice from Buyer to Seller stating Buyer's acceptance of the state of the title to the Property, as described in the Preliminary Report for the Buyer Title Policy, or Buyer's disapproval or conditional approval of specific matters shown in Schedule B of such Preliminary Report as exceptions to coverage under the proposed Buyer Title Policy, describing in reasonable detail the actions that Buyer reasonably believes are indicated to obtain Buyer's unconditional approval of the state of the title to the Property.

1.1.57 **Title Notice Response.** The written response of Seller to the Title Notice, in which Seller either elects to: (a) cause the removal from the Preliminary Report for the Buyer Title Policy of any matters disapproved in the Title Notice; (b) obtain title or other insurance or endorsement in a form reasonably satisfactory to Buyer insuring against any matters disapproved or conditionally approved in the Title Notice; or (c) not take either action described in clause "(a)" or "(b)" of this Section 1.1.57.

1.1.58 **Title Notice Waiver.** A written notice from Buyer to Seller waiving Buyer's previous disapproval or conditional approval in the Title Notice of specific matters shown in Schedule B of the Preliminary Report for the Buyer Title Policy as exceptions to coverage under the proposed Buyer Title Policy.

1.1.59 **Unavoidable Delay.** A delay in either Party performing any obligation under this Agreement arising from or on account of any cause whatsoever beyond the Party's reasonable control, including strikes, labor troubles or other union activities, casualty, war, acts of terrorism, riots, litigation, governmental action or inaction, regional natural disasters, or inability to obtain materials. Unavoidable Delay shall not include delay caused by a Party's financial condition or insolvency.

2. **PROPERTY PURCHASE AND SALE.**

2.1 Purchase and Sale.

2.1.1 **Opening of Escrow.** Subject to all of the terms and conditions of this Agreement, Seller shall convey title to the Property to Buyer in consideration of Buyer paying the Purchase Price to Seller and Buyer's performance of Buyer's promises and covenants set forth in this Agreement. Buyer shall accept conveyance of title to the Property from Seller pursuant to the terms, conditions, covenants, and agreements set forth in this Agreement or the Seller Deed. For the purposes of exchanging documents to complete the conveyance of title to the Property from Seller to Buyer and the acquisition of title to the Property by Buyer from Seller, pursuant to the terms and conditions of this Agreement, Seller and Buyer agree to open the Escrow with the Escrow Agent. The provisions of Section 3 of this

Agreement are the joint escrow instructions of the Parties to the Escrow Agent for conducting the Escrow.

2.1.2 **Deposit.** Concurrent with its opening of the Escrow, Buyer shall deliver the Deposit to the Escrow Agent. Upon the Close of Escrow, the Deposit, and any interest that may be earned on the Deposit, shall be credited to Buyer towards the Purchase Price. The Deposit shall be refundable to Buyer, except upon the occurrence of an Event of Default prior to the Close of Escrow, in which case the Escrow Agent shall promptly pay the Deposit to Seller.

2.2 **Independent Contract Consideration.** Upon the Effective Date, Buyer shall deliver to Seller the sum of \$100.00 ("**Independent Contract Consideration**"), which amount has been bargained for and agreed to as adequate consideration for Buyer's right to purchase the Property with the right to terminate this Agreement during the Due Diligence Period and for Seller's execution, delivery and performance of this Agreement. The Independent Contract Consideration is in addition to and independent of all other consideration provided in this Agreement and is nonrefundable to Buyer in all events.

2.3 **Buyer Approval of Title to Property.**

2.3.1 **Title Notice.** After the Escrow Opening Date, Buyer shall request that Title Company prepare and deliver the Preliminary Report to both Seller and Buyer. Within thirty (30) days following Buyer's receipt of the Preliminary Report, but in all cases before the end of the Due Diligence Period, Buyer shall send the Title Notice to Seller.

2.3.2 **Failure to Deliver Title Notice.** If Buyer fails to send the Title Notice to Seller within the time period provided in Section 2.3.1, Buyer will be deemed to disapprove the status of title to the Property and refuse to accept conveyance of title to the Property and either Buyer or Seller shall have the right to cancel the Escrow and terminate this Agreement upon seven (7) calendar days advance Notice, in their respective sole and absolute discretion.

2.3.3 **Title Notice Response.** Within fifteen (15) days following Seller's receipt of the Title Notice (if any), Seller shall send the Title Notice Response to Buyer. If the Title Notice does not disapprove or conditionally approve any matter in the Preliminary Report or Buyer fails to deliver the Title Notice, Seller shall not be required to send the Title Notice Response. If Seller does not send the Title Notice Response, if necessary, within the time period provided in this Section 2.3.3, Seller shall be deemed to elect not to take any action in reference to the Title Notice. If Seller elects in the Title Notice Response to take any action in reference to the Title Notice, Seller shall complete such action, prior to the Close of Escrow or as otherwise specified in the Title Notice Response.

2.3.4 **Title Notice Waiver.** If Seller elects or is deemed to have elected not to address one or more matters set forth in the Title Notice to Buyer's reasonable satisfaction, then within ten (10) calendar days after the earlier of: (a) Buyer's receipt of Seller's Title Notice Response; or (b) the last date for Seller to deliver its Title Notice Response pursuant to Section 2.3.3, Buyer shall either: (i) refuse to accept the title to and conveyance of the Property, or (ii) waive its disapproval or conditional approval of all such matters set forth in the Title Notice by sending the Title Notice Waiver to Seller. Failure by Buyer to timely send

the Title Notice Waiver, where the Title Notice Response or Seller's failure to deliver the Title Notice Response results in Seller's election not to address one or more matters set forth in the Title Notice to Buyer's reasonable satisfaction, will be deemed Buyer's continued refusal to accept the title to and conveyance of the Property, in which case either Buyer or Seller shall have the right to cancel the Escrow and terminate this Agreement upon seven (7) calendar days advance Notice, in their respective sole and absolute discretion.

2.3.5 **No Termination Liability.** Any termination of this Agreement and cancellation of the Escrow pursuant to a right provided in this Section 2.3 shall be without liability to the other Party or any other Person. Termination shall be accomplished by delivery of a Notice of termination to both the other Party and the Escrow Agent at least seven (7) calendar days prior to the termination date. Following issuance of a Notice of termination of this Agreement pursuant to a right provided under this Section 2.3, the Parties and the Escrow Agent shall proceed pursuant to Section 3.12. Once a Notice of termination is given pursuant to this Section 2.3, delivery of a Title Notice or Title Notice Waiver shall have no force or effect and this Agreement shall terminate in accordance with the Notice of termination.

2.4 Buyer Due Diligence Investigations.

2.4.1 **Time and Expense.** Buyer shall complete all Due Diligence Investigations within the Due Diligence Period and shall conduct all Due Diligence Investigations at Buyer's sole cost and expense. Buyer obligation to purchase the Property is expressly conditioned on its approval, in its sole discretion, of the Property and all other matters concerning the Property including without limitation economic, financial, accounting, environmental and habitat matters relating to or affecting the Property or its value, and the physical and environmental condition of the Property.

2.4.2 **Right to Enter.** Seller licenses Buyer to enter the Property for the sole purpose of conducting the Due Diligence Investigations, subject to all of the terms and conditions of this Agreement. The license given in this Section 2.4.2 shall terminate with the termination of the Due Diligence Period. Any Due Diligence Investigations by Buyer shall not unreasonably disrupt any then existing use or occupancy of the Property.

2.4.3 **Limitations.** Buyer shall not conduct any intrusive or destructive testing on any portion of the Property, other than low volume soil samples, without Seller's prior written consent which shall not be unreasonably withheld. Buyer shall pay all of Buyer's vendors, inspectors, surveyors, consultants or agents engaged in any inspection or testing of the Property, such that no mechanics liens or similar liens for work performed are imposed upon the Property by any such Person. Following the conduct of any Due Diligence Investigations on the Property, Buyer shall restore the Property to substantially its condition prior to the conduct of such Due Diligence Investigations.

2.4.4 **Seller Delivery of Documents.** Seller shall deliver to Buyer for its review all data, correspondence, documents, agreements, waivers, notices, reports, and other records regarding the Property in Seller's possession within ten (10) days after the Effective Date.

2.4.5 **Indemnification of Seller.** The activities of Buyer or Buyer's agents directly or indirectly related to the Due Diligence Investigations shall be subject to Buyer's Indemnity obligations pursuant to Section 5.5.

2.4.6 **Due Diligence Completion Notice.** Buyer shall deliver a Due Diligence Completion Notice to Seller prior to the end of the Due Diligence Period. If Buyer does not unconditionally accept the condition of the Property by delivery of its Due Diligence Completion Notice stating such unconditional acceptance, prior to the end of the Due Diligence Period, Buyer shall be deemed to have rejected the condition of the Property and refused to accept conveyance of title to the Property. If the condition of the Property is rejected or deemed rejected by Buyer, then either Seller or Buyer shall have the right to cancel the Escrow and terminate this Agreement upon seven (7) calendar days advance Notice, in their respective sole and absolute discretion, without liability to the other Party or any other Person, by delivery of a Notice of termination to both the other Party and Escrow Agent, in which case the Parties and Escrow Agent shall proceed pursuant to Section 3.12.

