

City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: August 13, 2013

FROM: COMMUNITY DEVELOPMENT DEPARTMENT WARD: 3

SUBJECT: SEIZING OUR DESTINY – PROPOSED PURCHASE AND SALE AGREEMENT WITH CONCOURS, LP FOR THE ADAPTIVE RE-USE OF SURPLUS PROPERTY KNOWN AS THE FORMER MARCY BRANCH LIBRARY LOCATED AT 3711 AND 3723 CENTRAL AVENUE – SUPPLEMENTAL APPROPRIATION

ISSUE:

The issue for City Council consideration is approval of a Purchase and Sale Agreement with Concours, LP for the adaptive re-use of surplus property known as the former Marcy Branch Library located at 3711 and 3723 Central Avenue (Property), bearing Assessor Parcel Numbers (APNS) 225-124-014 and 225-124-016 as shown on the attached Exhibit A.

RECOMMENDATIONS:

That the City Council:

1. Approve the Purchase and Sale Agreement (Agreement – Exhibit B) for the adaptive re-use of surplus property known as the former Marcy Branch Library located 3711 and 3723 Central Avenue (Property), bearing Assessor Parcel Numbers (APNS) 225-124-014 and 225-124-016, for the sale price of \$710,000;
2. Authorize the City Manager, or his designee, to execute the Agreement, including making minor, non-substantive changes, and to sign all documents and instruments necessary to complete the transaction, and to expend up to \$52,600 from the proceeds for title and escrow fees, brokerage commissions, and related miscellaneous closing costs, for a net total of \$657,400;
3. Authorize an appropriation of \$42,600 to account 2845000-421000 for costs associated with the brokerage commissions which will be offset with proceeds from the disposition; and
4. Authorize the deposit of \$100,000 from the net sales proceeds, to Historic Preservation Fund account 0000721-225467.

BACKGROUND:

The former Marcy Branch Library, a 4,275 square foot building designed by prominent local architect Herman Ruhnau, was built in 1958 on two parcels, which total approximately 22,000 square feet. The new Marcy Library located at 6927 Magnolia Avenue opened on May 14, 2011, and as a result, the Property is no longer needed.

On June 23, 2011, the Development Committee recommended a land exchange involving the Property and the Lucky Greek restaurant located at 3887 Merrill Avenue. Due to the dissolution of the Redevelopment Agency, the land exchange agreement was unable to move forward. Staff received interest in the re-use of the Property from several parties and on June 21, 2012, the Development Committee recommended declaring the Property as surplus. On July 24, 2012, the City Council declared the Property as surplus.

Based on an independent appraisal, the value of the Property is \$470,000 as of September 13, 2012. A Request for Proposals for the purchase and adaptive re-use of the Property was issued on January 25, 2013 and on March 22, 2013, seven proposals were received that included office, retail, and medical office uses. The selection process identified four criteria: purchase price, proposed adaptive re-use, and the prospective buyer's experience and financial strength.

Concours, LP (DBA Dental Management Services) ranked highest and was selected by staff as the recommended buyer of the Property. Established in 2000, Dental Management Services is a large group dental practice with offices in eight Southern California locations. The Property will become its ninth dental office and will bring new jobs and economic development to the City. To sustain the Property's open interior, new non-load bearing partial walls will be framed with both drywall and glass (Adaptive Re-Use Proposal - Exhibit C). The Agreement with Concours LP includes a Historic Façade Easement to preserve the historical integrity of the Property and ensure future work complies with the Cultural Resources Ordinance (Title 20 of the Municipal Code) and the Secretary of the Interior's Standards.

The Property is being disposed in accordance with the City's Administrative Manual Procedures for Surplus Property. As such, the Property was first offered to other City departments and then to local public agencies pursuant to Government Code 54220, et seq. Staff did not receive any responses during the 60-day public agency review period.

The City established the Historic Preservation Program and Fund in 2012. Staff recommends that \$100,000 from the proceeds of the sale of the former Marcy Branch Library, an important historic resource, be deposited into the Historic Preservation Fund to be used solely for the purpose of conservation, preservation, restoration, and rehabilitation of Historic and Cultural Resources consistent with Title 20 of the Municipal Code.

FISCAL IMPACT:

The costs associated with the sale, including \$10,000 previously appropriated on July 24, 2012, will be funded with the proceeds from the disposition, \$100,000 shall be deposited into the Historic Preservation Fund account number 0000721-225467 and the balance will be deposited into General Fund account 0000101-380010 resulting in a net fiscal impact of \$557,400 to the General Fund.

Prepared by: Emilio Ramirez, Deputy Director for Al Zelinka, FAICP, Community Development Director

Certified as to
availability of funds: Brent A. Mason, Finance Director/Treasurer

Approved by: Deanna Lorson, Assistant City Manager
for Scott C. Barber, City Manager

Approved as to form: Gregory P. Priamos, City Attorney

Attachments:

1. Site Map (Exhibit A)
2. Purchase and Sale Agreement (Exhibit B)
3. Adaptive Re-Use Proposal Conceptual Plan (Exhibit C)

Exhibit A
Former Marcy Branch Library
3711 and 3723 Central Avenue
APNS 225-124-014 and 225-124-016



**Former Marcy
Branch Library**
225-124-014, -016

Central Avenue



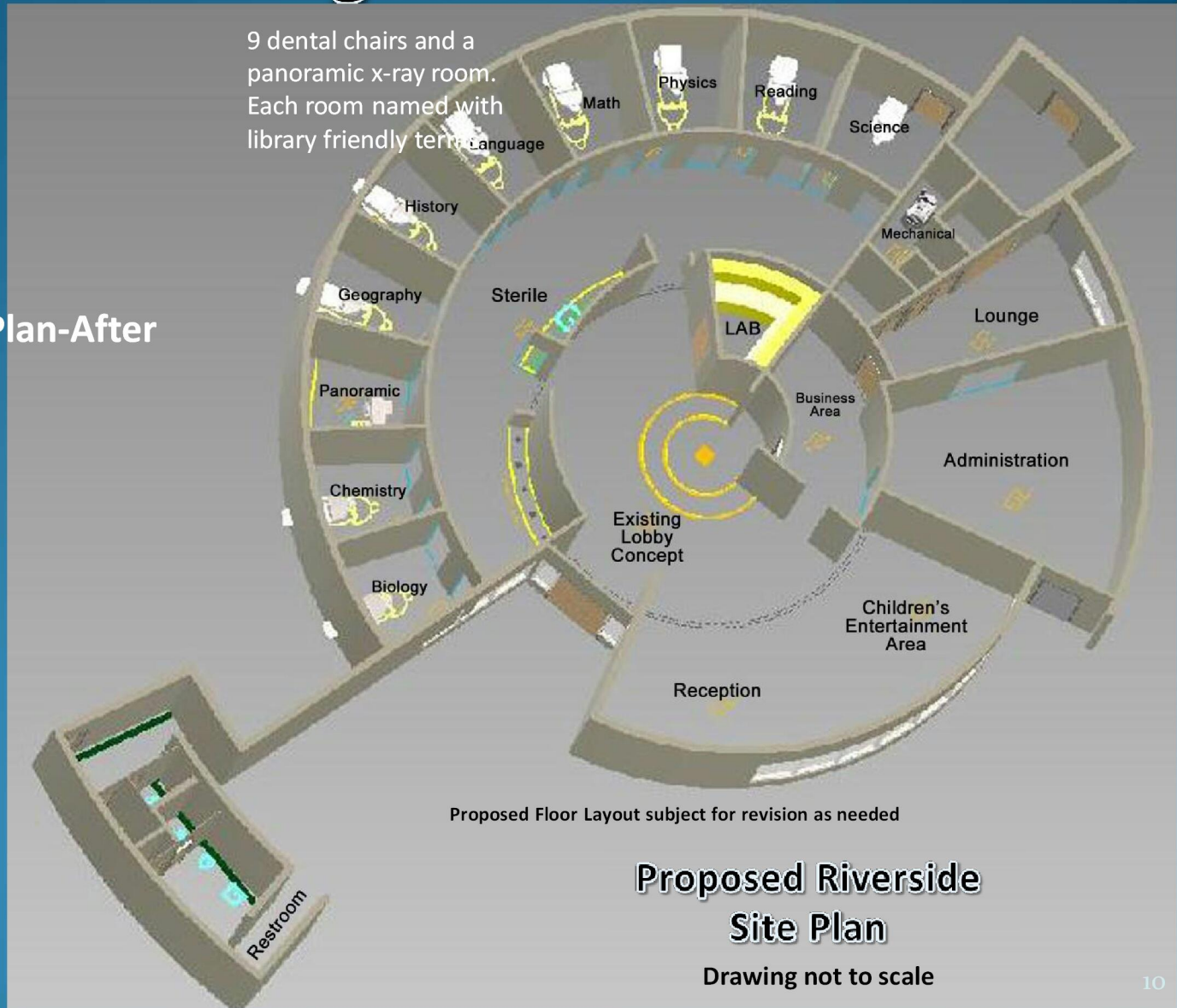


Exhibit C

Adaptive Re-Use Proposal Conceptual Plan

Dental Management Services

1. Site Plan-After



3D

PURCHASE AND SALE AGREEMENT WITH HISTORIC FACADE EASEMENT

CONCOURS LP

(Former Marcy Branch Library)

