

MEMORANDUM OF AGREEMENT

WHEREAS, the development of a legal and judicial center in Downtown Riverside has been a goal of civic leaders for many years; and

Whereas, the County of Riverside and the City of Riverside Redevelopment Agency recognized, in 1993, the need to manage the future of the Justice Center and appropriated funds to assemble plans for the development of courts and other facilities in an area bounded by Fourteenth Street, Market Street, Ninth Street, and Lime Street; and

Whereas, the federal Judicial Council voted in 1993 to relocate its United States Bankruptcy Court from San Bernardino to Riverside; and

Whereas, in response to a lease space solicitation by the federal General Services Administration, the City of Riverside Redevelopment Agency issued a request for qualifications for a developer to act on behalf of the Agency and the County of Riverside; and

Whereas, on 11 January 1994, the County of Riverside and the City of Riverside Redevelopment Agency approved an Exclusive Right to Negotiate with Kilroy Industries whose purpose was to share the cost of pursuing the award of a lease for the United States Bankruptcy Court; and

Whereas, also on 11 January 1994, the County of Riverside agreed to lease County-owned property to City of Riverside Redevelopment Agency in order to provide a site for the United States Bankruptcy Court; and

Whereas, on 24 October 1994, the federal General Services Administration awarded a lease for the United States Bankruptcy Court to the City of Riverside Redevelopment Agency; and

Whereas, the terms of the federal General Services Administration lease for the United States Bankruptcy Court contain certain provisions which require the on-going cooperation of the County of Riverside and the City of Riverside Redevelopment Agency in order to satisfactorily resolve;

Now, therefore, on ____ December 1994, the County of Riverside (hereafter, the "County") and the City of Riverside Redevelopment Agency (hereafter, the "Agency"), enter into this Memorandum of Agreement (hereafter, "MOA") regarding the development of the United States Bankruptcy Court (hereafter, the "Court") on County-owned property.

Section 1: Site

The federal General Services Administration (hereafter, the "GSA") has chosen a location for the Court on the easterly half of a block bounded by Twelfth Street, Lime Street, Thirteenth Street, and Lemon Street (hereafter, the "Site"). The Site is currently used for

the County's employee parking. The County agrees to provide, under the terms of a lease to be described herein, this Site to the Agency so it can respond to the GSA.

Section 2: The Facility & the Project

The Agency agrees to build, or cause to be built, under terms further described herein, certain improvements to provide courtrooms, offices, and other space for the Court (hereafter, the "Facility") on the Site. The Facility is generally understood to be three stories tall and approximately 83,500 square feet in gross size, with 67,000 square feet of net rentable area. All the activities necessary to cause the construction and eventual operation of the Facility will be hereafter known as the "Project."

Section 3: The Developer

The County and the Agency agree to continue the engagement of Kilroy Industries, and its various project partners ((hereafter, collectively known as "Kilroy"), for the execution of the Project.

Section 4: The Land Lease Terms

The County agrees to lease the Site to the Agency (hereafter, the "Land Lease") for a primary term of approximately twenty-two years, with three five-year options to extend (hereafter, the "Land Lease Period"). The Land Lease Period will commence on the day the Agency takes possession of the site for the purposes of constructing the Facility, and its primary term will expire twenty years after the delivery of the Facility to the GSA.

During the primary term, the Agency agrees to compensate the County for the use of the Site by replacing the parking spaces lost by the development of the Site in this manner:

- A. The exact number of lost parking spaces will be specifically identified in the Land Lease agreement once a site plan has been prepared; it is generally agreed by the County and the Agency that there are approximately 138 spaces on the Site.
- B. Up to seventy (70) spaces will be replaced during the Land Lease Period with spaces controlled by the City of Riverside in the County's new Justice Center parking garage. The County shall be free to rent these spaces during the Land Lease Period to any third party at any price the market will bear.
- C. The Agency shall pay the County, or cause the County to be paid, for the replacement of up to sixty-eight (68) of the spaces at a rate which shall commence at \$35 per space per month and will not increase until the second anniversary of the Court's occupancy of the Facility. Thereafter, for the duration of the primary term of the Land Lease Period, the rate will annually increase by (2) percent.

After the expiration of the primary term of the Land Lease Period, the compensation to be paid to the County for its property during the three, five-year option periods is understood to be "market rate" and will be fixed by independent appraisal prior to the expiration of the primary term.

Section 5: Risk Sharing and Residual Value of the Improvements

Inasmuch as the primary term of the GSA lease for the Facility is only ten years, with two five-year options; and inasmuch as it appears necessary to finance the Facility for at least twenty-two years in order to reduce the cost of debt service to less than the GSA lease payment; the County and the Agency recognize that it will be necessary to jointly share the risk of the financing during the option terms. The County and the Agency agree to provide such lease guaranties or other credit enhancements as are practical and necessary to accomplish the financing.

In compensation for the assumption of risk, the County and Agency agree to divide equally the residual value of the Facility after the expiration of the GSA lease. However, notwithstanding the foregoing, if:

- A) The federal government fails to exercise its option to extend its lease, either during the initial twenty-year period of the GSA lease, or any extensions to it; and
- B) The County agrees to occupy the Facility with offices or courts of its own; and
- C) The County agrees to pay rent equivalent to the debt service and any required reserves; and
- D) The County releases the Agency (and all successors in interest) from any obligation under the Land Lease and the bond financing;

Then, the County will assume full ownership of the Facility without further obligation to the Agency.

Nothing in this section should be construed to abridge the Agency's right to extend the Land Lease, under the option terms of Section 4, so long as its tenant is part of the federal judiciary and the net proceeds of any lease revenue of the Facility are shared 50/50 with the County.

Section 6: Predevelopment Expenses & Reimbursement from Financing Proceeds

The Agency agrees, from the execution of this MOA forward, to assume responsibility for the predevelopment expenses for the Project, now estimated to be approximately \$1.3 million. These costs shall be reimbursed to the Agency, in full, from the proceeds of any financing for the Project.

The County and the Agency agree, in the event that Project budget permits it, that they will be reimbursed for up to \$100,000 apiece for the funds and services advanced to the project prior to the date of this MOA.

Section 7: Assignment of the Land Lease and other Development Responsibilities

The County and the Agency agree to permit the assignment of the Land Lease to a responsible third party, including a joint powers authority (hereafter, "JPA") created by the County and Agency, or to any other entity created for the expressed purpose of

facilitating the execution of the Project. Any assignment under this section will require the consent of the County, which shall not be unreasonably withheld.

The assignment of the Land Lease to a third party such as a JPA does not relieve the Agency from its obligation to provide compensation to the County for the Site for the primary term of the Land Lease Period.

Section 8: Riverside Justice Center Joint Powers Authority

The County and the Agency agree to contemplate the creation of a JPA for the purpose of pursuing the efficient, timely, and orderly development and management of the Riverside Justice Center. It is understood by the County and the Agency that the City of Riverside, and possibly other third parties, may be participants in the proposed JPA.

Section 9: Preparation of a Land Lease Agreement

The County and the Agency agree to expeditiously negotiate in good faith the final terms and legal specifics of a Land Lease and return this agreement to the respective legislative bodies at the earliest practical opportunity for review and approval. In no case will this process extend beyond the first week of February 1995. The "good faith" efforts of the County will include an application to remap the subject block to provide appropriate parcel boundaries for the Site; the Agency will use its best efforts to provide for the timely vacation of all right-of-ways or easements owned by the City of Riverside which are not necessary for the delivery of public services.