2.4.7 **ALTA Survey.** Buyer shall obtain and deliver a completed ALTA Survey to Seller prior to the end of the Due Diligence Period, all at Buyer's sole cost and expense.

2.5 **"AS-IS" Acquisition.** The Close of Escrow shall evidence Buyer's unconditional and irrevocable acceptance of the Property in the Property's AS IS, WHERE IS, SUBJECT TO ALL FAULTS AND CONDITIONS AS OF THE CLOSE OF ESCROW, WITHOUT WARRANTY as to character, quality, performance, condition, title, physical condition, soil conditions, the presence or absence of fill, ocean or tidal impacts, shoring or bluff stability or support, subsurface support, zoning, land use restrictions, including any restrictions imposed by Incidental Take Permit No. TE49164B-0 and associated West Valley Habitat Conservation Plan, the availability or location of utilities or services, the location of any public infrastructure on or off of the Property (active, inactive or abandoned), the suitability of the Property for desired uses or the existence or absence of Hazardous Substances and with full knowledge of the physical condition of the Property, the nature of Seller's interest in and use of the Property, all laws applicable to the Property and any and all conditions, covenants, restrictions, encumbrances and all matters of record relating to the Property. The Close of Escrow shall also constitute Buyer's representation and warranty to Seller that: (a) Buyer has had ample opportunity to inspect and evaluate the Property and the feasibility of the uses and activities Buyer is entitled to conduct on the Property in accordance with this Agreement; (b) Buyer is experienced in real estate development or will retain professionals who are; (c) Buyer is relying entirely on Buyer's experience, expertise and its own inspection of the Property in its current state in proceeding with acquisition of the Property; (d) Buyer accepts the Property in its present condition; (e) to the extent that Buyer's own expertise with respect to any matter regarding the Property is insufficient to enable Buyer to reach an informed conclusion regarding such matter, Buyer has engaged the services of Persons qualified to advise Buyer with respect to such matters; (f) Buyer has received assurances acceptable to Buyer by means independent of Seller or Seller's agents of the truth of all facts material to Buyer's acquisition of the Property pursuant to this Agreement; and (g) the Property is being acquired by Buyer as a result of Buyer's own knowledge, inspection and investigation of the Property and not as a result of any representation made by Seller or Seller's agents relating to the condition of the Property. Seller

hereby expressly and specifically disclaims any express or implied warranties regarding the Property.

2.6 Release of Seller.

2.6.1 **Buyer Waiver and Release of Claims.** AT THE CLOSE OF ESCROW, BUYER WAIVES AND RELEASES SELLER AND ITS REPRESENTATIVES FROM ALL CLAIMS RELATING TO THE PHYSICAL OR TITLE CONDITION OF THE PROPERTY AS OF THE CLOSE OF ESCROW, WHETHER KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, EXCEPT AS EXPRESSLY SET FORTH IN SECTION **Error! Reference source not found.** WITH RESPECT TO THE WAIVERS AND RELEASES CONTAINED IN THIS SECTION 2.6.1, BUYER WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 AND ALL SIMILAR STATUTES, PROVISIONS OR PRINCIPLES OF LAW. CALIFORNIA CIVIL CODE SECTION 1542 PROVIDES:

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.

Initials of Authorized
Buyer's Representative

3. **JOINT ESCROW INSTRUCTIONS**

3.1 Opening of Escrow; Escrow Instructions. The conveyance of title to the Property from Seller to Buyer shall take place through the Escrow to be administered by Escrow Agent. Buyer shall cause the Escrow to be opened within five (5) calendar days following Buyer's receipt of Notice of the occurrence of the Effective Date. Escrow Agent shall promptly confirm the Escrow Opening Date in writing to each of the Parties.

3.2 Escrow Instructions. This Section 3 constitutes the joint escrow instructions of the Parties to Escrow Agent for conduct of the Escrow for the conveyance of title to the Property, as contemplated by this Agreement. Buyer and Seller shall sign such further escrow instructions consistent with the provisions of this Agreement as may be reasonably requested by Escrow Agent. In the event of any conflict between the provisions of this Agreement and any further escrow instructions requested by Escrow Agent, the provisions of this Agreement shall control. Escrow Agent shall only proceed to close the Escrow after Escrow Agent receives approved Escrow Closing Statements from both Seller and Buyer.

3.3 Escrow Agent Authority. Seller and Buyer authorize Escrow Agent to:

3.3.1 **Charges.** Pay and charge Seller and Buyer for their respective shares of the applicable fees, taxes, charges and costs payable by either Seller or Buyer regarding the Escrow;

3.3.2 **Settlement/Closing Statements.** Release each Party's Escrow Closing Statement to the other Party;

3.3.3 **Document Recording.** File any documents delivered for recording through the Escrow with the office of the Recorder of the County for recordation in the official records of the County, pursuant to the joint instructions of the Parties; and

3.3.4 **Counterpart Documents.** Utilize documents signed by Seller or Buyer in counterparts, including attaching separate signature pages to one version of the same document.

3.4 **Buyer's Conditions Precedent to Close of Escrow.** Provided that the failure of any such condition to be satisfied is not due to a Default under this Agreement by Buyer, Buyer's obligation to accept conveyance of title to the Property from Seller through the Escrow shall be conditioned upon the satisfaction or waiver (waivers must be in writing and signed by Buyer) of each of the following conditions precedent prior to the Outside Closing Date:

3.4.1 **Title Policy.** Title Company is committed to issue the Buyer Title Policy to Buyer upon payment of Title Company's premium for such policy;

3.4.2 **Due Diligence.** Buyer timely delivers its Due Diligence Completion Notice to Seller stating Buyer's unconditional acceptance of the condition of the Property, in accordance with Section 2.4;

3.4.3 **Seller Escrow Deposits.** Seller deposits all of the items into Escrow required by Section 3.7; and

3.4.4 **Seller Pre-Closing Obligations.** Seller performs all of its material obligations required to be performed by Seller pursuant to this Agreement prior to the Close of Escrow.

3.5 **Seller Conditions Precedent to Close of Escrow.** Provided that the failure of any such condition to be satisfied is not due to a Default under this Agreement by Seller, Seller's obligation to convey title to the Property to Buyer through the Escrow shall be conditioned upon the satisfaction or waiver (waivers must be in writing and signed by Seller) of each of the following conditions precedent prior to the Outside Closing Date:

3.5.1 **Title.** Buyer accepts the state of the title to the Property, in accordance with Section 2.3;

3.5.2 **Due Diligence.** Buyer timely delivers its Due Diligence Completion Notice to both Seller and Escrow Agent stating Buyer's unconditional acceptance of the condition of the Property, in accordance with Section 2.4;

3.5.3 **Buyer Escrow Deposits.** Buyer deposits all of the items into Escrow required by Section 3.6;

3.5.4 **Buyer Pre-Closing Obligations.** Buyer performs all of its material obligations required to be performed by Buyer pursuant to this Agreement prior to Close of Escrow; and

3.5.5 **LRPMP.** The California Department of Finance has approved Seller's Long Range Property Management Plan or has authorized the sale of the Property from Seller to Buyer pursuant to this Agreement.

3.6 **Buyer's Escrow Deposits.** Buyer shall deposit the following items into Escrow and, concurrently, provide a copy of each document deposited into Escrow to Seller, at least one (1) Business Day prior to the Close of Escrow:

3.6.1 **Closing Funds.** All monetary amounts required to be deposited into Escrow by Buyer under the terms of this Agreement to close the Escrow, including the Purchase Price, all in immediately available funds;

3.6.2 **Certificate of Acceptance.** The Certificate of Acceptance attached to the Seller Deed signed by the authorized representative(s) of Buyer in recordable form;

3.6.3 **Escrow Closing Statement.** Buyer's Escrow Closing Statement signed by the authorized representative(s) of Buyer;

3.6.4 **Other Reasonable Items.** Any other documents or funds required to be delivered by Buyer under the terms of this Agreement or as otherwise reasonably requested by Escrow Agent or Title Company in order to close the Escrow that have not previously been delivered by Buyer.

3.7 **Seller's Escrow Deposits.** Seller shall deposit the following items into Escrow and, concurrently, provide a copy of each document deposited into Escrow to Buyer, at least one (1) Business Day prior to the Close of Escrow:

3.7.1 **Closing Funds.** All monetary amounts required to be deposited into Escrow by Seller under the terms of this Agreement to close the Escrow, all in immediately available funds;

3.7.2 **Seller Deed.** The Seller Deed signed by the authorized representative(s) of Seller in recordable form;

3.7.3 **Escrow Closing Statement.** Seller's Escrow Closing Statement signed by the authorized representative(s) of Seller;

3.7.4 **FIRPTA Affidavit.** A FIRPTA affidavit signed by the authorized representative(s) of Seller, in the customary form used by the Escrow Agent;

3.7.5 **Form 593.** A Form 593 signed by the authorized representative(s) of Seller; and

3.7.6 **Other Reasonable Items.** Any other documents or funds required to be delivered by Seller under the terms of this Agreement or as otherwise reasonably requested by Escrow Agent or Title Company in order to close the Escrow that have not been previously delivered by Seller.