This Purchase and Sale Agreement ("Agreement") is entered into this _____ day of _____, 2013, ("Effective Date"), by and between the **CITY OF RIVERSIDE**, a California charter city and municipal corporation ("Seller") and **CONCOURS LP**, a California limited partnership ("Buyer"). In consideration of the mutual covenants and agreements, the parties agree to the following terms and conditions:

ARTICLE I AGREEMENT OF SALE

1.1 **Property.** Seller owns certain real property identified as the former Marcy Branch Library, Assessor Parcel Numbers 225-124-014 and 225-124-016, located at 3711/3723 Central Avenue, Riverside, California ("Property"), more particularly described in Exhibit "A" Legal Description and depicted in Exhibit "B" plat map, attached hereto and incorporated herein by reference.

1.2 **Intention.** Buyer desires to purchase in fee the Property. Seller desires to sell and convey the Property to Buyer for the operation of a dental office.

1.3 **Due Diligence.** Buyer shall have ninety (90) days from the Effective Date ("Contingency Date") to perform, in its sole discretion, its due diligence review of the condition of Property and all other matters concerning the Property, including without limitation, condition of title, economic, financial, and accounting matters relating to or affecting the Property or its value, the physical and environmental condition of the Property, and obtaining a parking variance if necessary. Prior to the Contingency Date, Buyer shall have made such inquiries, communicated with local, state and federal government agencies as it sees fit, retained such consultants, and taken such actions as Buyer deems necessary or appropriate to enter into this Agreement. Should Buyer, its contractors, consultants and agents require entry upon the Property for the purpose of surveying the same, making engineering and environmental tests and conducting such other investigations as approved by Seller, Buyer shall first obtain a Right of Entry from Seller and provide such insurance as Seller may require and hold Seller harmless from any liability which may arise due solely to such entry. Seller authorizes Buyer to make all inquiries of appropriate governmental authorities with respect to the Property, as Buyer, in its good faith and reasonable judgment deems necessary to satisfy itself as to the condition of title to the Property and the feasibility of any proposed development on the Property. On or before the Contingency Date, Buyer shall deliver written notice to Seller accepting the Property, or terminating this Agreement. If Buyer fails to give such notice on or before the Contingency Date, Buyer shall be deemed to have accepted the Property and proceed with this Agreement.

1.4 **Assumption of the Risk.** Subject to the other provisions of this Agreement: (a) Buyer agrees, that by its acceptance of the Property under Section 1.3, it assumes the risk that an

adverse condition of the Property may not have been revealed by its own Due Diligence; and (b). on Buyer's acceptance, Seller shall have no obligation to repair, correct, or compensate Buyer for any condition of the Property, including defects in improvements, noncompliance with applicable laws and regulations, including without limitation zoning laws, building codes, and the Americans with Disabilities Act, whether or not such condition of the Property would have been disclosed by Buyer's Due Diligence; and (c) Buyer hereby acknowledges that a parking variance from the City of Riverside's Planning Department may be necessary.

1.5 **Historical Significance.** Property has been deemed eligible for listing in the National Register of Historic Places. Buyer understands that improvement affecting the exterior and some interior features are subject to review by the City's Cultural Heritage Board per Title 20 of the Riverside Municipal Code in compliance with the Secretary of the Interior's Standards for Treatment of Historic Properties. Buyer agrees to execute a Historic Facade Easement Agreement attached herein as Exhibit "C".

ARTICLE II PURCHASE PRICE, ESCROW AND DEPOSIT

2.1 **Purchase Price.** The total purchase price to be paid by Buyer to Seller for the Property shall be the sum of Seven Hundred Ten Thousand Dollars (\$710,000.00) ("Purchase Price"). The Purchase Price shall be payable by Buyer to Seller in immediately available funds in accordance with the provisions and requirements of this Agreement. The Purchase Price shall be the full fair market consideration for the Property.

2.2 **Escrow.** Within 10 calendar days from the Contingency Date, Seller shall open an escrow ("Escrow") with Chicago Title ("Escrow Holder"). The parties hereto shall execute and deliver to Escrow Holder such escrow instructions prepared by Escrow Holder as may be required to complete this transaction. Any such instructions shall not conflict with, amend, or supersede any provision of this Agreement. If there is any inconsistency between such instructions and this Agreement, this Agreement shall control.

2.3 **Deposit.** Within fifteen (15) calendar days after the Contingency Date, Buyer shall deliver a refundable deposit in the amount of Seventy One Thousand Dollars (\$71,000) ("Deposit") to the Escrow Holder that will be applied to the purchase price, subject however to the Sellers right to liquidated damages as set forth in Section 7.5. Escrow Holder shall place the Deposit into an interest bearing account with the interest accruing for the benefit of the Buyer.

ARTICLE III CLOSING

3.1 **Closing Date.** Escrow shall close on or before one hundred twenty (120) calendar days following the Effective Date ("Close of Escrow"). Buyer may elect to close Escrow at any earlier time by giving Seller and Escrow Holder at least five (5) days advance written notice. If the Escrow is not in a condition to close by the Close of Escrow, any party who is not then in default, upon notice in writing to the Escrow Holder and the other party, may demand the return of their documents and cancellation of the Escrow. Unless objected to in writing within ten (10) days from the receipt of the notice of cancellation, the Escrow will

automatically be canceled. If no demand for cancellation is made, then Escrow will close as soon as possible. Notwithstanding the foregoing, the Close of Escrow may be extended by mutual agreement if the parties are diligently attempting to resolve the issue(s) that may be preventing or delaying the Close of Escrow.

3.2 Closing Documents.

3.2.1 Seller, prior to the Close of Escrow, shall deliver to Escrow Holder each of the following items, the delivery of each of which shall be a condition to the performance by Buyer of its obligations under this Agreement:

- (a) a grant deed sufficient for recording, conveying the Property; and
- (b) all additional documents and instruments which may be reasonably necessary for the Close of Escrow and to consummate the sale of the Property in accordance with the terms of this Agreement.

3.2.2 Buyer, prior to the Close of Escrow, shall deliver to Escrow Holder each of the following items, the delivery of each of which shall be a condition to the performance by Seller of its obligations under this Agreement:

- (a) the Purchase Price and other cash charges provided for in this Agreement; and
- (b) copies of Buyer's authority documents and/or such other documents evidencing Buyer's due existence and authority to enter into and consummate the transaction contemplated by this Agreement as Seller or Escrow Holder may require; and
- (c) project entitlements including development permits; and
- (d) recordation of historic facade easement; and
- (e) all additional documents and instruments which may be reasonably necessary for the Close of Escrow and to consummate the sale of the Property in accordance with the terms of this Agreement.

3.3 **Taxes.** Buyer understands and acknowledges that Seller, as a municipal corporation, is not being assessed for any real property taxes or for any special assessments. However, upon the Close of Escrow, Buyer understands and acknowledges that real property taxes and special assessments will be assessed against the Property and Buyer will be responsible for the same. Buyer agrees to hold Seller harmless for any and all real property taxes and/or special assessments on the Property assessed on and after Close of Escrow.

3.4 **Condition of Title.** Seller shall convey fee simple merchantable and insurable title of the Property to Buyer free and clear of all liens, delinquent taxes and assessments as evidenced by a CLTA Title Insurance Policy ("Title Policy") issued by Chicago Title Company in an amount equal to the purchase price. Buyer may elect to require that the Title Policy be an ALTA extended coverage policy so long as that does not delay the Close of Escrow and Buyer pays the additional cost therefor (including the cost of any survey required by Chicago Title Company). The Title Policy shall show as exceptions with respect to the Property only matters approved in writing by Buyer. Any exceptions to title representing monetary liens or encumbrances shall be deemed disapproved by Buyer, and, Escrow Holder is hereby authorized and instructed to cause at Seller's expense the reconveyance or partial reconveyance, as the case may be, of any such monetary exceptions to Buyer's title to the Property at or prior to the Close of Escrow.

3.5 **Costs.**

3.5.1 At the Close of Escrow, and as a debit from the closing proceeds to be paid to Seller, Seller shall be responsible for: (i) one-half the cost of any escrow charges to be imposed by the Escrow Holder; (ii) the cost for a CLTA Standard form policy of title insurance from Chicago Title; (iii) any other expenses customarily charged to Seller in connection with similar transactions including its own attorney's fees.