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

Dated: _____

THE REDEVELOPMENT AGENCY OF
THE CITY OF RIVERSIDE

THE COUNTY OF RIVERSIDE

By: _____
Robert C. Wales, P.E.
Executive Director

By: _____

Approved as to form:

Approved as to form:

By: _____
Charles S. Vose, General Counsel for
City of Riverside Redevelopment Agency

By: _____

Cost to Agency for Lease of Land United State Bankruptcy Court

Year	Annual	Cumulative
Construction	\$38,080	\$38,080
1	28,560	66,640
2	28,560	95,200
3	29,131	124,331
4	29,714	154,045
5	30,308	184,353
6	30,914	215,267
7	31,533	246,800
8	32,163	278,963
9	32,806	311,770
10	33,463	345,232
11	34,132	379,364
12	34,814	414,179
13	35,511	449,689
14	36,221	485,910
15	36,945	522,856
16	37,684	560,540
17	38,438	598,978
18	39,207	638,185
19	39,991	678,176
20	40,791	718,966

Present Value @ 4% Discount Rate: \$470,370

Assumptions

- > Cost per space begins at \$35 for 68 spaces
and increases at 2% annually after Year 3
- > Construction period is 16 months long

Grant in Agency for Bureau of Labor Department of Labor

Year	Amount	Percentage
1911	\$1,000,000	100%
1912	\$1,000,000	100%
1913	\$1,000,000	100%
1914	\$1,000,000	100%
1915	\$1,000,000	100%
1916	\$1,000,000	100%
1917	\$1,000,000	100%
1918	\$1,000,000	100%
1919	\$1,000,000	100%
1920	\$1,000,000	100%
1921	\$1,000,000	100%
1922	\$1,000,000	100%
1923	\$1,000,000	100%
1924	\$1,000,000	100%
1925	\$1,000,000	100%
1926	\$1,000,000	100%
1927	\$1,000,000	100%
1928	\$1,000,000	100%
1929	\$1,000,000	100%
1930	\$1,000,000	100%
1931	\$1,000,000	100%
1932	\$1,000,000	100%
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2095	\$1,000,000	100%
2096	\$1,000,000	100%
2097	\$1,000,000	100%
2098	\$1,000,000	100%
2099	\$1,000,000	100%
2100	\$1,000,000	100%

The total amount of the grant is \$1,000,000.

The grant is for the year 2025.

The grant is for the year 2025.

CITY OF RIVERSIDE

CITY COUNCIL MEMORANDUM

HONORABLE MAYOR AND CITY COUNCIL
AND REDEVELOPMENT AGENCY

DATE: December 20, 1994

ITEM NO.: 11 PH (H)

SUBJECT: A Joint Public Hearing to Request Approval of a Lease Agreement between the Redevelopment Agency and the Federal General Services Administration, Related Resolutions, and Certain Other Matters Regarding the Construction and Operation of a New Facility for the United States Bankruptcy Court at 3420 Twelfth Street in the Downtown Project Area

Background

In 1993, the Redevelopment Agency and the County of Riverside began cooperative efforts to encourage the attraction and development of court facilities and other legal services in the southerly part of Downtown. The Riverside Justice Center now has commitments from three new or relocated courts, including the U.S. Bankruptcy Court, the U.S. District Court, and the State Appellate Court. Other future facilities may include the County's Family Law Court and the proposed UCR Law School.

Among the actions taken by the Agency in 1993 was a Request for Qualifications solicitation to recruit a developer for the United States Bankruptcy Court. Pursuant to a recommendation made by its selection panel, the Agency approved (as did the County of Riverside) an Exclusive Right to Negotiate with Kilroy Industries to serve as the Bankruptcy Court developer. With Kilroy's assistance, the Agency and County successfully responded to a federal Solicitation for Offers (SFO) from the General Services Administration (GSA) in the spring of 1994. In late October 1994, the Agency was notified that it had been awarded a GSA lease for the United States Bankruptcy Court.

Nature of the Project & Leasehold

The federal GSA is offering a twenty-year lease (ten years firm with two five-year options) at a total annual compensation of \$1,972,919 (\$1,580,958 in fixed base rent and \$391,961 in escalating operating expenses) to lease 67,678 net square feet for the United States Bankruptcy Court. The proposed building will be approximately 83,500 gross square feet in size on a 50,000 square foot site at the southwest corner of Twelfth and Lime streets. The currently estimated cost of this facility is \$15,763,865.

As currently envisioned, the project will be built on County-owned land which is leased to the Redevelopment Agency. The Agency shall cause the construction of the building and other improvements, and provide for their long-term maintenance. These and other issues were part of a Memorandum of Agreement (MOA) between the Agency and the County of Riverside which was the subject of Agency action on this date. As noted in the MOA, it is possible that the Agency's responsibilities for the United States Bankruptcy Court project could be assigned to a joint powers authority at a later date.

Current Action & Issues

This report and its many supporting documents provide the legal basis for the Agency's authority to enter into a lease with the federal GSA for the United States Bankruptcy Court. It also adopts a resolution certifying a mitigated negative declaration for the environmental matters related to the lease; amends and increases a previously adopted reimbursement resolution; and authorizes a solicitation of proposals for a financing team for the project (any selection will be returned to the Agency for formal approval). Although neither the MOA with the County of Riverside or this staff report specifically appropriates funds, the Council and Agency should be aware that authorization of the lease with the federal General Services Administration for the U.S. Bankruptcy Court, along with the approval of the MOA, will have very significant financial consequences. These include:

- In order to deliver the promised leased facility, the Agency will need to assemble financing for somewhat in excess of \$15 million in "hard" and "soft" costs. This will be a challenge given the base lease revenue amount of \$1,580,958.
- This financing is complicated by the fact that the GSA lease is only ten years firm, with two five-year options. The MOA makes clear that the Agency and the County will need to provide stand-by credit instruments for any financing term which is in excess of the firm lease period. This could have a negative effect on the Agency's balance sheet and bonding capacity; every effort is being made to structure around this problem.
- The economics of this transaction have recently been made even tighter by increases in the cost of funds derived from bond financing, including a 25-30 basis point discount due to the problems in Orange County. It is possible that this project could go "upside-down" if there is further interest rate increases.
- At the time this report was being completed, Agency staff was unsure of the County's position on the MOA and the proposed financial details of land lease. Any changes by the County could have a negative effect on the project's economic impact on the Agency.

Environmental Action

For purposes of complying with the California Environmental Quality Act (CEQA), the County of Riverside served as the "Lead Agency" and prepared an initial study supporting the adoption of a Negative Declaration. The City, as a "Responsible Agency" is required to consider the environmental document prepared by the County. The initial study prepared by the County indicates the project results in potentially significant impacts in regard to Land Use, Circulation, Groundshaking, Noise, Air Quality and Historic Resources, but that all identified impacts can be mitigated to a level of insignificance through the implementation of mitigation measures. As a matter of information, the City Council on June 21, 1994, reviewed the draft initial study and went on record in support of the proposed Negative Declaration. In addition to finding that the proposed project will not have a significant effect on the environment, the City Council must also find that there is no evidence that the proposed project will have any potential for adverse effect on wildlife resources, and the impacts of the project are de minimis pursuant to Section 711.4 of the Fish and Game Code.