3.8 **Closing Procedure.** When each of Buyer's Escrow deposits, as set forth in Section 3.6, and each of Seller's Escrow deposits, as set forth in Section 3.7, are deposited into Escrow, Escrow Agent shall request confirmation in writing from both Buyer and Seller that each of their respective conditions precedent to the Close of Escrow, as set forth in Sections 3.4 and 3.5, respectively, are satisfied or waived. Within three (3) Business Days after Escrow Agent receives written confirmation from both Seller and Buyer that each of their respective conditions precedent to the Close of Escrow are satisfied or waived, Escrow Agent shall close the Escrow by doing all of the following:

3.8.1 **Recordation and Distribution of Documents.** Escrow Agent shall cause the following documents to be filed with the office of the Recorder of the County for recording in the official records of the County in the following order of priority at Close of Escrow: (a) the Seller Deed, with Buyer's Certificate of Acceptance attached; and (b) any other documents to be recorded through Escrow upon the written joint instructions of the Parties. At Close of Escrow, Escrow Agent shall deliver conformed copies of all documents filed for recording in the official records of the County through the Escrow to Seller, Buyer and any other Person designated in the written joint escrow instructions of the Parties to receive an original or conformed copy of each such document. Each conformed copy of a document filed for recording shall show all recording information. The Parties intend and agree that this Section 3.8.1 shall establish the relative priorities of the documents to be recorded in the official records of the County through the Escrow, by providing for recordation of senior interests prior in order and time to junior interests, in the order provided in this Section 3.8.1;

3.8.2 **Distribution of Other Documents.** Escrow Agent shall deliver copies of all documents to be delivered through the Escrow that are not filed for recording to the Parties and any other Person designated in the written joint escrow instructions of the Parties to receive an original or copy of each such document.

3.8.3 **Funds.** Distribute all funds held by the Escrow Agent pursuant to the Escrow Closing Statements approved in writing by Seller and Buyer.

3.8.4 **FIRPTA Affidavit.** File the FIRPTA Affidavit with the United States Internal Revenue Service;

3.8.5 **Form 593.** File the Form 593 with the California Franchise Tax Board; and

3.8.6 **Title Policy.** Obtain and deliver to Buyer the Buyer Title Policy issued by the Title Company.

3.9 **Close of Escrow.** The Close of Escrow shall occur on or before the Outside Closing Date. The Parties may mutually agree to change the Outside Closing Date by joint written instruction to Escrow Agent. If for any reason (other than a Default or Event of Default by such Party) the Close of Escrow has not occurred on or before the Outside Closing Date, then any Party not then in Default under this Agreement may cancel the Escrow and terminate this Agreement upon seven (7) calendar days advance Notice, in their respective sole and absolute discretion, without liability to the other Party or any other Person for such cancellation and termination, by delivering Notice of termination to both the other Party and Escrow Agent. Following any such Notice of termination of this Agreement and cancellation of the Escrow, the

Parties and Escrow Agent shall proceed pursuant to Section 3.12. Without limiting the right of either Party to cancel the Escrow and terminate this Agreement, pursuant to this Section 3.9, if the Escrow does not close on or before the Outside Closing Date and neither Party has exercised its contractual right to cancel the Escrow and terminate this Agreement under this Section 3.9 before the first date on which Escrow Agent Notifies both Parties that Escrow is in a position to close in accordance with the terms and conditions of this Agreement, then the Escrow shall close as soon as reasonably possible following the first date on which Escrow Agent Notifies both Parties that Escrow is in a position to close in accordance with the terms and conditions of this Agreement.

3.10 Escrow Costs. Escrow Agent shall notify Buyer and Seller of the costs to be borne by each of them at the Close of Escrow by delivering an Escrow Closing Statement to each Seller and Buyer at least two (2) Business Days prior to the Close of Escrow. Seller and Buyer shall each pay one-half (1/2) of the premium charged by the Title Company for the basic Buyer Title Policy. Buyer shall be solely responsible for all costs of or premiums for issuance of any endorsements or other supplements to the coverage of the Buyer Title Policy that may be requested by Buyer. Seller and Buyer shall each pay one-half (1/2) of the fees and other costs that the Escrow Agent may charge for conducting the Escrow. Buyer shall pay any and all recording fees, documentary transfer taxes and any and all other charges, fees and taxes levied by a Government relative to the conveyance of the Property through the Escrow.

3.11 Escrow Cancellation Charges. If the Escrow fails to close due to Seller's Default under this Agreement, Seller shall pay all ordinary and reasonable Escrow and title order cancellation charges charged by Escrow Agent or Title Company, respectively. If the Escrow fails to close due to Buyer's Default under this Agreement, Buyer shall pay all ordinary and reasonable Escrow and title order cancellation charges charged by Escrow Agent or Title Company, respectively. If the Escrow fails to close for any reason other than the Default of either Buyer or Seller, Buyer and Seller shall each pay one-half (1/2) of any ordinary and reasonable Escrow and title order cancellation charges charged by Escrow Agent or Title Company, respectively.

3.12 Escrow Cancellation. If this Agreement is terminated pursuant to a contractual right granted to a Party in this Agreement to terminate this Agreement (other than due to an Event of Default by the other Party), the Parties shall do all of the following:

3.12.1 **Cancellation Instructions.** The Parties shall, within three (3) Business Days following Escrow Agent's written request, sign any reasonable Escrow cancellation instructions requested by Escrow Agent and deliver such signed Escrow cancellation instructions to Escrow Agent;

3.12.2 **Return of Funds and Documents.** Within ten (10) Business Days following receipt by the Parties of a settlement statement of Escrow and title order cancellation charges (if any) from Escrow Agent or within twenty (20) calendar days following Notice of Termination, whichever is earlier: (a) Buyer or Escrow Agent, respectively, shall return to Seller all documents previously delivered by Seller to Buyer or Escrow Agent regarding the Escrow; (b) Seller or Escrow Agent, respectively, shall return to Buyer all documents previously delivered by Buyer to Seller or Escrow Agent regarding the Escrow; (c) Escrow Agent shall, except as otherwise provided for in this Agreement, return to Buyer all funds deposited in Escrow by Buyer, less Buyer's share of customary and reasonable Escrow

and title order cancellation charges (if any) in accordance with Section 3.11; and (d) Escrow Agent shall, except as otherwise provided in this Agreement, return to Seller all funds deposited in Escrow by Seller, less Seller's share of customary and reasonable Escrow and title order cancellation charges (if any) in accordance with Section 3.11.

3.13 Report to IRS. After the Close of Escrow and prior to the last date on which such report is required to be filed with the Internal Revenue Service under applicable Federal law, if such report is required pursuant to Internal Revenue Code Section 6045(e), Escrow Agent shall report the gross proceeds of the conveyance of the Property pursuant to this Agreement to the Internal Revenue Service on Form 1099-B, W-9 or such other form(s) as may be specified by the Internal Revenue Service pursuant to Internal Revenue Code Section 6045(e). Concurrently with the filing of such reporting form with Internal Revenue Service, Escrow Agent shall deliver a copy of the filed form to both Seller and Buyer.

3.14 Condemnation. If Seller receives written notice that all or any portion of the Property or any interest in any portion of the Property becomes the subject of any eminent domain proceeding after the Effective Date and prior to Close of Escrow, including the filing of any notice of intended condemnation or proceedings in the nature of eminent domain commenced by any Government, Seller shall give Notice to Buyer of such occurrence. Buyer shall have the option to either: (a) proceed with the Close of Escrow, in which case this Agreement shall continue in full force and effect in accordance with its terms and at the Close of Escrow, Seller shall pay to Buyer any condemnation award attributable to the Property that is paid to Seller after the Effective Date and prior to the Close of Escrow or assign to Buyer any and all rights of Seller to receive any condemnation award attributable to the Property that is to be paid after the Close of Escrow; or (b) Buyer may terminate this Agreement by Notice to Seller thirty (30) calendar days in advance of the effective date of such termination.

4. REPRESENTATIONS AND WARRANTIES OF THE PARTIES

4.1 Representations and Warranties by Buyer. Buyer makes the following representations, covenants and warranties as of the Effective Date and acknowledges that the execution of this Agreement by Seller is made in material reliance by Seller on such covenants, representations and warranties of Buyer:

4.1.1 Buyer has taken all requisite action and obtained all requisite consents in connection with entering into this Agreement, such that this Agreement is valid and enforceable against Buyer in accordance with its terms and each instrument to be executed by Buyer pursuant to or in connection with this Agreement will, when executed, be valid and enforceable against Buyer in accordance with its terms. No approval, consent, order or authorization of, or designation or declaration of any other person, is required in connection with the valid execution, delivery or performance of this Agreement by Buyer.

4.1.2 Buyer is aware of and acknowledges that building permits may not be issued on Delhi Sands Flower-loving Fly habitat until the City of Colton acquires approximately twenty (20) acres of Fly habitat for long-term conservation purposes.

4.1.3 Buyer is aware of and acknowledges that Buyer, and or any subsequent party responsible for development of Cal Med, may be subject to development

impact fees associated with implementation of the West Valley Habitat Management Plan and Incidental Take Permit No. TEA49164B-0.