3.5.2 At the Close of Escrow, Buyer shall be responsible for: (i) all recording fees and any and all state, county, and local governmental transfer taxes, documentary or otherwise, and/or the cost of documentary stamps to be affixed to the instrument or instruments of conveyance (if obtained by buyer); (ii) the extra cost of an extended ALTA owners title policy and associated costs; (iii) one-half the cost of any escrow charges to be imposed by the Escrow Holder; (iv) any taxes disclosed in Section 3.3 and (v) any other expenses customarily charged to Buyer in connection with similar transactions including its own attorney's fees.

3.6 **Brokerage Commissions.** Seller will be solely responsible for the payment of all real estate brokerage commissions. Buyer is represented by NAI Capital, Inc. A brokerage commission of 6.0% of the total consideration will be paid to NAI Capital, Inc., 3601 9th Street, Riverside, California, 91709, DRE License #00888237, out of Escrow upon the close of Escrow.

**ARTICLE IV
"AS-IS" PURCHASE**

4.1 **As-Is Information.** Buyer acknowledges, agrees, represents, and warrants that: (a) any information supplied or made available by Seller, whether written or oral, or in the form of maps, surveys, plats, soils reports, engineering studies, environmental studies, inspection reports, plans, specifications, or any other information whatsoever, without exception, pertaining to the Property, any and all records and other documents pertaining to the use of the Property, income thereof, the cost and expenses of maintenance thereof, and any and all other matters concerning the condition, suitability, integrity, marketability, compliance with law, or other attributes or aspects of the Property, or a part thereof, if furnished to Buyer, is furnished solely as a courtesy; (b) THE INFORMATION IS PROVIDED ON AN "AS-IS, WHERE-IS" BASIS

AND SELLER MAKES NO REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT IN NO WAY LIMITED TO, ANY WARRANTY OF CONDITION, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE, AS TO THE INFORMATION; and (c) no representations have been made by Seller, or its agents or employees, in order to induce Buyer to enter into this Agreement. Without limiting the generality of the foregoing, Buyer acknowledges, agrees, warrants and represents to Seller that neither the Seller nor its agents or employees have made any representations or statements to Buyer concerning the Property's investment potential or resale at any future date, at a profit or otherwise, nor has Seller or its agents or employees rendered any advice or expressed any opinion to Buyer regarding any tax consequences of ownership of the Property.

4.2 **As-Is Property.** On the Close of Escrow, Buyer will be familiar with the Property and will have made such independent investigations as Buyer deems necessary or appropriate concerning the Property. Seller makes no representations or warranties and specifically disclaims any representation, warranty or guaranty, oral or written, past, present or future with respect to the use, physical condition or any other aspect of the Property, the conformity of the Property to past, current or future applicable zoning or building code requirements or the compliance with any other laws, rules, ordinances, or regulations of any government or other body, the financial earning capacity or expenses history of the operation of the Property, the nature and extent of any right-of-way, lease, possession, lien, encumbrance, license, reservation, condition, or otherwise, the existence of soil instability, past soil repairs, soil additions or conditions of soil fill, susceptibility to landslides, sufficiency of undershoring, sufficiency of drainage, whether the Property is located wholly or partially in a flood plain or a flood hazard boundary or similar area, the existence or nonexistence of hazardous waste or other toxic materials of any kind, whether known or unknown and whether or not regulated or governed by applicable laws (including, without limitation, hydrocarbons or asbestos), or any other matter affecting the condition, stability, suitability or integrity of the Property or portion thereof.

4.3 **Negligence or Failure to Investigate.** Seller shall not be responsible for any negligent misrepresentation or failure to investigate the Property on the part of Seller, any real estate broker or agent, or any other agent, contractor or employee of Seller or any third party.

4.4 **As-Is.** BUYER EXPRESSLY ACKNOWLEDGES AND AGREES THAT THE PROPERTY IS BEING SOLD AND ACCEPTED ON AN "AS-IS, WHERE-IS" BASIS, AND IS BEING ACCEPTED WITHOUT ANY REPRESENTATION OR WARRANTY. IF BUYER ELECTS TO PROCEED WITH THE PURCHASE OF THE PROPERTY, ANY OBJECTIONS WHICH BUYER MAY HAVE WITH RESPECT TO THE PROPERTY (INCLUDING, WITHOUT LIMITATION, ANY ENVIRONMENTAL MATTERS, HAZARDOUS SUBSTANCES, WASTES OR TOXIC MATERIALS THAT MAY BE LOCATED ON, UNDER OR ABOUT THE PROPERTY, WHETHER KNOWN OR UNKNOWN) SHALL BE WAIVED BY BUYER

4.5 **Past Uses.** BUYER EXPRESSLY ACKNOWLEDGES AND AGREES AS PART OF ITS ACCEPTANCE OF THE PROPERTY ON AN "AS-IS, WHERE-IS"

BASIS THAT BUYER IS AWARE OF ALL PRIOR USES OF THE PROPERTY THAT MAY LEAD TO CONTAMINATION OF THE PROPERTY. BUYER HAS OBTAINED AND READ ALL ENVIRONMENTAL ASSESSMENTS REGARDING THE PROPERTY WHICH A REASONABLY DILIGENT BUYER WOULD HAVE OBTAINED PRIOR TO THE PURCHASE THEREOF. BUYER ASSUMES ALL RESPONSIBILITY FOR ANY CONTAMINATION THAT IS PRESENT ON THE PROPERTY DUE TO PRIOR AND/OR EXISTING USES OF THE PROPERTY.

4.6 Waivers. AS PART OF BUYER'S AGREEMENT TO PURCHASE AND ACCEPT THE PROPERTY "AS-IS, WHERE-IS", AND NOT AS A LIMITATION ON SUCH AGREEMENT, BUYER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY AND ALL ACTUAL OR POTENTIAL RIGHTS BUYER MIGHT HAVE REGARDING ANY FORM OF WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND OR TYPE, RELATING TO THE PROPERTY AND IT IMPROVEMENTS. SUCH WAIVER IS ABSOLUTE, COMPLETE, TOTAL AND UNLIMITED IN ANY WAY. SUCH WAIVER INCLUDES, BUT IS NOT LIMITED TO, A WAIVER OF EXPRESS WARRANTIES, IMPLIED WARRANTIES, WARRANTIES OF FITNESS FOR A PARTICULAR USE, WARRANTIES OF MERCHANTABILITY, WARRANTIES OF HABITABILITY, STRICT LIABILITY RIGHTS AND CLAIMS OF EVERY KIND AND TYPE, INCLUDING, BUT NOT LIMITED TO, CLAIMS REGARDING DEFECTS WHICH WERE NOT OR ARE NOT DISCOVERABLE, ANY RIGHTS AND CLAIMS RELATING OR ATTRIBUTABLE TO ENVIRONMENTAL CONDITIONS, ALL OTHER ACTUAL OR LATER CREATED OR CONCEIVED OR STRICT LIABILITY OR STRICT LIABILITY TYPE CLAIMS AND RIGHTS.

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

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

BY INITIALING BELOW, BUYER HEREBY WAIVES THE PROVISIONS OF SAID SECTION 1542 IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING ACKNOWLEDGMENTS, WAIVERS AND RELEASES SET FORTH IN THIS ARTICLE 4.


Buyer's Initials

ARTICLE V REPRESENTATIONS AND WARRANTIES

5.1 Seller's Representations, Warranties and Covenants. Seller hereby represents, warrants and covenants to Buyer as of the date of this Agreement, and upon the Close of Escrow, as follows, all of which shall survive the Close of Escrow:

5.1.1 Seller is a public body and has the full power and authority to enter into and carry out the agreements contained in, and transactions contemplated by, this Agreement. The person(s) signing this Agreement and any documents and instruments in connection herewith on behalf of Seller have full power and authority to do so. This Agreement has been duly authorized and executed by Buyer, and upon delivery to and execution by Seller shall be a valid and binding agreement of Seller.

5.1.2 There are no attachments, assignments for the benefit of creditors, receiverships, conservatorships or voluntary or involuntary proceedings in bankruptcy or any other debtor relief actions contemplated by Seller or filed by Seller, or to the best of Seller's knowledge, pending in any current judicial or administrative proceeding against Seller.

5.1.3 Seller has not entered into any other written contracts or agreements for the sale or transfer of any portion of the Property.

5.1.4 To the best of Seller's knowledge, Seller has received no written notice of any hazardous materials located on, under, or about the Property.