Financial Summary Report & Reuse Analysis

Transmitted with this item is the Financial Summary Report (Section 33433) required by the Community Redevelopment Law any time the Agency engages in a disposition of its property. The 33433 report indicates that the Agency's financial position could range from a \$730,000 surplus to a shortfall of \$1,370,000 (net present dollars) depending on the willingness of the GSA to renew the lease in years 11 and 16.

Overall Risk Assessment

In the opinion of Agency staff, there are two significant risk issues associated with this transaction. They are:

Rising Interest Rates & Fixed Lease Payment

The cost to finance this project are steadily rising, thus reducing the net proceeds available to underwrite the construction cost of the building and other improvements. It is possible, in the event of a major interest rate shift, that there would be a shortage of funds to construct the contemplated facility. Extraordinary efforts are being made to hold-down the construction costs beneath the estimated fund ceiling. In the event of a shortfall, it is possible that the Agency would be asked to financially assist the project.

Failure of GSA to Renew Lease in Years 11 or 16

It is possible, but highly unlikely, that GSA would seek to terminate the lease during its option period. As previously reported to the Agency, we have received repeated assurances that federal court facilities relocate only if absolutely necessary and that, in all likelihood, the U.S. Bankruptcy Court will be using this facility beyond the twenty-year lease term. However, if the court left in Year 11 or Year 16, the financial burden of debt service could be a responsibility of the Agency and the County.

Benefit to the Agency and Community

Despite the real, disclosed risks associated with the United States Bankruptcy Court project, as well as the significant long-term cost to the Agency and City, staff recommends its approval for these reasons:

- The Bankruptcy Court is the first firm commitment by an outside court to the Riverside Justice Center and it establishes the legitimacy of the joint City-County goal of creating a judicial center serving the Inland Empire in the Downtown.
- The Bankruptcy Court will attract other federal activities to our community, including the U.S. District Court, the U.S. Magistrate, the U.S. Attorney's Office, the Office of the U.S. Trustee, and the U.S. Marshal.
- The Bankruptcy Court alone will bring upwards of 150-170 jobs to Riverside -- most of them professional and technical positions. The annual payroll and benefits from this institution could easily exceed \$10,000,000.
- In addition to its employment base, the Bankruptcy Court will generate hundreds of user visits weekly to its facility. These clients of the court will also be customers for many Riverside-area businesses, including restaurants, retailers, and hotels.

- The construction of the U.S. Bankruptcy Court building and other improvements will employ hundreds of local tradespeople at prevailing wages at a time when the construction industry in Riverside County remains slow.
- The project will place land in the redevelopment project area which is currently under-utilized as parking into a much higher-and-better use.
- The project can serve as a model for cooperation between the Agency, City, and County on projects of significant economic benefit for their constituents.

Recommendations

That the City Council:

1. Adopt the appropriate resolution certifying that the City Council:
 - has reviewed and adopted the attached mitigated negative declaration
 - finds that there is no evidence that the proposed project will have any potential for adverse effect on wildlife resources, and the impacts of the project are de minimis pursuant to Section 711.4 of the Fish and Game Code
 - approves that certain lease by and between the Redevelopment Agency and the United States of America - General Services Administration; and
- 2.. Grant the Redevelopment Agency authority to enter into the proposed GSA Lease No. GS-09B-93834 with the United States of America - General Services Administration.

That the Redevelopment Agency:

1. Adopt the appropriate resolution approving a mitigated negative declaration and that certain lease by and between the Redevelopment Agency of the City of Riverside and the United States of America - General Services Administration;
2. Authorize the Executive Director to execute GSA Lease No. GSA-09B-93834 with the United States of America - General Services Administration, including making minor modifications thereto as may be needed to implement the Lease and the contemplated bond financing, on behalf of the Agency;
3. Adopt the appropriate resolution amending and restating the previously adopted reimbursement resolution for this project, including an increase in the project's financing limit to \$16 million; and
4. Authorize solicitation of proposals for a financing team to facilitate the contemplated bond financing for this project.

Prepared by:




Ralph J. Megna
Deputy Development Director

Approved by:


 John E. Holmes
City Manager

Approved by:


Robert C. Wales, P.E.
Executive Director

Concurs with:


for Barbara Steckel
Finance Director

Concurs with:


Stephen J. Whyld
Planning Director

Attachments: GSA Lease No. GS-09B-93834
Financial Summary Report & Reuse Analysis
Environmental Assessment
Resolutions



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**U.S. GOVERNMENT
LEASE FOR REAL PROPERTY**

DATE OF LEASE:

LEASE No. GS-09B-93834

THIS LEASE, made and entered into this date between the Redevelopment Agency, City of Riverside, California

whose address is: 3685 Main Street, Suite 300
Riverside, CA 92501

and whose interest in the property hereinafter described is that of OWNER, hereinafter called the LESSOR, and the UNITED STATES OF AMERICA, hereinafter called the Government

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

A total of 67,678 net usable square feet of courtroom, office and related space, on the first, second and third floors of the building to be constructed at 3420 12th Street, Riverside CA, as further depicted in Exhibit "A" (1/8" scale floor plans) attached hereto and made a part hereof, together with five (5) inside and one (1) outside parking spaces.

to be used for SUCH PURPOSES AS DETERMINED BY THE GOVERNMENT.

2. ~~TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on _____, through _____, subject to termination and renewal rights as may be hereinafter set forth.~~

THIS PARAGRAPH IS DELETED IN ITS ENTIRETY

3. The Government shall pay the Lessor annual rent of \$1,972,919.00 at the rate of \$164,409.91 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to: Redevelopment Agency, City of Riverside 3685 Main Street, Suite 300, Riverside, CA 92501

4. The Government may terminate this lease at any time, after the first ten (10) years, by giving at least 270 days notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

5. This lease may be renewed at the option of the Government, for the following terms and at the following rentals: the Government shall have the right to two (2) renewal options for five (5) year term at a rental rate of \$1,972,919.00 per annum payable at the rate of \$164,409.91 per month in arrears. Such rate shall be in addition to all accrued operating cost escalations. Such option shall become effective provided notice be given in writing to the Lessor at least 90 DAYS before the end of the original lease term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.

EXCEPTION TO SF2 APPROVED GSA/IRMS 12D89

6 The Lessor shall furnish to the Government as part of the rental consideration, the following:

A. All labor, materials, utilities, construction drawings (including without limitation, plans and specifications), construction costs and services and all other costs and expenses related thereto or necessitated thereby in connection with the design, construction and installation of tenant improvements identified in this lease, with the sole exception of lump sum items to the extent specifically identified in this lease as payable by the Government.