4.1.4 If Buyer becomes aware of any act or circumstance that would change or render incorrect, in whole or in part, any representation or warranty made by Buyer under this Agreement, whether as of the date given or any time thereafter, whether or not such representation or warranty was based upon Buyer's knowledge and/or belief as of a certain date, Buyer will give immediate written notice of such changed fact or circumstance to Seller.

4.2 Representations and Warranties by Seller. Seller makes the following representations, covenants and warranties as of the Effective Date and acknowledges that the execution of this Agreement by Buyer is made in material reliance by Buyer on such covenants, representations and warranties of Seller:

4.2.1 To Seller's knowledge, Seller is not aware that the Property is in violation of any federal, state, county or municipal law, ordinance, order, regulation or other requirement.

4.2.2 To Seller's knowledge, there is no existing or threatened litigation or claims made related to the Property.

4.2.3 If Seller is in possession of any documents related to the Property which are being provided to Buyer, to Seller's knowledge those documents are true, correct and complete copies of what they purport to be.

4.2.4 Seller is not aware of any Hazardous Substances located on, under or about the Property.

5. **REMEDIES, INDEMNITY AND TERMINATION**

5.1 PRE-CLOSING LIQUIDATED DAMAGES TO SELLER. UPON THE OCCURRENCE OF AN EVENT OF DEFAULT BY BUYER UNDER THIS AGREEMENT PRIOR TO THE CLOSE OF ESCROW, SELLER MAY CANCEL THE ESCROW, PURSUANT TO SECTION 3.12, AND TERMINATE THIS AGREEMENT. UPON CANCELLATION OF THE ESCROW AND TERMINATION OF THIS AGREEMENT, SELLER SHALL BE RELIEVED OF ANY OBLIGATION OF SELLER UNDER THIS AGREEMENT TO SELL OR CONVEY THE PROPERTY TO BUYER. ANY SUCH ESCROW CANCELLATION AND TERMINATION OF THIS AGREEMENT SHALL BE WITHOUT ANY LIABILITY OF SELLER TO BUYER OR ANY OTHER PERSON ARISING FROM SUCH ACTION. SELLER AND BUYER ACKNOWLEDGE THAT IT IS EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN THE AMOUNT OF DAMAGES THAT WOULD BE SUFFERED BY SELLER, IN THE EVENT OF A CANCELLATION OF THE ESCROW AND TERMINATION OF THIS AGREEMENT DUE TO THE OCCURRENCE OF AN EVENT OF DEFAULT BY BUYER UNDER THIS AGREEMENT, PRIOR TO THE CLOSE OF ESCROW. HAVING MADE DILIGENT BUT UNSUCCESSFUL ATTEMPTS TO ASCERTAIN THE ACTUAL DAMAGES SELLER WOULD SUFFER, IN THE EVENT OF A CANCELLATION OF THE ESCROW AND TERMINATION OF THIS AGREEMENT DUE TO THE OCCURRENCE OF AN EVENT OF DEFAULT BY BUYER UNDER THIS AGREEMENT PRIOR TO THE CLOSE OF

ESCROW, SELLER AND BUYER AGREE THAT A REASONABLE ESTIMATE OF SELLER'S DAMAGES IN SUCH EVENT IS THE AMOUNT OF THE DEPOSIT. THEREFORE, UPON THE CANCELLATION OF THE ESCROW AND TERMINATION OF THIS AGREEMENT BY SELLER DUE TO THE OCCURRENCE OF AN EVENT OF DEFAULT BY BUYER UNDER THIS AGREEMENT PRIOR TO THE CLOSE OF ESCROW, THE ESCROW AGENT SHALL IMMEDIATELY CANCEL THE ESCROW AND PROMPTLY DELIVER THE DEPOSIT TO SELLER. RECEIPT OF THE DEPOSIT SHALL BE SELLER'S SOLE AND EXCLUSIVE REMEDY UPON THE CANCELLATION OF THE ESCROW AND TERMINATION OF THIS AGREEMENT DUE TO THE OCCURRENCE OF AN EVENT OF DEFAULT BY BUYER UNDER THIS AGREEMENT, PRIOR TO THE CLOSE OF ESCROW.

Initials of Authorized
Seller Representative

Initials of Authorized
Buyer Representative

5.2 BUYER'S REMEDIES PRIOR TO CLOSE OF ESCROW.

5.2.1 **LIMITATION ON REMEDIES.** DURING THE CONTINUANCE OF AN EVENT OF DEFAULT BY SELLER UNDER THIS AGREEMENT PRIOR TO THE CLOSE OF ESCROW THAT PREVENTS BUYER FROM ACQUIRING TITLE TO THE PROPERTY, BUYER SHALL BE LIMITED TO THE REMEDY OF TERMINATION OF THIS AGREEMENT OR SPECIFIC PERFORMANCE. HOWEVER, THE REMEDY OF SPECIFIC PERFORMANCE SHALL ONLY BE AVAILABLE FOR AN EVENT OF DEFAULT CAUSED DIRECTLY BY THE SELLER AND NOT FOR MATTERS OUTSIDE OF THE SELLER'S CONTROL SUCH AS THE REQUIRED APPROVAL OF THIS AGREEMENT BY THE OVERSIGHT BOARD TO THE SELLER OR THE CALIFORNIA DEPARTMENT OF FINANCE. UNDER NO CIRCUMSTANCES SHALL SELLER BE LIABLE TO BUYER UNDER THIS AGREEMENT FOR COSTS OR ANY SPECULATIVE, CONSEQUENTIAL, COLLATERAL, SPECIAL, PUNITIVE OR INDIRECT DAMAGES OR FOR ANY LOSS OF PROFITS SUFFERED OR CLAIMED TO HAVE BEEN SUFFERED BY BUYER.

5.2.2 **WAIVER OF RIGHTS.** BUYER ACKNOWLEDGES AND AGREES THAT SELLER WOULD NOT HAVE ENTERED INTO THIS AGREEMENT IF SELLER WERE TO BE LIABLE TO BUYER FOR ANY MONETARY DAMAGES, MONETARY RECOVERY OR ANY OTHER REMEDY DURING THE CONTINUANCE OF AN EVENT OF DEFAULT UNDER THIS AGREEMENT BY SELLER PRIOR TO THE CLOSE OF ESCROW THAT PREVENTS BUYER FROM ACQUIRING TITLE TO THE PROPERTY, OTHER THAN TERMINATION OF THIS AGREEMENT (INCLUDING CANCELLATION OF THE ESCROW) OR SPECIFIC PERFORMANCE IN THE EVENT THE DEFAULT IS CAUSE DIRECTLY BY THE SELLER. ACCORDINGLY, SELLER AND BUYER AGREE THAT THE REMEDIES SPECIFICALLY PROVIDED FOR IN SECTION 5.2.1 ARE REASONABLE AND SHALL BE BUYER'S SOLE AND EXCLUSIVE RIGHTS AND REMEDIES DURING THE CONTINUANCE OF AN EVENT OF DEFAULT UNDER THIS AGREEMENT BY SELLER PRIOR TO THE CLOSE OF ESCROW THAT PREVENTS BUYER FROM ACQUIRING TITLE TO THE PROPERTY. BUYER WAIVES ANY RIGHT TO PURSUE ANY REMEDY OR DAMAGES OTHER THAN THOSE

SPECIFICALLY PROVIDED IN SECTION 5.2.1 REGARDING AN SELLER EVENT OF DEFAULT PRIOR TO THE CLOSE OF ESCROW THAT PREVENTS BUYER FROM ACQUIRING TITLE TO THE PROPERTY.

5.2.3 STATEMENT OF INTENT. CALIFORNIA CIVIL CODE SECTION 1542 NOTWITHSTANDING, IT IS THE INTENTION OF BUYER TO BE BOUND BY THE LIMITATION ON DAMAGES AND REMEDIES SET FORTH IN THIS SECTION 5.2, AND BUYER HEREBY RELEASES ANY AND ALL CLAIMS AGAINST SELLER FOR MONETARY DAMAGES, MONETARY RECOVERY OR OTHER LEGAL OR EQUITABLE RELIEF RELATED TO ANY EVENT OF DEFAULT UNDER THIS AGREEMENT PRIOR TO THE CLOSE OF ESCROW, WHETHER OR NOT ANY SUCH RELEASED CLAIMS WERE KNOWN OR UNKNOWN TO BUYER AS OF THE EFFECTIVE DATE OF THIS AGREEMENT.

5.2.4 CIVIL CODE SECTION 1542 WAIVER. BUYER ACKNOWLEDGES THE PROTECTIONS OF CIVIL CODE SECTION 1542 RELATIVE TO THE WAIVERS AND RELEASES CONTAINED IN THIS SECTION 5.2, WHICH CIVIL CODE SECTION READS AS FOLLOWS:

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.

5.2.5 ACKNOWLEDGMENT. BY INITIALING BELOW, BUYER KNOWINGLY AND VOLUNTARILY WAIVES THE PROVISIONS OF SECTION 1542 AND ALL OTHER STATUTES AND JUDICIAL DECISIONS (WHETHER STATE OR FEDERAL) OF SIMILAR EFFECT SOLELY IN CONNECTION WITH THE WAIVERS AND RELEASES CONTAINED IN THIS SECTION 5.2.