The material truth and accuracy of the foregoing representations and warranties shall be a condition of Buyer's obligations hereunder. Prior to the Close of Escrow, Seller shall notify Buyer of any facts or circumstances which are contrary to the foregoing representations and warranties.

5.2 Buyer's Representations and Warranties. Buyer hereby represents, warrants and covenants to Seller as of the date of this Agreement, and upon the Close of Escrow, as follows, all of which shall survive the Close of Escrow:

5.2.1 Buyer has the full power and authority to enter into and carry out the agreements contained in, and the transactions contemplated by this Agreement. The person(s) signing this Agreement and any documents and instruments in connection herewith on behalf of Buyer have full power and authority to do so. This Agreement has been duly authorized and executed by Buyer, and upon delivery to and execution by Seller shall be a valid and binding agreement of Buyer.

5.2.2 There are no attachments, assignments for the benefit of creditors, receiverships, conservatorships or voluntary or involuntary proceedings in bankruptcy or any other debtor relief actions contemplated by Buyer or filed by Buyer, or to the best of Buyer's knowledge, pending in any current judicial or administrative proceeding against Buyer.

The material truth and accuracy of the foregoing representations and warranties shall be a condition of Seller's obligations hereunder. Prior to the Close of Escrow, Buyer shall notify

Seller of any facts or circumstances which are contrary to the foregoing representations and warranties.

5.3 **No Warranties.** Except for those representations and warranties expressly set forth in this Agreement, the parties understand and acknowledge that no person acting on behalf of Seller is authorized to make, and by execution hereof Buyer acknowledges that no person has made any representations, agreement, statement, warranty, guaranty or promise regarding the Property or the transaction contemplated herein, or regarding the zoning, construction, development, physical condition or other status of the Property. Without limiting the generality of the foregoing, Seller makes no representation or warranties with respect to the amount or types of fees required to obtain building permits or otherwise to rezone and develop the Property.

ARTICLE VI BUYER'S OBLIGATION AFTER CLOSE OF ESCROW

6.1 Buyer's Obligations.

6.1.1 Buyer shall construct any necessary tenant improvements to operate a dental office and must obtain a Certificate of Occupancy before such dental office can be allowed to occupy the Property to conduct its business.

6.1.2 Buyer shall comply with all design standards, zoning, planning and building laws, regulations and review procedures imposed with respect to the Property by the City, and any other public and/or quasi-public entity.

6.1.3 Seller is responsible for Property maintenance during the escrow period and Buyer is responsible for Property maintenance after the Close of Escrow.

6.1.4 Understanding that the Buyer is taking a risk to purchase the Property prior to obtaining all necessary entitlements and permits, the Seller agrees to provide reasonable and proper assistance to Buyer in processing applications and all necessary entitlements and permits to effectuate the purpose of this Agreement.

ARTICLE VII DEFAULTS

7.1 **Default.** A party shall be deemed in default hereunder if any of the warranties or representations set forth herein are or become untrue or if it fails to meet, comply with, or perform any covenant, agreement, or obligation on its part required within the time limits and in the manner required in this Agreement for any reason other than a default by the other party hereunder or termination of this Agreement prior to Close of Escrow.

7.2 **Opportunity to Cure.** No act, failure to act, event or circumstance which might be deemed to be a default by either party shall be deemed to be a default under any of the provisions of this Agreement, unless and until, notice thereof is first given by the non-defaulting party to the party alleged to be in default and said party fails to cure the alleged default within

fifteen (15) business days in the case of a non-monetary default, or five (5) business days in the case of a monetary default. The parties agree that all notices of default in order to be effective must state with reasonable specificity (a) the nature of the default, (b) the reasonable actions which the defaulting party must take to cure such default, and (c) the time in which such action must be taken. In the event that a default cannot be cured within a fifteen (15) day period, as long as the defaulting party is diligently attempting to cure such default, the parties can mutually agree to extend the time period in which the default must be cured.

7.3 Remedies. If Buyer is deemed to be in default hereunder, Seller shall be entitled to termination of this Agreement.

7.4 Waiver of Right to Specific Performance. If Seller fails to convey the Property to Buyer in accordance with the provisions of this Agreement, and such failure constitutes a default under this Agreement, Buyer shall not have the right to receive any equitable relief, including without limitation the right to record a lis pendens against the Property under applicable law and to pursue the specific performance of this Agreement.

7.5 Liquidated Damages. BUYER AND SELLER AGREE THAT AT THE TIME THIS AGREEMENT IS MADE AND ENTERED INTO, SELLER'S DAMAGES UPON DEFAULT BY BUYER UNDER THIS AGREEMENT ARE EXTREMELY DIFFICULT OR IMPOSSIBLE TO CALCULATE AND BUYER AND SELLER AGREE THAT THE AMOUNT OF LIQUIDATED DAMAGES SET FORTH HEREIN IS A REASONABLE ESTIMATE UNDER THE CIRCUMSTANCES EXISTING AT THE TIME THIS AGREEMENT IS MADE OF THE DAMAGES SELLER WOULD SUSTAIN BECAUSE OF SUCH DEFAULT BY BUYER UNDER THIS AGREEMENT. FURTHER, BUYER DESIRES TO HAVE A LIMIT PLACED ON THE AMOUNT OF DAMAGE TO BE PAID TO SELLER UPON BUYER'S DEFAULT. BUYER HEREBY AGREES THAT SHOULD BUYER DEFAULT IN THE PERFORMANCE OF BUYER'S OBLIGATION TO CLOSE THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT, SELLER SHALL BE ENTITLED TO COLLECT THE SUM REPRESENTING THE AMOUNT OF THE DEPOSIT AND REASONABLE ATTORNEY'S FEES INCURRED BY SELLER AS LIQUIDATED DAMAGES FROM BUYER. THE FOREGOING PROVISIONS OF THIS SECTION 7.5 CONSTITUTE THE SOLE AND EXCLUSIVE REMEDY AVAILABLE TO SELLER AS A RESULT OF A DEFAULT BY BUYER OF ITS OBLIGATIONS UNDER THIS AGREEMENT. THE PROVISIONS OF THIS SECTION 7.5 DO NOT LIMIT ANY DAMAGES DUE SELLER BY REASON OF BUYER'S ENTRY ONTO THE PROPERTY PURSUANT TO SECTION 1.3. IF SELLER IS ENTITLED TO THE DEPOSIT IN ACCORDANCE WITH THIS SECTION 7.5, BUYER AGREES TO DELIVER, ON WRITTEN REQUEST OF SELLER, SUCH INSTRUCTIONS AS MAY BE REASONABLY NECESSARY TO CAUSE THE ESCROW HOLDER TO DELIVER THE DEPOSIT TO SELLER.

SA3
Buyer's Initials

Seller's Initials

ARTICLE VIII MISCELLANEOUS

8.1 **CEQA Compliance.** Buyer and Seller understand, acknowledge and agree that the close of this escrow is contingent upon Seller's compliance with the California Environmental Quality Act ("CEQA"). Buyer must comply with CEQA prior to development of the Property.

8.2 **Exhibits.** All Exhibits annexed hereto are a part of this Agreement for all purposes.

8.3 **Assignability.** Buyer may, at any time prior to the Close of Escrow, assign all of its rights, title, and interest in and to this Agreement to any affiliate or any subsidiary with the consent of Seller, otherwise, this Agreement is not assignable. Seller's consent shall not be unreasonably withheld. As used herein, an "affiliate" or "subsidiary" shall mean any entity which is controlled by or is under common control with Buyer.

8.4 **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of Seller and Buyer, and their respective successors and permitted assigns.

8.5 **Captions.** The captions, headings, and arrangements used in this Agreement are for convenience only and do not in any way affect, limit, amplify, or modify the terms and provisions hereof.

8.6 **Number and Gender of Words.** Whenever herein the singular number is used, the same shall include the plural where appropriate, and words of any gender shall include each other gender where appropriate.

8.7 **Notices.** All notices, terminations, waivers and other communications hereunder shall be in writing and shall be delivered personally or shall be sent by registered or certified United States mail or a nationally recognized, overnight courier service, postage prepaid, and addressed as follows:

If to Seller:	City of Riverside Attn: Real Property Services 3900 Main Street, 5 th Floor Riverside, California 92522 Telephone: (951) 826-5649 Facsimile: (951) 826-5744
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If to Buyer:	Concours LP Attn: Julie Hoheb 4451 Redondo Beach Blvd. Lawndale, CA 90260 Telephone: (866) 764-5346 Facsimile: (310) 342-0202
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Any notice in accordance herewith shall be deemed received when delivery is received or refused, as the case may be. Additionally, notices may be given by telephone facsimile transmission, provided that an original of said transmission shall be delivered to the addressee by a nationally recognized overnight delivery service on the business day following such transmission. Telephone facsimiles shall be deemed delivered on the date of such transmission.