7. The following are attached and made a part hereof:

1. SOLICITATION FOR OFFERS (SFO) NO. 93834 - 32 PAGES
2. BANKRUPTCY SPECIAL REQUIREMENTS - 62 PAGES
3. AMENDMENT NO. 1 TO SFO NO. 93834, ATTACHMENT A - 16 PAGES; ATTACHMENT B - 42 PAGES
4. AMENDMENT NO. 2 TO SFO NO. 93834, ATTACHMENT 1 - 6 PAGES; ATTACHMENT 2 - 44 PAGES
5. AMENDMENT NO. 3 TO SFO NO. 93834 - 1 PAGE
6. TRUSTEES SPECIAL REQUIREMENTS - 5 PAGES
5. SHEETS NOS. 1,2,3 AND 4 ATTACHED TO THE LEASE, SF-2)
6. EXHIBIT A
7. GSA FORM 3517, GENERAL CLAUSES (REV 6/93), 24 PAGES
8. GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS (REV 6/93-MSW), 6 PAGES

8. The following changes were made in this lease prior to its execution:

1. PARAGRAPH 2, OF THIS STANDARD FORM 2 HAS BEEN DELETED IN ITS ENTIRETY.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR - REDEVELOPMENT AGENCY, CITY OF RIVERSIDE, CALIFORNIA

BY _____ BY _____

IN PRESENCE OF _____ ADDRESS _____

UNITED STATES OF AMERICA, GENERAL SERVICES ADMINISTRATION, PUBLIC BUILDINGS SERVICE

BY _____ CONTRACTING OFFICER, GSA, PBS, RED

February 20, 1996

To: Redevelopment Agency

Subject: Acquisition Agreement between The County of Riverside and The Redevelopment Agency of the City of Riverside for the purchase of certain property for the U.S. Bankruptcy Court Project

Background

On December 20, 1994, the County of Riverside ("County") and the Redevelopment Agency of the City of Riverside ("Agency") entered into a Memorandum of Agreement ("MOA") regarding the development of the U.S. Bankruptcy Court ("Court") on County-owned property located on the easterly half of a block bounded by Twelfth Street, Lime Street, Thirteenth Street, and Lemon Street ("Site"). The MOA defined the Court facility, the County land lease terms, the risk sharing and residual value of the improvements, the future contemplation of the creation of a Joint Powers Authority ("JPA") for the Justice Center of the Inland Empire, and various other matters related to the proposed lease of County property for the development of the Court.

As the lease negotiations evolved and the financial aspects of the project became clear, the Agency made an offer to purchase the Site instead of developing the Court on a ground lease. The purchase of the Site through the use of an Acquisition Agreement ("Agreement") would permit the Agency to use the property as security for project financing, simplify the transaction for underwriter, letter of credit bank, and prospective bond buyers, remove the County from taking any credit risk or contribute additional cash for development expenses, allow the transaction to be priced on the basis of the higher credit rating of the Federal Government instead of the County and/or Agency, and advance the construction schedule forward by eliminating any possibility of a protracted negotiation period that would trigger penalties against the Agency by the Federal General Services Administration ("GSA") for not delivering the Site by the due date.

County Action

At its meeting of February 20, 1996, the County of Riverside approved the sale of its land for the U.S. Bankruptcy Court project to the Agency by the adoption of the attached Acquisition Agreement. The Acquisition Agreement terms are summarized as follows:

1. Agency agrees to:

- pay County \$1,365,000 for the Site. A down payment of \$265,000 will be made within 10 business days after the

Agency's bond sale; the balance of \$1,100,000 plus \$104,500 of interest is due June 30, 1997.

- reimburse County its previous expenditure of \$92,248.63 in connection with the Court project within 10 business days after the Agency's bond sale.
- as security for payment, execute a promissory note, secured by a deed of trust for any amounts due and owing under this Agreement.
- extend to the County a limited first right of refusal to match an offer to purchase or offer for sale of the Site and facilities that would return all or a substantial portion of the Agency's equity and cost in the project. The limited first right of refusal would also apply to any successor to the Agency.

2. County agrees to:

- deliver possession of Site to Agency on or before March 1, 1996.
- if there is no project, return the Agency's payments and Note after restoration of the Site to its original condition and re-conveyance of the Site to County.
- allow a 40 foot wide reciprocal easement be recorded as a reservation to the conveyance of the Site and an easement appurtenant to an adjacent parcel to allow for certain improvements to be constructed and maintained.

Fiscal Impact:

Payments of any interest and principal for the Site would come from the anticipated long-term bond issuance for this project. If there are insufficient bond proceeds, Agency cash and annual discretionary tax increment revenue from the Merged Airport/Downtown Redevelopment Project would be used to pay the Promissory Note. If the Note is not fully paid, it can be extended at 7% interest until paid. A recommendation for an appropriation will be made as part of the financing process for the Agency's consideration of the bond issue expected in April, 1996.

Recommendation

That the Redevelopment Agency:

1. Approve the Acquisition Agreement between the County of Riverside and the Redevelopment Agency of the City of Riverside for the purchase of certain property for the U.S. Bankruptcy Court Project; and

2. Authorize the Executive Director, or his designee to execute the said Agreement, Secured Promissory Note, Deed of Trust, and other related documents to complete this transaction.

Prepared by:



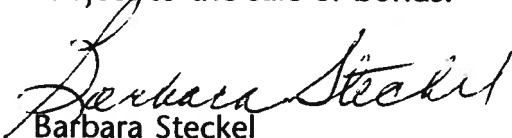
Don Gee
Redevelopment Project Manager

Approved by:



Robert C. Wales, P.E.
Executive Director

Certified as to fund availability,
subject to the sale of bonds:



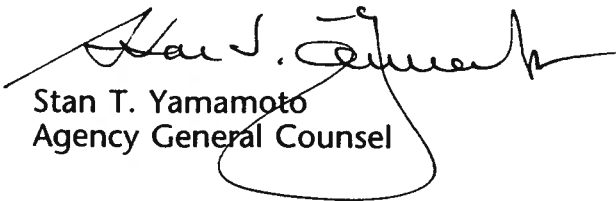
Barbara Steckel
Finance Director

Concurs with report:



John E. Holmes
City Manager

Approved as to form:



Stan T. Yamamoto
Agency General Counsel

Attachments

At the time of the investigation, the subject was in the custody of the FBI and was being held in the Federal House of Detention in New York City. The subject was being held in the Federal House of Detention in New York City.

On the date of the investigation, the subject was in the custody of the FBI and was being held in the Federal House of Detention in New York City. The subject was being held in the Federal House of Detention in New York City.

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Acquisition Agreement
between
THE COUNTY OF RIVERSIDE and
THE REDEVELOPMENT AGENCY OF THE
CITY OF RIVERSIDE

This Agreement is made by and between the County of Riverside, herein called "County", and the Redevelopment Agency of the City of Riverside, herein called "Agency".

County will deliver to Agency, or to the designated escrow company, a grant deed for Parcel A, as described in Attachment "A", in consideration for which it is mutually agreed as follows:

1. Agency Shall:

a. Agree to pay one million three hundred sixty five thousand dollars (\$1,365,000) to County for Parcel A.

b. Payment for Parcel A shall include a down payment of \$265,000, payable within 10 business days of the Agency's successful sale and receipt of bond proceeds to construct the U.S. Bankruptcy Court. The balance of \$1,100,000 plus \$104,500 interest due, for a total of \$1,204,500 shall be made on June 30, 1997.

c. Reimburse County its previous expenditure of \$92,248.63 in connection with the U.S. Bankruptcy Court Project, such reimbursement to be made within 10 business days of Agency's successful sale and receipt of bond proceeds to construct the U.S. Bankruptcy Court.

d. Pay interest on the one million one hundred thousand dollar (\$1,100,000) payment for parcel A from March 1, 1996, until paid. Interest from March 1, 1996 to June 30, 1997 shall be \$104,500. Interest, if any, from July 1, 1997, until paid, shall be computed at 7% interest compounded daily.

e. As security for payment, execute a note, secured by deed of trust for any amounts due and owing under this Agreement, in the form attached to this Agreement as Attachment "B".

f. Extend to the County a limited first right of refusal to purchase the property and any improvements from the Agency and/or any successors, assigns or other party who obtains an interest in Parcel A. If the Agency or successor in interest receives an offer or solicits an offer to sell the property and improvements, the County has the first right to match or exceed the offer within 30 days of the written notification to the County. If the County does not exercise its right within 30 days or does not close the transaction within the mutually agreed upon time period, the first right of refusal terminates.