Initials of Authorized
Buyer Representative

5.3 Legal Actions. Either Party may institute legal action, at law or in equity, to enforce or interpret the rights or obligations of the Parties under this Agreement or recover damages, including reasonable attorney fees, subject to the provisions of Section 5.1.

5.4 Rights and Remedies are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties set forth in this Agreement are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by such Party, at the same or different times, of any other rights or remedies for the same Default or the same rights or remedies for any other Default by the other Party.

5.5 Indemnification.

5.5.1 Seller Indemnity Obligations. Seller shall Indemnify Buyer Parties against any Claim to the extent such Claim arises from any wrongful intentional act or negligence of Seller Parties, but only to the extent that Seller may be held liable under applicable law for such wrongful intentional act or negligence and exclusive of any violation of law (including the State Constitution) relating to Seller's approval, entry into or performance of this Agreement. Nothing in this Agreement is intended nor shall be interpreted to waive any limitation on Seller's liability, any exemption from liability in favor of Seller, any claim presentment requirement for bringing an action regarding any liability of Seller or any limitations period applicable to liability of Seller, all as set forth in Government Code Sections 800 *et seq.*, Sections 900 *et seq.*, or in any other Law, or require Seller to Indemnify any Person beyond such limitations on Seller's liability.

5.5.2 Buyer Indemnity Obligations. Buyer shall Indemnify Seller Parties against any Claim to the extent such Claim arises from: (a) any wrongful intentional act or negligence of Buyer Parties; (b) any Claims relating to Due Diligence Investigations; (c) any Application made by or at Buyer's request; (d) any agreements that Buyer (or anyone claiming by or through Buyer) makes with a Third Person regarding the Property; (e) any Claim arising from or related to the California Labor Code; or (f) any Environmental Claim regarding future projects on the Property unless such Environmental Claim arises from the acts of Seller Parties, the Property or attributable to any action or failure to act by Buyer Parties.

5.5.3 Survival of Indemnification and Defense Obligations. The indemnity and defense obligations of the Parties under this Agreement shall survive the expiration or earlier termination of this Agreement, until any and all actual or prospective Claims regarding any matter subject to an indemnity obligation under this Agreement are fully, finally, absolutely and completely barred by applicable statutes of limitations.

5.5.4 Indemnification Procedures. Wherever this Agreement requires any Indemnitor to Indemnify any Indemnitee:

(a) *Prompt Notice.* The Indemnitee shall promptly Notify the Indemnitor of any Claim.

(b) *Selection of Counsel.* The Indemnitor shall select counsel reasonably acceptable to the Indemnitee. Counsel to Indemnitor's insurance carrier that is providing coverage for a Claim shall be deemed reasonably satisfactory, except in the event of a potential or actual conflict of interest for such counsel regarding such representation or such counsel proves to be incompetent regarding such representation. Even though the Indemnitor shall defend the Claim, Indemnitee may, at Indemnitee's option and expense (except in a situation where the Indemnitor is defending Indemnitee under a reservation of rights, in which situation the Indemnitor shall pay for such separate counsel), engage separate counsel to advise it regarding the Claim and its defense. The Indemnitee's separate counsel may attend all proceedings and meetings. The Indemnitor's counsel shall actively consult with the Indemnitee's separate counsel.

(c) *Cooperation.* The Indemnitee shall reasonably cooperate with the Indemnitor's defense of the Indemnitee.

(d) *Settlement.* The Indemnitor may only settle a Claim with the consent of the Indemnitee. Any settlement shall procure a release of the Indemnitee from the subject Claims, shall not require the Indemnitee to make any payment to the claimant and shall provide that neither the Indemnitee nor the Indemnitor on behalf of Indemnitee admits any liability.

6. GENERAL PROVISIONS

6.1 Incorporation of Recitals. The Recitals of fact set forth preceding this Agreement are true and correct and are incorporated into this Agreement in their entirety by this reference.

6.2 Notices, Demands and Communications Between the Parties. Any and all Notices submitted by any Party to the other Party pursuant to or as required by this Agreement shall be proper, if in writing and sent by messenger for immediate personal delivery, nationally recognized overnight (one Business Day) courier (i.e., United Parcel Service, Federal Express, etc.) or by registered or certified United States mail, postage prepaid, return receipt requested, to the address of the recipient Party, as designated below in this Section 6.2. Notices may be sent in the same manner to such other addresses as either Party may from time to time designate by Notice in accordance with this Section 6.2. Notice shall be deemed received by the addressee, regardless of whether or when any return receipt is received by the sender or the date set forth on such return receipt, on the day that the Notice is sent by messenger for immediate personal delivery, one Business Day after delivery to a nationally recognized overnight carrier or two (2) calendar days after the Notice is placed in the United States mail in accordance with this Section 6.2. Any attorney representing a Party may give any Notice on behalf of such Party. The Notice addresses for the Parties, as of the Effective Date, are as follows:

To Buyer: California University of Science and Medicine
400 N. Pepper Ave., MOB, Suite 308
Colton, CA 92324
Attn: Dr. Dev A. GnanaDev, President

With Copy To: Fullerton, Lemann, Schaefer, & Dominick, LLP
215 North D Street, First Floor Suite 100
San Bernardino, CA 92401
Attn: Aric M. Davison, Esq.

To Seller: Successor Agency to the Redevelopment
Agency for the City of Colton
650 N. La Cadena Drive
Colton, CA 92324
Attention: Executive Director

With Copy to: Best Best & Krieger LLP
500 Capitol Mall, Suite 1700
Sacramento, CA 95814
Attn: Sigrid K. Asmundson

6.3 Relationship of Parties. The Parties each intend and agree that Seller and Buyer are independent contracting entities and do not intend by this Agreement to create any

partnership, joint venture, or similar business arrangement, relationship or association between them.

6.4 Calculation of Time Periods. Unless otherwise specified, all references to time periods in this Agreement measured in days shall be to consecutive calendar days, all references to time periods in this Agreement measured in months shall be to consecutive calendar months and all references to time periods in this Agreement measured in years shall be to consecutive calendar years. Any reference to Business Days in this Agreement shall mean consecutive Business Days.

6.5 Principles of Interpretation. No inference in favor of or against any Party shall be drawn from the fact that such Party has drafted any part of this Agreement. The Parties have both participated substantially in the negotiation, drafting and revision of this Agreement, with advice from legal and other counsel and advisers of their own selection. A word, term or phrase defined in the singular in this Agreement may be used in the plural, and vice versa, all in accordance with ordinary principles of English grammar, which shall govern all language in this Agreement. The words “include” and “including” in this Agreement shall be construed to be followed by the words: “without limitation.” Each collective noun in this Agreement shall be interpreted as if followed by the words “(or any part of it),” except where the context clearly requires otherwise. Every reference to any document, including this Agreement, refers to such document, as modified from time to time (excepting any modification that violates this Agreement), and includes all exhibits, schedules, addenda and riders to such document. The word “or” in this Agreement includes the word “and.” Every reference to a law, statute, regulation, order, form or similar governmental requirement refers to each such requirement as amended, modified, renumbered, superseded or succeeded, from time to time.

6.6 Governing Law. The procedural and substantive laws of the State shall govern the interpretation and enforcement of this Agreement, without application of conflicts of laws principles. The Parties acknowledge and agree that this Agreement is entered into, is to be fully performed in and relates to real property located in the County. All legal actions arising from this Agreement shall be filed in the Superior Court of the State in and for the County or in the United States District Court with jurisdiction in the County.

6.7 Parties to the Agreement. The Parties to this Agreement are Seller and Buyer. The City is not a Party to this Agreement.

6.8 Unavoidable Delay; Extension of Time of Performance.

6.8.1 **Notice.** Subject to any specific provisions of this Agreement stating that they are not subject to Unavoidable Delay or otherwise limiting or restricting the effects of an Unavoidable Delay (if any), performance by either Party under this Agreement shall not be deemed or considered to be in Default, where any such Default is due to the occurrence of an Unavoidable Delay. Any Party claiming an Unavoidable Delay shall Notify the other Party: (a) within twenty (20) days after such Party knows of any such Unavoidable Delay; and (b) within ten (10) days after such Unavoidable Delay ceases to exist. To be effective, any Notice of an Unavoidable Delay must describe the Unavoidable Delay in reasonable detail. The Party claiming an extension of time to perform due to an Unavoidable Delay shall exercise reasonable efforts to cure the condition causing the Unavoidable Delay, within a reasonable time.

6.9 Real Estate Commissions. Each Party: (a) represents and warrants that the Party did not engage or deal with any broker or finder in connection with this Agreement and no Person is entitled to any commission or finder's fee regarding this Agreement or conveyance of all or any portion of the Property from Seller to Buyer on account of any agreement or arrangement made by such Party; and (b) shall Indemnify the other Party against any breach of the representation and warranty set forth in clause "(a)" of this Section 6.9.