8.8 Governing Law and Venue. The laws of the State of California shall govern the validity, construction, enforcement, and interpretation of this Agreement. All claims, disputes and other matters in question arising out of or relating to this Agreement, or the breach thereof, shall be decided by proceedings instituted and litigated in the state court in the County of Riverside, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county.

8.9 Entirety. This Agreement embodies the entire agreement between the parties and supersedes all prior written or oral agreements and understandings, if any, between them concerning the subject matter contained herein. There are no representations, agreements, arrangements, or understandings, oral or written, between the parties hereto, relating to the subject matter contained in this Agreement which are not fully expressed herein.

8.10 Amendments. This Agreement may be amended or supplemented only by written documents signed by the parties or their designated representatives as designated at the time of execution of this document.

8.11 Severability. If any of the provisions of this Agreement, or its application to any party or circumstance, is held to be illegal, invalid, or unenforceable under present or future laws, such provision shall be fully severable. This Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of this Agreement and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement. In lieu of such illegal, invalid, or unenforceable provision, there shall be added automatically as a part of this Agreement, a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible to make such provision legal, valid, and enforceable.

8.12 Further Acts. In addition to the acts and deeds recited herein and contemplated and performed, executed and/or delivered by Seller and Buyer, Seller and Buyer agree to perform, execute and/or deliver or cause to be performed, executed and/or delivered at the Close of Escrow or after the Close of Escrow any and all such further acts, deeds, and assurances as may be necessary to consummate the transactions contemplated herein.

8.13 Construction. No provision of this Agreement shall be construed in favor of, or against, any particular party by reason of any presumption with respect to the drafting of this Agreement; both parties, being represented by counsel, having fully participated in the negotiation of this instrument.

8.14 Time of the Essence. It is expressly agreed by the parties hereto that time is of the essence with respect to each and every provision of this Agreement.

8.15 Attorneys' Fees. In the event that any party hereto institutes an action or proceeding to enforce any term of this Agreement or to recover any damages for and on account of the breach of any term or condition of this Agreement, it is mutually agreed that the prevailing party in such action shall recover all costs thereof, including reasonable attorneys' fees and costs incurred, in addition to any other damages or relief awarded.

8.16 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant, condition or promise, or of the time for performing any act under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by such party of any other covenant, condition or promise, or of the time for performing any other act required under this Agreement. The exercise of any remedy provided in this Agreement shall not be a waiver of any other remedy provided by law, and the provisions of this Agreement for any remedy shall not exclude any other remedies unless they are expressly excluded.

8.17 Nondiscrimination. The parties shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical or mental disability, medical conditions, including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sex or sexual orientation, in connection with the performance of this Agreement. The parties further agree to conform to the requirements of the Americans with Disabilities Act in the performance of this Agreement.

8.18 Ratification. This Agreement may be subject to the approval and ratification by the City of Riverside. In the event the City of Riverside fails to approve this Agreement, there shall be no liability on the part of the Seller and this Agreement shall become null and void and of no further force and effect.

8.19 Counterparts. This Agreement may be executed in a number of identical counterparts. If so executed, each of such counterparts shall, collectively, constitute one original agreement. In making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

(Signatures on the Following Page)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

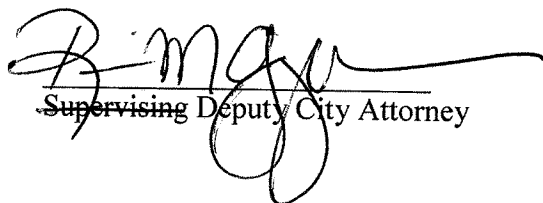
THE CITY OF RIVERSIDE, a California
charter city and municipal corporation

By _____
City Manager

Attested To:

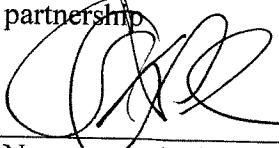
By _____
City Clerk

Approved as to Form:



Supervising Deputy City Attorney

CONCOURS LP, a California
limited partnership

By  _____
Printed Name: Shail A. Sdeinani
Its: General Partner

By _____
Printed Name: _____
Its: _____

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CA#13-1151 rmg 06/11/13

EXHIBIT "A"
LEGAL DESCRIPTION

EXHIBIT A

APN 225-124-014 & -016

THAT CERTAIN REAL PROPERTY LOCATED IN THE CITY OF RIVERSIDE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THAT PORTION OF THE WEST HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 34 IN TOWNSHIP 2 SOUTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN, BY METES AND BOUNDS:

COMMENCING AT A POINT ON THE EAST LINE OF SAID WEST HALF, DISTANT 5.00 FEET NORTH OF THE ORIGINAL NORTH LINE OF CENTRAL AVENUE;

THENCE NORTH ON SAID EAST LINE, 150 FEET;

THENCE WEST PARALLEL WITH THE NORTH LINE OF CENTRAL AVENUE, 108.65 FEET;

THENCE SOUTH 150.00 FEET TO A POINT DISTANT 108.34 FEET WEST OF THE POINT OF BEGINNING;

THENCE EAST PARALLEL WITH THE NORTH LINE OF CENTRAL AVENUE, 108.34 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH THAT PORTION OF THE WEST HALF OF THE EAST HALF OF THE SOUTH EAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 2 SOUTH, RANGE 5 WEST SAN BERNARDINO BASE AND MERIDIAN, AS SHOWN BY UNITED STATES GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

COMMENCING ON THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 34, AT A POINT 452.251 FEET SOUTH OF THE INTERSECTION OF SAID WEST LINE WITH THE SOUTHEASTERLY LINE OF MAGNOLIA AVENUE AS LOCATED ON AUGUST 2, 1923;

THENCE EASTERLY, PARALLEL WITH THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION, 330.50 FEET, TO THE EAST LINE OF THE WEST HALF OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION;

THENCE SOUTHERLY, ALONG SAID EAST LINE OF THE WEST HALF OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION, TO A POINT 155.00 FEET NORTHERLY FROM THE NORTH LINE OF CENTRAL AVENUE;

THENCE WESTERLY, PARALLEL WITH THE NORTH LINE OF CENTRAL AVENUE, 216.00 FEET, TO THE TRUE POINT OF BEGINNING;

THENCE SOUTHERLY, PARALLEL WITH THE EAST LINE OF THE WEST HALF OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 34, TO THE NORTH LINE OF CENTRAL AVENUE;

THENCE WESTERLY, ON THE NORTH LINE OF CENTRAL AVENUE, 115.65 FEET, TO THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 34;

THENCE NORTHERLY, ON SAID WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION, 155.00 FEET;

THENCE EASTERLY, PARALLEL WITH THE NORTH LINE OF CENTRAL AVENUE 115.65 FEET, TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THE EASTERLY 80.65 FEET OF THE NORTHERLY 20.00 FEET OF THE ABOVE DESCRIBED PROPERTY.

ALSO EXCEPTING THEREFROM THAT PORTION OF THE WEST HALF OF THE EAST HALF OF THE SOUTH EAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 2 SOUTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN, AS SHOWN BY UNITED STATES GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST LINE OF LOT 11 OF THE WHITTED TRACT IN THE CITY OF RIVERSIDE COUNTY OF RIVERSIDE STATE OF CALIFORNIA AS SHOWN BY MAP ON FILE IN MAP BOOK 22, PAGE 6 THEREOF OFFICIAL RECORDS OF SAID COUNTY, DISTANT SOUTHERLY THEREON 20.00 FEET FROM THE NORTHWEST CORNER OF SAID LOT 11;

THENCE SOUTHERLY ALONG SAID WEST LINE OF LOT 11, A DISTANCE OF 117.00 FEET TO THE SOUTHWESTERLY CORNER OF SAID LOT 11;

THENCE WESTERLY ALONG THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID LOT 11, A DISTANCE OF 58.00 FEET;

THENCE NORTHERLY PARALLEL WITH SAID WEST LINE OF LOT 11, A DISTANCE OF 117.00 FEET;

THENCE EASTERLY IN A DIRECT LINE, 58.00 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THOSE PORTIONS OF THE ABOVE DESCRIBED PARCELS OF LAND LYING SOUTHERLY OF A LINE THAT IS PARALLEL AND 44.00 FEET NORTHERLY AS MEASURED AT RIGHT ANGLES FROM THE CENTERLINE OF CENTRAL AVENUE AND LYING NORTHERLY OF A LINE THAT IS PARALLEL AND 178.00 FEET NORTHERLY, AS MEASURED AT RIGHT ANGLES, FROM SAID CENTERLINE OF CENTRAL AVENUE.