2. County shall.

a. Convey title and deliver possession of Parcel A to Agency on or before March 1, 1996.

b. Agree that in the event Agency is incapable of commencing construction of the U.S. Bankruptcy Court within six (6) months following the date of this Agreement, County shall return any payment made by Agency (including cancellation of the note and reconveyance of the deed of trust) upon Agency's restoration of property to its original condition and conveyance of title from Agency to County.

c. Allow a 40 foot wide reciprocal easement to be recorded as a reservation to the conveyance of Parcel A and an easement appurtenant on Parcel B as shown on Attachment "C", to allow for certain improvements to be constructed and maintained.

3. Counterparts. This Agreement may be executed in counterparts.

4. Successors and Assigns. This Agreement is binding upon and inures to the benefit of the permitted successors and assigns of the parties hereto.

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

Dated: _____

COUNTY OF RIVERSIDE

By: _____
Chairman, Board of Supervisors

ATTEST:

GERALD A. MALONEY
Clerk of the Board

By: _____
Deputy

[SEAL

APPROVED AS TO FORM:

REDEVELOPMENT AGENCY OF THE
CITY OF RIVERSIDE

Agency Special Counsel

By: _____
Robert C. Wales, P.E.
Executive Director

1952
WILLIAM A. WARR
Chairman of the Board

1952

Chairman of the Board

WILLIAM A. WARR
Chairman of the Board

WILLIAM A. WARR
Chairman of the Board

WILLIAM A. WARR
Chairman of the Board

ATTACHMENT "A"

FORM OF GRANT DEED FOR PARCEL A TO BE PROVIDED BY COUNTY

DEED TO INCLUDE RESERVATION FOR RECIPROCAL EASEMENT WITH PARCEL B

TO: DIRECTOR, FBI

FROM: SAC, NEW YORK (100-100000) (P)

SUBJECT: JAMES EARL RAY, AKA; MURDER OF MARTIN LUTHER KING, JR.

Recorded at request of and return to:
General Services Agency/Building Services
Real Property Division
3133 Mission Inn Avenue
Riverside, California 92507-4199

DRAFT

FREE RECORDING

This instrument is for the benefit of
the County of Riverside, and is
entitled to be recorded without fee.
(Govt. Code 6103)

APN: 215-321-001, 002,
015, 016, 017
Project: Redevelopment Agency
of the City of Riverside

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the
COUNTY OF RIVERSIDE, a body corporate and politic, hereby GRANTS to

REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE,
A PUBLIC ENTITY

the following real property in the
of California, described as:

County of Riverside, State

SEE EXHIBIT "A" ATTACHED
HERE TO AND MADE A PART HEREOF

RESERVING THEREFROM a reciprocal easement for pedestrian access for ingress and egress over the Easterly 20 feet of the following described property:

That portion of Block 12, Range 4 of the Town of Riverside, as shown by Map on file in Book 7 of Maps at Page 17 thereof, Records of San Bernardino County, California, lying within a strip of land 40.00 feet wide, the centerline being described as follows:

Commencing at the most Northerly corner of said Block 12, Range 4;

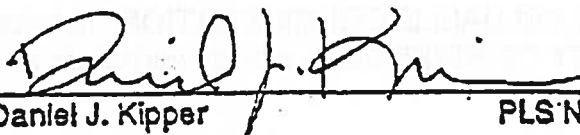
Thence S.60°59'14"E., along the Northeasterly line of said Block 12, Range 4, a distance of 160.00 feet to the Point of Beginning of said centerline description;

Thence S.29°00'28"W., a distance of 330.57 feet to the Southwesterly line of said Block 12, Range 4, being the termination of said centerline description.

The sidelines of said 40.00 foot strip of land shall be prolonged or shortened as to terminate in the Northeasterly line and Southwesterly line of said Block 12, Range 4.



J. F. DAVIDSON ASSOCIATES, INC.
Prepared under the supervision of:


Daniel J. Kipper

PLS NO. 4628

Date: 10-11-95

MWC/yb

EXHIBIT "A"

PARCEL MAP WAIVER

VC-011-945

LANGDON WILSON

PARCEL 'A'

That portion of Block 12, Range 4 of the Town of Riverside, as shown by map on file in Book 7 of Maps, at Page 17 thereof, Records of San Bernardino County, California, described as follows:

COMMENCING at the most Northerly corner of said Block 12, Range 4;

Thence S.60°59'14"E. along the Northeasterly line of said Block 12, Range 4, a distance of 160.00 feet to the Point of Beginning of the parcel of land to be described;

Thence S.29°00'28"W., a distance of 330.57 feet to the Southwesterly line of said Block 12, Range 4;

Thence S.60°58'38"E. along said Southwesterly line, a distance of 155.92 feet to the most Westerly corner of Parcel 1 of that certain parcel of land conveyed to the City of Riverside by Deed recorded October 30, 1970 as Instrument No. 109936, Official Records of Riverside County, California;

The following 5 courses being along the Northwestern line of Lime Street as conveyed to the City of Riverside by Deeds recorded October 30, 1970 as Instrument No. 109936, September 26, 1969, as Instrument No. 99112, and September 5, 1969 as Instrument No. 91078, all being Official Records of Riverside County, California;

Thence Northeasterly on a non-tangent curve concave Northwesternly, having a radius of 28.50 feet, through an angle of 37°46'29", an arc length of 18.79 feet (the initial radial line bears S.19°11'06"E.);

Thence N.33°02'25"E., a distance of 4.88 feet;

Thence Northeasterly on a curve concave Northwesternly, having a radius of 461.50 feet, through an angle of 04°01'57", an arc length of 32.48 feet to a line parallel with and 38.5 feet Northwesternly, measured at right angles from the centerline of Lime Street;

APN: 215-321-001, 002
015, 016, 017
Parcel: Redevelopment Agency
of the City of Riverside

Dated: _____

REDEVELOPMENT AGENCY OF THE
CITY OF RIVERSIDE, A PUBLIC ENTITY

By: _____

By: _____

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE)ss

On _____, before me, _____
_____ a Notary Public in and for said County and 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

Signature _____

[SEAL]

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the within deed to the
COUNTY OF RIVERSIDE, a political corporation and/or governmental agency, is hereby
accepted by order of the Board of Supervisors on the date below and the grantee consents
to the recordation thereof by its duly authorized officer.