6.10 No Third-Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any Person other than the Parties and their respective permitted successors and assigns, nor is anything in this Agreement intended to relieve or discharge any obligation of any Third Person to any Party or give any Third Person any right of subrogation or action over or against any Party.

6.11 Buyer Assumption of Risks of Legal Challenges. Buyer assumes the risk of delays or damages that may result to Buyer from any Third Person legal actions related to Seller's approval of this Agreement or any associated Approvals, unless caused by the error, omission or abuse of discretion by Seller. If a Third Person files a legal action regarding Seller's approval of this Agreement or any associated Approval (exclusive of legal actions alleging violation of Government Code Section 1090 by elected officials of Seller), Buyer shall have the option to either: (a) cancel the Escrow and terminate this Agreement, in which case the Parties and the Escrow Agent shall proceed in accordance with Section 3.12; or (b) Indemnify Seller against such Third Person legal action, including all Legal Costs, monetary awards, sanctions, attorney fee awards, expert witness and consulting fees, and the expenses of any and all financial or performance obligations resulting from the disposition of the legal action; provided, however, that option "(a)" under this Section 6.11 shall only be available to Buyer prior to the Close of Escrow. Should Buyer fail to Notify Seller of Buyer's election pursuant to this Section 6.11 at least fifteen (15) days before response to the legal action is required by Seller, Buyer shall be deemed to have elected to cancel the Escrow and terminate this Agreement pursuant to this Section 6.11. If Buyer is deemed to have elected to cancel the Escrow and terminate this Agreement pursuant to this Section 6.11 and Buyer does not send Notice of cancellation of the Escrow to Escrow Agent and Seller and Notice of termination of this Agreement to Seller within ten (10) calendar days following such event, then Seller shall have the right to terminate this Agreement and cancel the Escrow by sending Notice of cancellation of the Escrow to Escrow Agent and Buyer and Notice of termination of this Agreement to Buyer, without liability to Buyer or any other Person. Seller shall reasonably cooperate with Buyer in defense of Seller in any legal action subject to this Section 6.11, subject to Buyer performing Buyer's indemnity obligations for such legal action. Nothing contained in this Section 6.11 is intended to be nor shall be deemed or construed to be an express or implied admission that Seller may be liable to Buyer or any other Person for damages or other relief regarding any alleged or established failure of Seller to comply with any Law. Any legal action that is subject to this Section 6.11 (including any appeal periods and the pendency of any appeals) shall constitute an Unavoidable Delay and the time periods for performance by either Party under this Agreement may be extended pursuant to the provisions of this Agreement regarding Unavoidable Delay.

6.12 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, executors, administrators, legal representatives, successors and assigns.

6.13 Entire Agreement. This Agreement integrates all of the terms, conditions and exhibits mentioned in this Agreement or incidental to this Agreement, and supersedes all negotiations or previous agreements between the Parties with respect to all or any portion of the Property.

6.14 Waivers and Amendments. All waivers of the provisions of this Agreement must be in writing and signed by the authorized representative(s) of the Party making the waiver. All amendments to this Agreement must be in writing and signed by the authorized representative(s) of both Seller and Buyer. Failure to insist on any one occasion upon strict compliance with any term, covenant, condition, restriction or agreement contained in this Agreement shall not be deemed a waiver of such term, covenant, condition, restriction or agreement, nor shall any waiver or relinquishment of any rights or powers under this Agreement, at any one time or more times, be deemed a waiver or relinquishment of such right or power at any other time or times.

6.15 Executive Director Authority. The Executive Director is hereby authorized by Seller to issue approvals, interpretations or waivers and enter into amendments to this Agreement on behalf of Seller. If any actions shall require the consideration and approval of Seller, then if the Executive Director determines, in his or her reasonable discretion, that such action is in compliance with this Agreement, the Executive Director shall diligently and expeditiously work to obtain such approvals. Nothing in this Section 6.15 shall restrict the submission to Seller of any matter within the Executive Director's authority under this Section 6.15, in the Executive Director's sole and absolute discretion, to obtain Seller authorization on such matter. The specific intent of this Section 6.15 is to authorize certain actions on behalf of Seller by the Executive Director, but not to require that such actions be taken by the Executive Director, without consideration by Seller.

6.16 Counterparts; Electronic Signatures. This Agreement may be signed in counterpart originals, each of which is deemed to be an original. Signatures delivered by facsimile or electronic means shall be binding as originals upon the Party so signing and delivering; provided, however, that original signature(s) of each Party shall be required for each document to be recorded.

[Signatures on following page]

**SIGNATURE PAGE
TO
REAL PROPERTY PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS
(Cal Med)**

IN WITNESS WHEREOF, the Parties have signed and entered into this Agreement by and through the signatures of their respective authorized representative(s) as follow:

SELLER:

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE
CITY OF COLTON, a public body, corporate
and politic

By: _____
Richard De La Rosa
Chairperson

Attest:

By: _____
Carolina R. Padilla
Secretary to the Board

Approved as to form:

BEST BEST & KRIEGER LLP

By: _____
General Counsel

BUYER:

CALIFORNIA UNIVERSITY OF SCIENCE
AND MEDICINE, a California non-profit
corporation

By: _____
Dr. Dev A. GnanaDev
President and CEO

By: _____
Dr. Prem Reddy
Chairman of the Board

Approved as to form:

FULLERTON, LEMANN, SCHAEFER, &
DOMINICK, LLP

By: _____
General Counsel

**EXHIBIT A
TO
REAL PROPERTY PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS
(Cal Med)**

PROPERTY LEGAL DESCRIPTION

[Attached behind this cover page]

PROPERTY LEGAL DESCRIPTIONS

APN: 0162-281-14

A PORTION OF THE NORTH ONE-HALF OF THE SOUTH ONE-HALF OF GOVERNMENT LOT 2, SECTION 19, TOWNSHIP 1 SOUTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF SAID NORTH ONE-HALF OF THE SOUTH ONE-HALF WHICH IS SOUTH 89° 59' EAST, 660 FEET FROM THE SOUTHWEST CORNER THEREC

THEN SOUTH 89° 59' EAST, 506.38 FEET ALONG SAID SOUTH LINE TO THE WEST LINE C HERMOSA AVENUE;

THEN NORTH 0° 34' EAST, 75 FEET ALONG SAID WEST LINE;

THEN NORTH 89° 59' WEST, 507.78 FEET;

THEN SOUTH 0° 30' EAST, 75 FEET TO THE POINT OF BEGINNING.

APN: 0162-281-04

THE SOUTH ONE-HALF OF THE WEST ONE-HALF OF THE NORTH ONE-HALF OF GOVERNMENT LOT 2, SECTION 19, TOWNSHIP 1 SOUTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT C SAID LAND.

EXCEPT THEREFROM THAT PORTION CONVEYED TO THE CITY OF COLTON BY DEED RECORDED NOVEMBER 3, 1997 AS INSTRUMENT NO. 97-403988 OF OFFICIAL RECORDS.

APN: 0162-281-34

THE NORTH ONE-HALF OF THE SOUTH ONE-HALF OF GOVERNMENT LOT 2, SECTION 19, TOWNSHIP 1 SOUTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF COLTON, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT C SAID LAND.

EXCEPTING THEREFROM THE EAST 660 FEET.

ALSO EXCEPT THEREFROM THAT PORTION CONVEYED TO THE CITY OF COLTON BY DEED RECORDED NOVEMBER 3, 1997 AS INSTRUMENT NO. 97-403988 OF OFFICIAL RECORDS.

APN: 0162-281-52

THE WEST 220 FEET OF THE NORTH ONE-HALF OF THE WEST ONE-HALF OF THE NORTH ONE-HALF OF GOVERNMENT LOT 2, SECTION 19, TOWNSHIP 1 SOUTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THEREFROM THAT PORTION CONVEYED TO THE CITY OF COLTON, A MUNICIPAL CORPORATION BY DEED RECORDED NOVEMBER 3, 1997 AS INSTRUMENT NO. 97-403987 OF OFFICIAL RECORDS.

APN: 0162-281-66

PARCEL 1 OF PARCEL MAP NO. 6233, IN THE CITY OF COLTON, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 57 OF PARCEL MAPS, PAGES 34 AND 35, RECORDS OF SAID COUNTY.

TOGETHER WITH THAT PORTION OF COLTON AVENUE, VACATED BY RESOLUTION NO. R-21-88, CITY OF COLTON, RECORDED MARCH 29, 1989, INSTRUMENT NO. 89-110987, OFFICIAL RECORDS, ADJOINING SAID LAND ON THE SOUTH, WHICH WOULD NORMALLY PASS BY OPERATION OF LAW.

EXCEPT THEREFROM ALL THAT PORTION THEREOF CONVEYED TO THE CITY OF COLTON, A MUNICIPAL CORPORATION, BY GRANT DEED RECORDED NOVEMBER 3, 1997, INSTRUMENT NO. 97-403983, OFFICIAL RECORDS.