SUBJECT TO AN EASEMENT AS DESCRIBED IN A DEED FROM THE CITY OF RIVERSIDE TO EUGENE AND LEOLA SHIDLER, THEIR SUCCESSORS AND ASSIGNS, BY DOCUMENT

RECORDED MAY 18, 1961, AS INSTRUMENT No. 42448 OF OFFICIAL RECORDS, FOR INGRESS AND EGRESS ONLY, OVER AND ACROSS THE FOLLOWING DESCRIBED PARCEL:

A PARCEL OF LAND IN A PART OF THE WEST HALF OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 2 SOUTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN, AS SHOWN BY UNITED STATES SURVEY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO THE CITY OF RIVERSIDE, CALIFORNIA, DATED MAY 10, 1957 AND RECORDED JUNE 18, 1957, IN BOOK 2104, AT PAGE 552, OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE NORTHERLY ALONG THE WEST LINE OF SAID PARCEL, A DISTANCE OF 137.00 FEET TO THE SOUTHERLY LINE OF AN ALLEY, 16.0 FEET IN WIDTH;

THENCE EASTERLY ALONG THE SOUTHERLY LINE OF SAID ALLEY, A DISTANCE OF 15.0 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION;

THENCE SOUTHERLY PARALLEL WITH, AND 15.0 FEET EASTERLY FROM THE WESTERLY LINE OF SAID PARCEL, A DISTANCE OF 30.0 FEET TO A POINT;

THENCE EASTERLY PARALLEL WITH THE SOUTHERLY LINE OF SAID PARCEL, A DISTANCE OF 42.65 FEET TO A POINT;

THENCE NORTHERLY, PARALLEL WITH THE WEST LINE OF SAID PARCEL, A DISTANCE OF 10.0 FEET;

THENCE WESTERLY PARALLEL WITH THE SOUTHERLY LINE OF SAID PARCEL, A DISTANCE OF 22.65 FEET;

THENCE NORTHERLY PARALLEL WITH THE WEST LINE OF SAID PARCEL, A DISTANCE OF 20.00 FEET TO THE SOUTHERLY LINE OF SAID 16.0 FOOT ALLEY;

THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID ALLEY, A DISTANCE OF 20.00 FEET TO THE TRUE POINT OF BEGINNING.

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.

Curtis C. Stephens 5/18/61 Prep. (Signature)
Curtis C. Stephens, L.S. 7519 Date



EXHIBIT "B"
PLAT MAP

EXHIBIT "C"
HISTORIC FACADE EASEMENT AGREEMENT

OFFICIAL BUSINESS
Exempt from Recording Fees
Pursuant to (Govt. Code §6103)

When Recorded Mail to:
City Clerk's Office
City of Riverside
3900 Main Street
Riverside, CA 92522

FOR RECORDER'S OFFICE USE ONLY

HISTORIC FACADE EASEMENT AGREEMENT

(Former March Branch Library)

THIS HISTORIC FACADE EASEMENT AGREEMENT, dated this ____ day of _____, 2013, is entered into by and between the CITY OF RIVERSIDE, a California charter city and municipal corporation ("City") and CONCOURS LP, a California limited partnership ("Buyer").

RECITALS

WHEREAS, the City is the owner of the following real property ("Property"), which is described in the attached Exhibit "A" titled Legal Description and incorporated herein by this reference; and

WHEREAS, the use, rehabilitation and improvement of the Property by the Buyer pursuant to this Agreement, and the fulfillment generally of the Agreement, are in the vital and best interests of the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state and local laws and requirements; and

WHEREAS, the building located upon the Property is deemed eligible for listing in the National Register of Historic Places and its preservation/rehabilitation is of direct benefit to the City.

NOW, THEREFORE, the City and Buyer agree as follows:

Section 1. Conveyance of Historic Facade Easement

City, upon payment by Buyer, shall grant and convey in perpetuity to Buyer, its successors and assigns, a facade easement for historical preservation purposes on all four (4) sides (north, south, east

and west) and the roof of the building located on the Property which is described in the attached Exhibit "A" titled Legal Description and incorporated herein by this reference.

Section 2. "Historical Preservation Purposes"

"Historical Preservation Purposes" as used in this Agreement means the preservation by the Buyer, its successors or assigns, of the building on all (4) four sides (north, south, east and west) and the roof of the building located on the Property for historical purposes for the benefit of the City. The Buyer shall rehabilitate the building facade in accordance with plans approved by the City and its Cultural Heritage Board per Title 20 of the Riverside Municipal Code in compliance with the Secretary of the Interior's Standards for Treatment of Historic Properties, and shall, throughout the term of this Agreement, maintain the building facade in good repair and condition as determined by the City.

Section 3. Maintenance

The building facade shall be maintained in good repair by the Buyer at its sole cost and expense and in accordance with the Secretary of the Interior's Standards for Rehabilitation Projects in effect as of the date of this Agreement.

The Buyer and all subsequent grantees, transferees and owners of the Property shall maintain the Property, building, improvements, landscaping and fixtures in good repair and shall keep the Property free from any accumulation of debris or waste materials, consistent with the customary practice and so as not to create a nuisance, or violate any provision of the City of Riverside Municipal Code.

All exterior painted surfaces shall be maintained at all times in a clean and presentable manner, free from chipping, cracking and defacing marks. Any such defacing marks shall be cleaned or removed within one (1) week of their creation or within one (1) week after notice to Buyer. The Buyer shall at all times maintain the front exterior, visible side exteriors and yard in a clean, safe and presentable manner, free from defacing marks or any disrepair. The Buyer shall maintain and/or repair the front exterior or rear or visible side yard and exterior of the building. All exterior maintenance must be in compliance with all applicable provisions of the City of Riverside municipal Code, specifically Chapter 6.14.

All graffiti and defacement of any type, including marks, words and pictures, must be removed and any necessary painting or repair completed within one (1) week of their creation or within one (1) week after notice to Buyer.

Section 4. Easement to Run With Land

This grant of building facade easement shall run with the land, in perpetuity, and shall be binding on and shall inure to the benefit of the parties hereto, their successors or assigns.

Section 5. Indemnification

Property Owner shall indemnify City for any and all liability for personal injury, property damage or any other injury or damage resulting from, arising out of, or attributed to any construction maintenance, or repair or action taken pursuant to this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement at Riverside California, on the date and year first written above.

CITY OF RIVERSIDE, a California
municipal corporation

CONCOURS LP, a California charter city and
limited partnership

By: _____
City Manager

By: _____

Name:

ATTEST:

Title:

By: _____
City Clerk

APPROVED AS TO FORM:

Deputy City Attorney

O:\Cycom\WPDocs\D007\P016\00161436.doc
CA 13-1511 rmg 06/11/13

[illegible]

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

WITNESS my hand and official seal.

Notary Signature

EXHIBIT "A"
LEGAL DESCRIPTION

EXHIBIT A

APN 225-124-014 & -016

THAT CERTAIN REAL PROPERTY LOCATED IN THE CITY OF RIVERSIDE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THAT PORTION OF THE WEST HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 34 IN TOWNSHIP 2 SOUTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN, BY METES AND BOUNDS:

COMMENCING AT A POINT ON THE EAST LINE OF SAID WEST HALF, DISTANT 5.00 FEET NORTH OF THE ORIGINAL NORTH LINE OF CENTRAL AVENUE;

THENCE NORTH ON SAID EAST LINE, 150 FEET;

THENCE WEST PARALLEL WITH THE NORTH LINE OF CENTRAL AVENUE, 108.65 FEET;

THENCE SOUTH 150.00 FEET TO A POINT DISTANT 108.34 FEET WEST OF THE POINT OF BEGINNING;

THENCE EAST PARALLEL WITH THE NORTH LINE OF CENTRAL AVENUE, 108.34 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH THAT PORTION OF THE WEST HALF OF THE EAST HALF OF THE SOUTH EAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 2 SOUTH, RANGE 5 WEST SAN BERNARDINO BASE AND MERIDIAN, AS SHOWN BY UNITED STATES GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

COMMENCING ON THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 34, AT A POINT 452.251 FEET SOUTH OF THE INTERSECTION OF SAID WEST LINE WITH THE SOUTHEASTERLY LINE OF MAGNOLIA AVENUE AS LOCATED ON AUGUST 2, 1923;

THENCE EASTERLY, PARALLEL WITH THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION, 330.50 FEET, TO THE EAST LINE OF THE WEST HALF OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION;

THENCE SOUTHERLY, ALONG SAID EAST LINE OF THE WEST HALF OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION, TO A POINT 155.00 FEET NORTHERLY FROM THE NORTH LINE OF CENTRAL AVENUE;

THENCE WESTERLY, PARALLEL WITH THE NORTH LINE OF CENTRAL AVENUE, 216.00 FEET, TO THE **TRUE POINT OF BEGINNING**;

THENCE SOUTHERLY, PARALLEL WITH THE EAST LINE OF THE WEST HALF OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 34, TO THE NORTH LINE OF CENTRAL AVENUE;

THENCE WESTERLY, ON THE NORTH LINE OF CENTRAL AVENUE, 115.65 FEET, TO THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 34;

THENCE NORTHERLY, ON SAID WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION, 155.00 FEET;

THENCE EASTERLY, PARALLEL WITH THE NORTH LINE OF CENTRAL AVENUE 115.65 FEET, TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THE EASTERLY 80.65 FEET OF THE NORTHERLY 20.00 FEET OF THE ABOVE DESCRIBED PROPERTY.