Date _____

Thence N.29°00'28"E. along said parallel line, a distance of 257.28 feet;

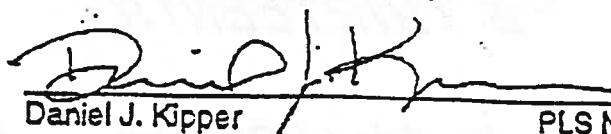
Thence Northerly on a curve concave Westerly, having a radius of 28.50 feet, through an angle of 41°48'48", an arc length of 20.80 feet to the Northeasterly line of said Block 12; Range 4;

Thence N.60°59'19"W. along said Northeasterly line, a distance of 158.33 feet to the Point of Beginning.

The above described parcel of land contains 1.254 acres, more or less.



J. F. DAVIDSON ASSOCIATES, INC.
Prepared under the supervision of:


Daniel J. Kipper

PLS NO. 4628

Date: 10-11-95

MWC/DJK/yb

JFD:JFCSADM:LEGAL\LEGAL\JF8:2\YVETTES

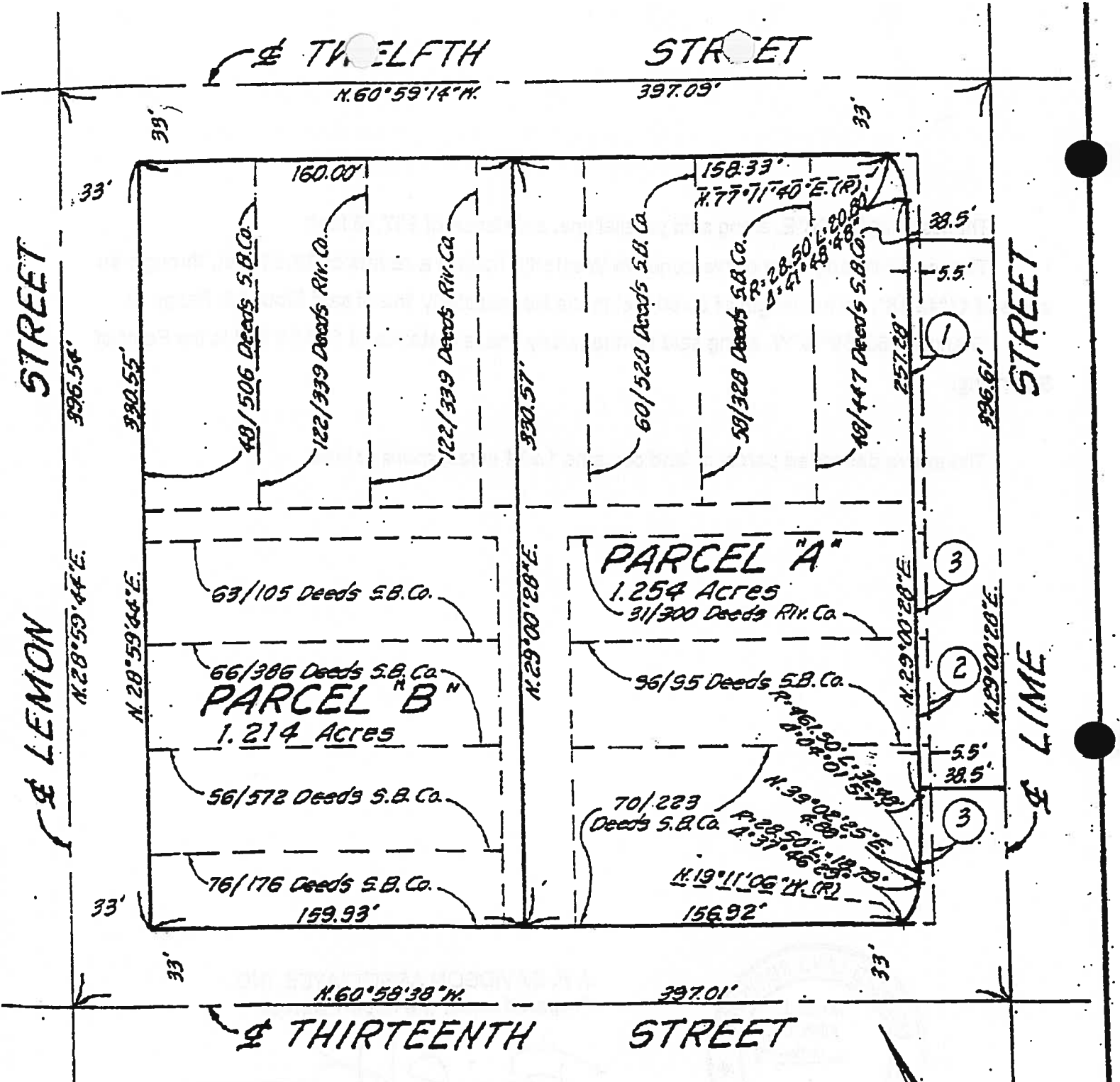
STREET

LEMON

STREET

STREET

LIME



Grant Deeds to the City of Riverside
 1 Rec. Sept. 5, 1969 #91078, O.R. Riv. Co.
 2 Rec. Sept. 26, 1969 #99112, O.R. Riv. Co.
 3 Rec. Oct. 30, 1970 #109936, O.R. Riv. Co.

OWNER:
 County of Riverside
 3133 7th Street
 Riverside, Ca. 92501

A.P.N. :
 215-321-001, 002, 015, 016, 017

PREPARED BY:
 J.F. DAVIDSON ASSOCIATES, INC.
 3880 LEMON ST. #300
 RIVERSIDE, CA. 92501
 No. 9519261

PARCEL MAP WAIVER
 OF A PORTION OF BLOCK 12, RANGE
 4 OF THE TOWN OF RIVERSIDE PER
 M.B. 7/17 S.B. CO.

ATTACHMENT "B"

1. SECURED PROMISSORY NOTE
2. DEED OF TRUST WITH EXHIBITS A AND B



1941-1942

1941-1942

1941-1942



SECURED PROMISSORY NOTE

\$1,457,248.63

Riverside, California
_____, 1996

FOR VALUE RECEIVED, the undersigned, REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE, a public entity ("Maker") hereby promises to pay to the COUNTY OF RIVERSIDE, a public entity ("Holder"), or order, at Riverside, California, the principal sum of One Million Four Hundred Fifty-Seven Thousand Two Hundred Forty-Eight Dollars and 63/100 (\$1,457,248.63). Of such principal amount, the sum of Three Hundred Fifty-Seven Thousand Two Hundred Forty-Eight Dollars and 63/100 (\$357,248.63) will be non-interest bearing and will be due and payable within ten (10) business days following receipt by Maker of bond proceeds for the construction of the U.S. Bankruptcy Court facility upon that real property encumbered by the Deed of Trust which secures this Note.

The remaining principal amount of this Note, totaling One Million One Hundred Thousand Dollars (\$1,100,000.00) will bear interest at the rate of seven percent (7%) per annum (compounded annually) from March 1, 1996 until paid. Such remaining principal balance of this Note and all interest accrued thereon (principal and interest then totaling \$1,204,500.00) will be fully due and payable on June 30, 1997 (the "Maturity Date"). Any portion of the principal balance remaining unpaid following the Maturity Date shall bear interest at the rate of seven percent (7%) per annum, compounded daily until satisfied.

1. All payments on account of the indebtedness evidenced by this Note shall be first applied to the interest on the unpaid principal balance, and the remainder to principal; provided, however, that since the \$357,248.63 amount described above is non-interest bearing, such amount will be applied entirely to reduce the unpaid principal balance of this Note.