PROPERTY LEGAL DESCRIPTIONS - continued

APN: 0162-281-56

ALL THAT PORTION OF GOVERNMENT LOT 3, SECTION 19, TOWNSHIP 1 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF COLTON, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID GOVERNMENT LOT 3 IN THE CENTER OF MERIDIAN AVENUE, SO-CALLED; THENCE EASTERLY ALONG THE NORTH LINE OF GOVERNMENT LOT 3, A DISTANCE OF 784.59 FEET; THENCE SOUTH 3 DEG. 19' 40" WEST (RECORDED SOUTH 3 DEG. 21' 45" WEST), PARALLEL TO THE WEST LINE OF HERMOSA AVENUE, SO-CALLED, AND ALONG THE WEST LINE OF THE LAND CONVEYED TO AL MARTIN, ET UX, BY DEED RECORDED AUGUST 3, 1961, IN BOOK 5500, PAGE 325, OFFICIAL RECORDS, 462.33 FEET TO THE SOUTHWEST CORNER OF THE LAND SO CONVEYED TO MARTIN; THENCE ALONG A SOUTHERLY PROLONGATION OF THE WESTERLY LINE OF THE LAND SO CONVEYED TO MARTIN, 48.76 FEET TO THE SOUTHEAST CORNER OF THE LAND DESCRIBED IN THE DEED TO B. WESLEY VAUGHAN, ET AL, RECORDED APRIL 25, 1963, IN BOOK 5896, PAGE 604, OFFICIAL RECORDS; THENCE ALONG THE SOUTHERLY LINE OF THE LAND SO CONVEYED TO B. WESLEY VAUGHAN, ET AL, BEING THE SOUTHERLY LINE OF A VACATED PORTION OF VALLEY BOULEVARD, SO-CALLED, AS FOLLOWS: NORTH 85 DEG. 40' 27" WEST, A DISTANCE OF 217.68 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 5000 FEET; THENCE WESTERLY ALONG SAID CURVE, A DISTANCE OF 73.88 FEET THROUGH AN ANGLE OF 0 DEG. 50' 48" TO A POINT OF REVERSE CURVE, A RADIAL LINE OF SAID REVERSE CURVE THROUGH SAID POINT BEARS SOUTH 3 DEG. 28' 45" WEST; THENCE WESTERLY A DISTANCE OF 423.50 FEET ALONG A REVERSE CURVE CONCAVE TO THE NORTH, HAVING A RADIUS OF 4945 FEET THROUGH AN ANGLE OF 4 DEG. 54' 25"; THENCE NORTHERLY A DISTANCE OF 28.71 FEET ALONG A COMPOUND CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 20 FEET, THROUGH AN ANGLE OF 82 DEG. 16' 40"; THENCE TANGENT TO SAID CURVE NORTH 0 DEG. 38' 50" EAST ALONG A LINE WHICH IS PARALLEL WITH AND MEASURED AT RIGHT ANGLES, IS 33 FEET EAST OF THE CENTER OF SAID MERIDIAN AVENUE, A DISTANCE OF 28 FEET TO A POINT IN THE NORTH LINE OF LAND CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED JULY 23, 1937, IN BOOK 1221, PAGE 152, OFFICIAL RECORDS, SAID POINT BEING THE NORTHWESTERLY CORNER OF THE LAND CONVEYED TO B. WESLEY VAUGHAN, ET AL,

RECORDED IN BOOK 5896, PAGE 604, OFFICIAL RECORDS; THENCE WESTERLY AND ALONG THE NORTHERLY LINE OF THE LAND SO CONVEYED TO THE STATE OF CALIFORNIA ON A CURVE CONCAVE TO THE NORTH AND HAVING A RADIUS OF 4900 FEET, A DISTANCE OF 33.44 FEET TO THE WEST LINE OF GOVERNMENT LOT 3 IN THE CENTER OF MERIDIAN AVENUE, SO-CALLED; THENCE NORTH 0 DEG. 38' 50" EAST ALONG THE WEST LINE OF LOT 3 TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THAT PORTION OF GOVERNMENT LOT 3, SECTION 19, TOWNSHIP 1 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED AUGUST 21, 1876 IN THE DISTRICT LAND OFFICE, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID GOVERNMENT LOT 3 IN THE CENTER OF MERIDIAN AVENUE, SO-CALLED; THENCE EASTERLY ALONG THE NORTH LINE OF GOVERNMENT LOT 3, A DISTANCE OF 584.59 FEET FOR THE TRUE POINT OF BEGINNING; THENCE CONTINUING EAST ALONG THE NORTH LINE OF SAID LOT 3, A DISTANCE OF 200 FEET; THENCE SOUTH 3 DEG. 19' 40" WEST (RECORDED SOUTH 3 DEG. 21' 45" WEST), PARALLEL TO THE WEST LINE OF HERMOSA AVENUE, SO-CALLED, AND ALONG THE WEST LINE OF THE LAND CONVEYED TO AL MARTIN, ET UX, BY DEED RECORDED AUGUST 3, 1961, IN BOOK 5500, PAGE 325, OFFICIAL RECORDS, 462.33 FEET TO THE SOUTHWEST CORNER OF THE LAND SO CONVEYED TO MARTIN; THENCE ALONG A SOUTHERLY PROLONGATION OF THE WESTERLY LINE OF THE LAND SO CONVEYED TO MARTIN, 48.76 FEET TO THE SOUTHEAST CORNER OF THE LAND DESCRIBED IN THE DEED TO B. WESLEY VAUGHAN, ET AL, RECORDED APRIL 25, 1963, IN BOOK 5896, PAGE 604, OFFICIAL RECORDS; THENCE ALONG THE SOUTHERLY LINE OF THE LAND SO CONVEYED TO B. WESLEY VAUGHAN, ET AL, BEING THE SOUTHERLY LINE OF THE VACATED PORTION OF VALLEY BOULEVARD, SO-CALLED, AS FOLLOWS: NORTH 85 DEG. 40' 27" WEST, A DISTANCE OF 200 FEET, MORE OR LESS, TO A POINT WHICH BEARS SOUTH 3 DEG. 19' 40" WEST FROM THE POINT OF BEGINNING; THENCE NORTH 3 DEG. 19' 40" EAST TO THE POINT OF BEGINNING.

TOGETHER WITH THAT PORTION OF COLTON AVENUE, VACATED BY RESOLUTION NO. R-21-88, CITY OF COLTON, RECORDED MARCH 29, 1989, INSTRUMENT NO. 89-110987, OFFICIAL RECORDS, ADJOINING SAID LAND ON THE NORTH, WHICH WOULD NORMALLY PASS BY OPERATION OF LAW.

**EXHIBIT B
TO
REAL PROPERTY PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS
(Cal Med)**

SELLER DEED

[Attached behind this cover page]

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

California University of Science and Medicine
c/o Fullerton, Lemann, Schaefer, & Dominick,
LLP
215 North D Street, First Floor Suite 100
San Bernardino, CA 92401
Attn: Aric M. Davison, Esq.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APNS: 0162-281-04, 14, 34, 52, 56 AND 66

**GRANT DEED
(Cal Med)**

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE
CITY OF COLTON**, a public body, corporate and politic ("**Grantor**"),

does hereby grant to

CALIFORNIA UNIVERSITY OF SCIENCE AND MEDICINE, a California non-
profit corporation ("**Grantee**"),

that certain real property in the City of Colton, County of San Bernardino, State of
California, specifically described in Exhibit "1" attached to this Grant Deed ("**Property**") and
made a part of this Grant Deed by this reference.

Dated: _____

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE
CITY OF COLTON, a public body,
corporate and politic

By: _____

Richard De La Rosa
Chairperson

EXHIBIT "1"
TO
GRANT DEED
(Cal Med)

Property Legal Description

PROPERTY LEGAL DESCRIPTIONS

APN: 0162-281-14

A PORTION OF THE NORTH ONE-HALF OF THE SOUTH ONE-HALF OF GOVERNMENT LOT 2, SECTION 19, TOWNSHIP 1 SOUTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF SAID NORTH ONE-HALF OF THE SOUTH ONE-HALF WHICH IS SOUTH 89° 59' EAST, 660 FEET FROM THE SOUTHWEST CORNER THEREC

THENCE SOUTH 89° 59' EAST, 506.38 FEET ALONG SAID SOUTH LINE TO THE WEST LINE C HERMOSA AVENUE;
THENCE NORTH 0° 34' EAST, 75 FEET ALONG SAID WEST LINE;
THENCE NORTH 89° 59' WEST, 507.78 FEET;
THENCE SOUTH 0° 30' EAST, 75 FEET TO THE POINT OF BEGINNING.

APN: 0162-281-04

THE SOUTH ONE-HALF OF THE WEST ONE-HALF OF THE NORTH ONE-HALF OF GOVERNMENT LOT 2, SECTION 19, TOWNSHIP 1 SOUTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT C SAID LAND.

EXCEPT THEREFROM THAT PORTION CONVEYED TO THE CITY OF COLTON BY DEED RECORDED NOVEMBER 3, 1997 AS INSTRUMENT NO. 97-403988 OF OFFICIAL RECORDS.

APN: 0162-281-34

THE NORTH ONE-HALF OF THE SOUTH ONE-HALF OF GOVERNMENT LOT 2, SECTION 19, TOWNSHIP 1 SOUTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF COLTON, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT C SAID LAND.

EXCEPTING THEREFROM THE EAST 660 FEET.