ALSO EXCEPTING THEREFROM THAT PORTION OF THE WEST HALF OF THE EAST HALF OF THE SOUTH EAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 2 SOUTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN, AS SHOWN BY UNITED STATES GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST LINE OF LOT 11 OF THE WHITTED TRACT IN THE CITY OF RIVERSIDE COUNTY OF RIVERSIDE STATE OF CALIFORNIA AS SHOWN BY MAP ON FILE IN MAP BOOK 22, PAGE 6 THEREOF OFFICIAL RECORDS OF SAID COUNTY, DISTANT SOUTHERLY THEREON 20.00 FEET FROM THE NORTHWEST CORNER OF SAID LOT 11;

THENCE SOUTHERLY ALONG SAID WEST LINE OF LOT 11, A DISTANCE OF 117.00 FEET TO THE SOUTHWESTERLY CORNER OF SAID LOT 11;

THENCE WESTERLY ALONG THE WESTERLY PROLONGATION OF THE SOUTHERLY LINE OF SAID LOT 11, A DISTANCE OF 58.00 FEET;

THENCE NORTHERLY PARALLEL WITH SAID WEST LINE OF LOT 11, A DISTANCE OF 117.00 FEET;

THENCE EASTERLY IN A DIRECT LINE, 58.00 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THOSE PORTIONS OF THE ABOVE DESCRIBED PARCELS OF LAND LYING SOUTHERLY OF A LINE THAT IS PARALLEL AND 44.00 FEET NORTHERLY AS MEASURED AT RIGHT ANGLES FROM THE CENTERLINE OF CENTRAL AVENUE AND LYING NORTHERLY OF A LINE THAT IS PARALLEL AND 178.00 FEET NORTHERLY, AS MEASURED AT RIGHT ANGLES, FROM SAID CENTERLINE OF CENTRAL AVENUE.

SUBJECT TO AN EASEMENT AS DESCRIBED IN A DEED FROM THE CITY OF RIVERSIDE TO EUGENE AND LEOLA SHIDLER, THEIR SUCCESSORS AND ASSIGNS, BY DOCUMENT

RECORDED MAY 18, 1961, AS INSTRUMENT No. 42448 OF OFFICIAL RECORDS, FOR INGRESS AND EGRESS ONLY, OVER AND ACROSS THE FOLLOWING DESCRIBED PARCEL:

A PARCEL OF LAND IN A PART OF THE WEST HALF OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 2 SOUTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN, AS SHOWN BY UNITED STATES SURVEY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO THE CITY OF RIVERSIDE, CALIFORNIA, DATED MAY 10, 1957 AND RECORDED JUNE 18, 1957, IN BOOK 2104, AT PAGE 552, OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE NORTHERLY ALONG THE WEST LINE OF SAID PARCEL, A DISTANCE OF 137.00 FEET TO THE SOUTHERLY LINE OF AN ALLEY, 16.0 FEET IN WIDTH;

THENCE EASTERLY ALONG THE SOUTHERLY LINE OF SAID ALLEY, A DISTANCE OF 15.0 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION;

THENCE SOUTHERLY PARALLEL WITH, AND 15.0 FEET EASTERLY FROM THE WESTERLY LINE OF SAID PARCEL, A DISTANCE OF 30.0 FEET TO A POINT;

THENCE EASTERLY PARALLEL WITH THE SOUTHERLY LINE OF SAID PARCEL, A DISTANCE OF 42.65 FEET TO A POINT;

THENCE NORTHERLY, PARALLEL WITH THE WEST LINE OF SAID PARCEL, A DISTANCE OF 10.0 FEET;

THENCE WESTERLY PARALLEL WITH THE SOUTHERLY LINE OF SAID PARCEL, A DISTANCE OF 22.65 FEET;

THENCE NORTHERLY PARALLEL WITH THE WEST LINE OF SAID PARCEL, A DISTANCE OF 20.00 FEET TO THE SOUTHERLY LINE OF SAID 16.0 FOOT ALLEY;

THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID ALLEY, A DISTANCE OF 20.00 FEET TO THE TRUE POINT OF BEGINNING.

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.

Curtis C. Stephens 5/14/61 Prep. [Signature]
Curtis C. Stephens, L.S. 7519 Date



RECORDED MAY 18, 1961, AS INSTRUMENT No. 42448 OF OFFICIAL RECORDS, FOR INGRESS AND EGRESS ONLY, OVER AND ACROSS THE FOLLOWING DESCRIBED PARCEL:

A PARCEL OF LAND IN A PART OF THE WEST HALF OF THE EAST HALF OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 2 SOUTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN, AS SHOWN BY UNITED STATES SURVEY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO THE CITY OF RIVERSIDE, CALIFORNIA, DATED MAY 10, 1957 AND RECORDED JUNE 18, 1957, IN BOOK 2104, AT PAGE 552, OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE NORTHERLY ALONG THE WEST LINE OF SAID PARCEL, A DISTANCE OF 137.00 FEET TO THE SOUTHERLY LINE OF AN ALLEY, 16.0 FEET IN WIDTH;

THENCE EASTERLY ALONG THE SOUTHERLY LINE OF SAID ALLEY, A DISTANCE OF 15.0 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION;

THENCE SOUTHERLY PARALLEL WITH, AND 15.0 FEET EASTERLY FROM THE WESTERLY LINE OF SAID PARCEL, A DISTANCE OF 30.0 FEET TO A POINT;

THENCE EASTERLY PARALLEL WITH THE SOUTHERLY LINE OF SAID PARCEL, A DISTANCE OF 42.65 FEET TO A POINT;

THENCE NORTHERLY, PARALLEL WITH THE WEST LINE OF SAID PARCEL, A DISTANCE OF 10.0 FEET;

THENCE WESTERLY PARALLEL WITH THE SOUTHERLY LINE OF SAID PARCEL, A DISTANCE OF 22.65 FEET;

THENCE NORTHERLY PARALLEL WITH THE WEST LINE OF SAID PARCEL, A DISTANCE OF 20.00 FEET TO THE SOUTHERLY LINE OF SAID 16.0 FOOT ALLEY;

THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID ALLEY, A DISTANCE OF 20.00 FEET TO THE TRUE POINT OF BEGINNING.

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.

Curtis C. Stephens 5/18/61 Prep. [Signature]
Curtis C. Stephens, L.S. 7519 Date



Exhibit "B"

Former Marcy Branch Library

Historic Preservation Easement

Architectural Description

The Historic Preservation Easement for the Former Marcy Library should include the four elevations, the roof, the entry way, the central desk space and immediate surroundings, the beams, folding walls, columns, built-in cabinetry in the former public library spaces and the children's area of the former library. These character defining features of the elevations and interior spaces are described below. This description was based upon the DPR form prepared as part of the Modernism Context Statement by Susan Wood and Teresa Grimes dated May 18, 2009. The intent of the easement is for any changes made to the areas described below be done only with written permission and approval of the City of Riverside Cultural Heritage Board and staff as is required by Title 20.

Marcy Branch Library is eligible for listing in the National Register under Criterion C. It is significant at the local level in the context of modern architecture in Riverside as an outstanding example of Mid-Century Modernism. Marcy Branch Library was reportedly the only round library in the United States at the time of its construction. The concept of a circular building was not chosen just for novelty, but was the architect's way of addressing the floor space, book capacity, and flexibility of use required by the administration of the public library. The building was designed by prominent local architect Herman Ruhnau and appears to be one of the best examples of his work. Ruhnau was born September 1, 1912 in Santa Barbara. His family moved to Pasadena and then to Riverside in 1929. Ruhnau studied architecture at USC. In 1946, he opened a Riverside branch office for Heitschmidt and Matcham, a Los Angeles-based architecture firm. In 1950, Ruhnau founded his own firm. Much of his work was in Riverside. He designed homes, banks, and government facilities. Although he is best known for designing some of the largest public buildings in Riverside, his finest buildings were designed early in his career and are relatively small. They include the Marcy Branch Library and the Cutter Pool House. The Marcy Branch Library retains a high level of integrity with only minor alterations.