2. This Note is secured by a Deed of Trust to Chicago Title Company, as trustee.

3. Should default be made in any payment when due under this Note or in the performance or observance of any of the covenants and agreements of this Note, then and in any such event, the Holder hereof may, at Holder's option, declare this Note and the entire indebtedness hereby evidenced to be immediately due and payable, regardless of the Maturity Date.

4. Maker agrees to indemnify Holder and to hold Holder and Holder's successors and assigns harmless from and against any and all claims, demands, costs, liabilities and obligations of any kind or nature arising out of any default hereunder, including without limitation all costs of collection, including reasonable attorneys' fees and all costs of suit, in the event the unpaid

principal sum of this Note and/or any interest thereon is not paid when due.

5. The indebtedness evidenced by this Note may be prepaid in whole or in part at any time prior to the Maturity Date.

6. Should all or any portion of the real property encumbered by the Deed of Trust which secures this Note, or any interest therein, be sold, alienated or conveyed, the Holder of this Note may declare the entire unpaid principal balance plus any accrued interest fully due and payable. This acceleration provision shall apply to the conveyance or alienation of any interest in the property whatsoever, whether equitable or legal, recorded or unrecorded, and shall include, without limitation, "outright sale," a land sale contract and conveyances in trust.

7. The unenforceability or invalidity of any provision or provisions of this Note as to any persons or circumstances shall not render that provision or those provisions unenforceable or invalid as to any other persons or circumstances, and all provisions hereof, in all other respects, shall remain valid and enforceable.

8. This Note shall bind Maker and its successors and assigns and the benefits hereof shall inure to Holder and Holder's successors and assigns.

9. Principal and interest are payable in lawful money of the United States. The validity, interpretation and performance of this Note shall be governed by and construed in accordance with the laws of the State of California.

10. This Note is a purchase money note, representing all or a portion of the purchase price for the real property which is encumbered by the Deed of Trust which secures this Note.

11. Time is of the essence of this Note.

MAKER:

REDEVELOPMENT AGENCY OF THE
CITY OF RIVERSIDE, a public
entity

By:

ROBERT C. WALES, PE
Its: Executive Director

APPROVED AS TO FORM:

Agency Special Counsel
Best, Best & Krieger

THE STATE OF NEW YORK

IN SENATE

REPORT OF THE
COMMISSIONER OF THE
DEPARTMENT OF
CORRECTIONS

FOR THE YEAR
ENDING DECEMBER
THIRTY-ONE, ONE
THOUSAND NINETEEN

ALBANY: JAMES B. LEECH, JR.

PRINTED AT THE
STATE PRINTING OFFICE

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO

NAME

ADDRESS

CITY &

STATE

ZIP

ATTN:

Title Order No. _____ Escrow No. _____

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST

This DEED OF TRUST, made _____ 1996, between REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE, a public entity, herein called TRUSTOR, whose address is 3737 Main Street, Suite 800, Riverside, CA 92501, CHICAGO TITLE COMPANY, a California Corporation, herein called TRUSTEE, and COUNTY OF RIVERSIDE, a public entity, herein called BENEFICIARY, Trustor irrevocably grants, transfers and assigns to Trustee in Trust, with Power of Sale that property in the County of Riverside, California, described as:

Legal Description attached as Exhibit "A" and incorporated herein by reference,

For the Purpose of Securing (1) payment of the sum of \$1,457,248.63 with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of the Beneficiary, and extensions or renewals thereof; (2) the performance of each agreement of Trustor incorporated by reference or contained herein or reciting it is so secured; (3) Payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or its successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the Agreements, Terms and Provisions set forth in subdivision A of attached Exhibit "B," and it is mutually agreed that all of the provisions set forth in subdivision B of Exhibit "B," shall inure to and bind the parties hereto, with respect to the property above described. Said Agreements, Terms and Provisions contained in said subdivisions A and B of Exhibit "B" are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge thereof does not exceed the maximum allowed by laws.

The undersigned Trustor, requires that a copy of any notice of default and any notice of sale hereunder be mailed to Trustor at its address hereinbefore set forth.

STATE OF CALIFORNIA

COUNTY OF _____ } S.S.

On _____ before me,

_____ a Notary Public in and for said County and 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

Signature _____

Signature of Trustor

REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE,
a public entity

By: _____

Its: _____

(This area for official notarial seal)

EXHIBIT "A"

Legal Description

That certain real property located in the City of Riverside, County of Riverside, State of California, more particularly described as follows:

That portion of Block 12, Range 4 of the Town of Riverside, as shown by map on file in Book 7 of Maps, at Page 17 thereof, Records of San Bernardino County, California, described as follows:

COMMENCING at the most Northerly corner of said Block 12, Range 4;

Thence S.60°59'14"E. along the Northeasterly line of said Block 12, Range 4, a distance of 160.00 feet to the Point of Beginning of the parcel of land to be described;

Thence S.29°00'28"W., a distance of 330.57 feet to the Southwesterly line of said Block 12, Range 4;

Thence S.60°58'38"E. along said Southwesterly line, a distance of 156.92 feet to the most Westerly corner of Parcel 1 of that certain parcel of land conveyed to the City of Riverside by Deed recorded October 30, 1970 as Instrument No. 109936, Official Records of Riverside County, California;

The following 5 courses being along the Northwesterly line of Lime Street as conveyed to the City of Riverside by Deeds recorded October 30, 1970 as Instrument No. 109936, September 26, 1969, as Instrument No. 99112, and September 5, 1969 as Instrument No. 91078, all being Official Records of Riverside County, California;

Thence Northeasterly on a non-tangent curve concave Northwesterly, having a radius of 28.50 feet, through an angle of 37°46'29", an arc length of 18.79 feet (the initial radial line bears S.19°11'06"E.);

Thence N.33°02'25"E., a distance of 4.88 feet;

Thence Northeasterly on a curve concave Northwesterly, having a radius of 461.50 feet, through an angle of 04°01'57", an arc length of 32.48 feet to a line parallel with and 38.5 feet Northwesterly, measured at right angles from the centerline of Lime Street;

Thence N.29°00'28"E. along said parallel line, a distance of 257.28 feet;

Thence Northerly on a curve concave Westerly, having a radius of 28.50 feet, through an angle of 41°48'48", an arc length of 20.80 feet to the Northeasterly line of said Block 12, Range 4;

Thence N.60°59'19"W. along said Northeasterly line, a distance of 158.33 feet to the Point of Beginning.

Agreements, Terms and Provisions

The following Subdivisions A and B of this Exhibit "B" are incorporated by reference in the foregoing Deed of Trust as being a part thereof as if set forth at length therein.

A. To protect the security of this Deed of Trust, Trustor agrees:

(1) To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

(4) To pay: at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may, make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his or her reasonable fees.

(5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby, any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed:

(1) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him or her in the same manner and with the same effect as above provided for regarding disposition of proceeds of fire or other insurance.

(2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his or her right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(3) That at any time or from time to time, without liability thereon and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person or payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(4) That upon written request of beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

(5) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law. Trustee without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(6) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(7) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or the neuter, and the singular number includes the plural.

(8) The Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

1. The first of these is the fact that the...
2. The second is the fact that the...
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ATTACHMENT "C"

FORM OF 40 FOOT WIDE RECIPROCAL EASEMENT, 20 FOOT ON PARCEL A
AND 20 FOOT ON PARCEL B TO BE PROVIDED BY COUNTY.