ALSO EXCEPT THEREFROM THAT PORTION CONVEYED TO THE CITY OF COLTON BY DEED RECORDED NOVEMBER 3, 1997 AS INSTRUMENT NO. 97-403988 OF OFFICIAL RECORDS.

APN: 0162-281-52

THE WEST 220 FEET OF THE NORTH ONE-HALF OF THE WEST ONE-HALF OF THE NORTH ONE-HALF OF GOVERNMENT LOT 2, SECTION 19, TOWNSHIP 1 SOUTH, RANGE 4 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THEREFROM THAT PORTION CONVEYED TO THE CITY OF COLTON, A MUNICIPAL CORPORATION BY DEED RECORDED NOVEMBER 3, 1997 AS INSTRUMENT NO. 97-403987 OF OFFICIAL RECORDS.

APN: 0162-281-66

PARCEL 1 OF PARCEL MAP NO. 6233, IN THE CITY OF COLTON, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 57 OF PARCEL MAPS, PAGES 34 AND 35, RECORDS OF SAID COUNTY.

TOGETHER WITH THAT PORTION OF COLTON AVENUE, VACATED BY RESOLUTION NO. R-21-88, CITY OF COLTON, RECORDED MARCH 29, 1989, INSTRUMENT NO. 89-110987, OFFICIAL RECORDS, ADJOINING SAID LAND ON THE SOUTH, WHICH WOULD NORMALLY PASS BY OPERATION OF LAW.

EXCEPT THEREFROM ALL THAT PORTION THEREOF CONVEYED TO THE CITY OF COLTON, A MUNICIPAL CORPORATION, BY GRANT DEED RECORDED NOVEMBER 3, 1997, INSTRUMENT NO. 97-403983, OFFICIAL RECORDS.

PROPERTY LEGAL DESCRIPTIONS - continued

APN: 0162-281-56

ALL THAT PORTION OF GOVERNMENT LOT 3, SECTION 19, TOWNSHIP 1 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF COLTON, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID GOVERNMENT LOT 3 IN THE CENTER OF MERIDIAN AVENUE, SO-CALLED; THENCE EASTERLY ALONG THE NORTH LINE OF GOVERNMENT LOT 3, A DISTANCE OF 784.59 FEET; THENCE SOUTH 3 DEG. 19' 40" WEST (RECORDED SOUTH 3 DEG. 21' 45" WEST), PARALLEL TO THE WEST LINE OF HERMOSA AVENUE, SO-CALLED, AND ALONG THE WEST LINE OF THE LAND CONVEYED TO AL MARTIN, ET UX, BY DEED RECORDED AUGUST 3, 1961, IN BOOK 5500, PAGE 325, OFFICIAL RECORDS, 462.33 FEET TO THE SOUTHWEST CORNER OF THE LAND SO CONVEYED TO MARTIN; THENCE ALONG A SOUTHERLY PROLONGATION OF THE WESTERLY LINE OF THE LAND SO CONVEYED TO MARTIN, 48.76 FEET TO THE SOUTHEAST CORNER OF THE LAND DESCRIBED IN THE DEED TO B. WESLEY VAUGHAN, ET AL, RECORDED APRIL 25, 1963, IN BOOK 5896, PAGE 604, OFFICIAL RECORDS; THENCE ALONG THE SOUTHERLY LINE OF THE LAND SO CONVEYED TO B. WESLEY VAUGHAN, ET AL, BEING THE SOUTHERLY LINE OF A VACATED PORTION OF VALLEY BOULEVARD, SO-CALLED, AS FOLLOWS: NORTH 85 DEG. 40' 27" WEST, A DISTANCE OF 217.68 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTH AND HAVING A RADIUS OF 5000 FEET; THENCE WESTERLY ALONG SAID CURVE, A DISTANCE OF 73.88 FEET THROUGH AN ANGLE OF 0 DEG. 50' 48" TO A POINT OF REVERSE CURVE, A RADIAL LINE OF SAID REVERSE CURVE THROUGH SAID POINT BEARS SOUTH 3 DEG. 28' 45" WEST; THENCE WESTERLY A DISTANCE OF 423.50 FEET ALONG A REVERSE CURVE CONCAVE TO THE NORTH, HAVING A RADIUS OF 4945 FEET THROUGH AN ANGLE OF 4 DEG. 54' 25"; THENCE NORTHERLY A DISTANCE OF 28.71 FEET ALONG A COMPOUND CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 20 FEET, THROUGH AN ANGLE OF 82 DEG. 16' 40"; THENCE TANGENT TO SAID CURVE NORTH 0 DEG. 38' 50" EAST ALONG A LINE WHICH IS PARALLEL WITH AND MEASURED AT RIGHT ANGLES, IS 33 FEET EAST OF THE CENTER OF SAID MERIDIAN AVENUE, A DISTANCE OF 28 FEET TO A POINT IN THE NORTH LINE OF LAND CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED JULY 23, 1937, IN BOOK 1221, PAGE 152, OFFICIAL RECORDS, SAID POINT BEING THE NORTHWESTERLY CORNER OF THE LAND CONVEYED TO B. WESLEY VAUGHAN, ET AL,

RECORDED IN BOOK 5896, PAGE 604, OFFICIAL RECORDS; THENCE WESTERLY AND ALONG THE NORTHERLY LINE OF THE LAND SO CONVEYED TO THE STATE OF CALIFORNIA ON A CURVE CONCAVE TO THE NORTH AND HAVING A RADIUS OF 4900 FEET, A DISTANCE OF 33.44 FEET TO THE WEST LINE OF GOVERNMENT LOT 3 IN THE CENTER OF MERIDIAN AVENUE, SO-CALLED; THENCE NORTH 0 DEG. 38' 50" EAST ALONG THE WEST LINE OF LOT 3 TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THAT PORTION OF GOVERNMENT LOT 3, SECTION 19, TOWNSHIP 1 SOUTH, RANGE 4 WEST, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT OF SAID LAND FILED AUGUST 21, 1876 IN THE DISTRICT LAND OFFICE, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID GOVERNMENT LOT 3 IN THE CENTER OF MERIDIAN AVENUE, SO-CALLED; THENCE EASTERLY ALONG THE NORTH LINE OF GOVERNMENT LOT 3, A DISTANCE OF 584.59 FEET FOR THE TRUE POINT OF BEGINNING; THENCE CONTINUING EAST ALONG THE NORTH LINE OF SAID LOT 3, A DISTANCE OF 200 FEET; THENCE SOUTH 3 DEG. 19' 40" WEST (RECORDED SOUTH 3 DEG. 21' 45" WEST), PARALLEL TO THE WEST LINE OF HERMOSA AVENUE, SO-CALLED, AND ALONG THE WEST LINE OF THE LAND CONVEYED TO AL MARTIN, ET UX, BY DEED RECORDED AUGUST 3, 1961, IN BOOK 5500, PAGE 325, OFFICIAL RECORDS, 462.33 FEET TO THE SOUTHWEST CORNER OF THE LAND SO CONVEYED TO MARTIN; THENCE ALONG A SOUTHERLY PROLONGATION OF THE WESTERLY LINE OF THE LAND SO CONVEYED TO MARTIN, 48.76 FEET TO THE SOUTHEAST CORNER OF THE LAND DESCRIBED IN THE DEED TO B. WESLEY VAUGHAN, ET AL, RECORDED APRIL 25, 1963, IN BOOK 5896, PAGE 604, OFFICIAL RECORDS; THENCE ALONG THE SOUTHERLY LINE OF THE LAND SO CONVEYED TO B. WESLEY VAUGHAN, ET AL, BEING THE SOUTHERLY LINE OF THE VACATED PORTION OF VALLEY BOULEVARD, SO-CALLED, AS FOLLOWS: NORTH 85 DEG. 40' 27" WEST, A DISTANCE OF 200 FEET, MORE OR LESS, TO A POINT WHICH BEARS SOUTH 3 DEG. 19' 40" WEST FROM THE POINT OF BEGINNING; THENCE NORTH 3 DEG. 19' 40" EAST TO THE POINT OF BEGINNING.

TOGETHER WITH THAT PORTION OF COLTON AVENUE, VACATED BY RESOLUTION NO. R-21-88, CITY OF COLTON, RECORDED MARCH 29, 1989, INSTRUMENT NO. 89-110987, OFFICIAL RECORDS, ADJOINING SAID LAND ON THE NORTH, WHICH WOULD NORMALLY PASS BY OPERATION OF LAW.

CERTIFICATE OF ACCEPTANCE OF GRANT DEED

This is to certify that the interest in real property conveyed by the foregoing Grant Deed from the **SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF COLTON**, a public body, corporate and politic, to **CALIFORNIA UNIVERSITY OF SCIENCE AND MEDICINE**, a California non-profit corporation, is hereby accepted by the undersigned, who consents to the recordation of such Grant Deed in the official records of the County of San Bernardino, California.

CALIFORNIA UNIVERSITY OF SCIENCE AND MEDICINE,
a California non-profit corporation

By: _____
Dr. Dev A. GnanaDev
President and CEO

By: _____
Dr. Prem Reddy
Chairman of the Board