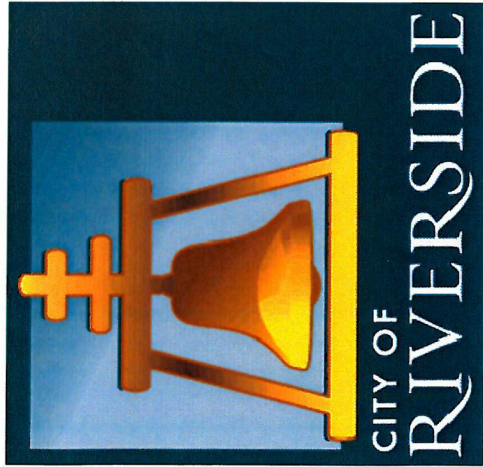
EXTERIOR

This Mid-Century Modern library is distinguished by its circular shape. It is a relatively small (4,275 sq ft) steel-framed structure, one story in height, and covered by a flat roof. Twelve laminated wood beams cantilever over the stacked red brick walls from the center support of the roof. The beams are exposed both in the ceiling and above the roof and are supported by unobtrusive steel columns. The roof overhang extends over approximately one quarter of the building, including the entrance. Inset in the soffit of the overhang are round, recessed can lights.

The south elevation contains the entrance and faces Central Avenue. The entrance area is constructed of glass walls, providing visibility into the interior. The building is setback from the street behind the sidewalk and simple low-profile landscaped area with two palm trees. Jutting out from the building, in the same red brick, is a short curved brick wall that connects to a rectangular volume containing restrooms. On the west elevation, facing the street, is the sign spelling "Marcy Branch Library" in individual metal letters. The east elevation is split visually into two sections. The front (or south) section lies under the roof overhang and is composed of eight flush mounted glass wall sectioned windows framed in black metal. There is an alley to the north and a surface parking lot to the west.

INTERIOR

Modern materials such as the composite aluminum/plastic of the sky dome over the built-in central desk, the wooden details and louvers, plate glass windows in the entrance area to maximize wall space, and the lack of interior bearing walls with two folding doors to allow flexibility in space usage, built-in cabinetry in the public spaces and the whole of the children's area of the former library are character defining features found in the library.



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Former Marcy Branch Library Purchase and Sale Agreement

Community Development Department

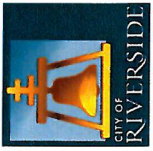
City Council

Item Number 15

August 13, 2013



RiversideCa.gov



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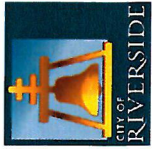
Site

- City of Riverside owned
- Commercial general
- Mixed use - Village
- 4,275 square foot building
- 22,000 square foot parcel



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Background

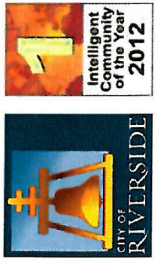
- Mid-Century Modern Library designed by Herman Ruhnau and built in 1958
- Eligible for listing on the National Register of Historic Places
- New library opened on May 14, 2011
- City Council declared as surplus June 24, 2012
- RFP for purchase and adaptive re-use



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Proposals

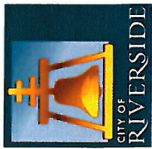
- Received seven proposals
 - California Cyclery/Riverside Schwinn Retail
 - Medical Equipment and Supplies Retail
 - TR Design Group/Architectural Office
 - Dr. Gupta Urgent Care Center Medical
 - Gamache/Healing Health Center and Salon Medical
 - Mohrdar Institute Holistic Wellness/Lifestyle Center Medical
 - Concours LP/Dental Office Dental



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Selection

- **Concours LP (Dental Management Services)**
 - Purchase price: Gross \$710,000, Net \$667,400
 - Adaptive re-use: Estimated \$555,000 interior improvements, cooperating with Title 20, Landmark Designation and Mills Act
 - Development experience: 8 dental offices in So Cal including the re-use of a former art gallery in Culver City Art District and a billiard company in Santa Ana
 - Financial strength: Evidence of over \$2.8M cash on-hand
 - Economic benefit: Expansion will increase tax base and create jobs



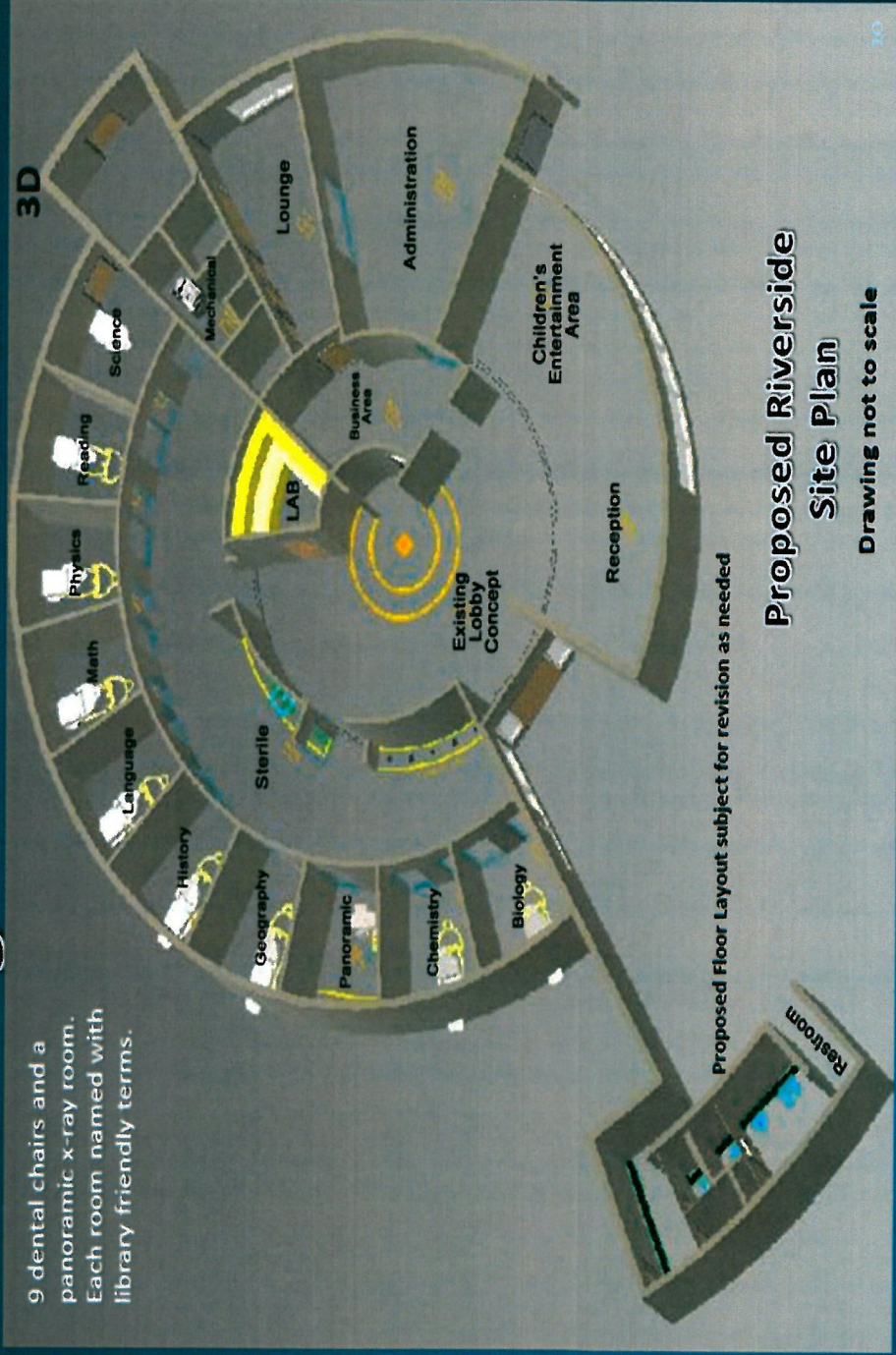
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Proposed Dental Office



Dental Management Services

9 dental chairs and a panoramic x-ray room. Each room named with library friendly terms.



Proposed Floor Layout subject for revision as needed

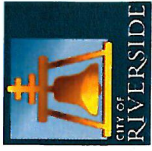
Proposed Riverside Site Plan

Drawing not to scale

1. Site Plan-After

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Recommendations

- Approve the Purchase and Sale Agreement for the sale price of \$710,000;
- Authorize City Manager, or his designee, to execute the Agreement, including making minor, non-substantive changes;
- Authorize an appropriation of \$42,600 to account 2845000-421000 for costs associated with brokerage commissions; and
- Authorize the deposit of \$100,000 from the net sales proceeds to Historic Preservation Fund account 0000721-225467