SECRET

FORM 100-1 (Rev. 1-15-60) (GPO: 1960 O-550-000)

AND THE UNITED STATES OF AMERICA



100-1



Recorded at request of and return to:
General Services Agency/Building Services
Real Property Division
3133 Mission Inn Avenue
Riverside, California 92507-4199

FREE RECORDING

This instrument is for the benefit of
the County of Riverside, and is
entitled to be recorded without fee.
(Govt. Code 6103)

DRAFT

APN: Portion of 215-321-001, 002,
015, 016, 017
Project: Redevelopment Agency
of the City of Riverside

EASEMENT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the
COUNTY OF RIVERSIDE, a body corporate and politic, hereby GRANT(S) to

REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE,
A PUBLIC ENTITY

the real property in the
State of California, described as:

County of Riverside,

SEE EXHIBIT "A" ATTACHED
HERETO AND MADE A PART HEREOF

APN: Portion of 215-321-001, 002
015, 016, 017
Parcel: Redevelopment Agency
of the City of Riverside

Dated: _____

COUNTY OF RIVERSIDE, a body
corporate and politic

By: _____

Chairman
Board of Supervisors

STATE OF CALIFORNIA)
)ss
COUNTY OF RIVERSIDE)

On _____, 19____, before me, the
undersigned, as Clerk of the Board of Supervisors of the County
of Riverside, State of California, personally appeared
_____ personally known to
me to be the person who executed this instrument as the
Chairman of the Board of Supervisors of said County, and
acknowledged to me that the County of Riverside executed it.

GERALD A. MALONEY
Clerk of the Board of Supervisors

By: _____
Deputy

EXHIBIT "A"

A reciprocal easement for pedestrian access for ingress and egress over the Westerly 20 feet of the following described property:

That portion of Block 12, Range 4 of the Town of Riverside, as shown by Map on file in Book 7 of Maps at Page 17 thereof, Records of San Bernardino County, California, lying within a strip of land 40.00 feet wide, the centerline being described as follows:

Commencing at the most Northerly corner of said Block 12, Range 4;

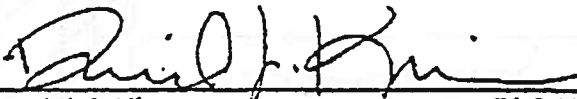
Thence S.60°59'14"E., along the Northeasterly line of said Block 12, Range 4, a distance of 160.00 feet to the Point of Beginning of said centerline description;

Thence S.29°00'28"W., a distance of 330.57 feet to the Southwesterly line of said Block 12, Range 4; being the termination of said centerline description.

The sidelines of said 40.00 foot strip of land shall be prolonged or shortened as to terminate in the Northeasterly line and Southwesterly line of said Block 12, Range 4.



J. F. DAVIDSON ASSOCIATES, INC.
Prepared under the supervision of:


Daniel J. Kipper

PLS NO. 4628

Date: 10-11-95

MWC/yb

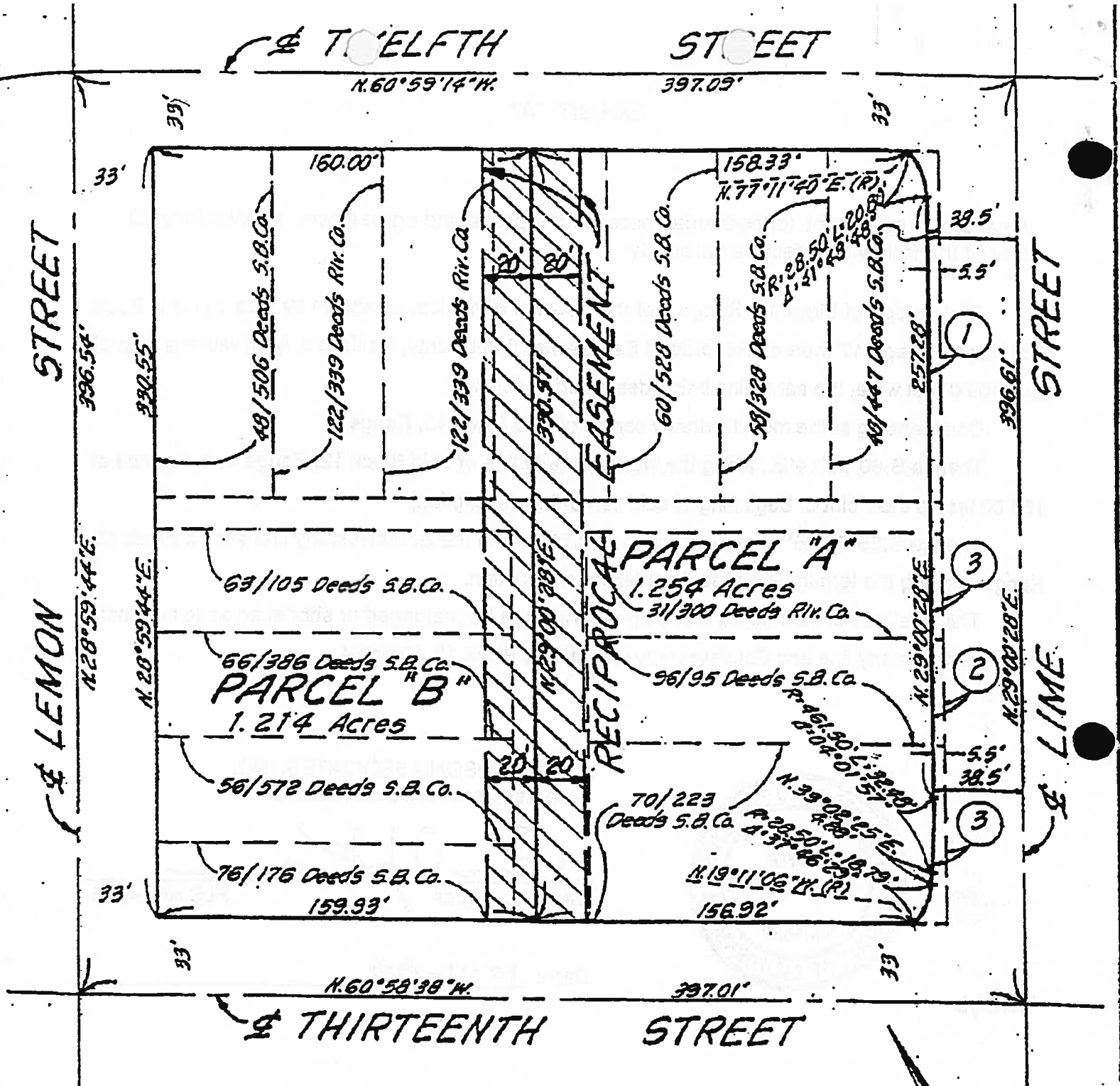
STREET

LEMON

STREET

STREET

LIME



- Grant Deeds to the City of Riverside
- 1 Rec. Sept. 5, 1969 #91078, O.R. Riv. Co.
 - 2 Rec. Sept. 26, 1969 #99112, O.R. Riv. Co.
 - 3 Rec. Oct. 30, 1970 #109936, O.R. Riv. Co.

OWNER:
County of Riverside
3133 7TH Street
Riverside, Ca. 92501

A.P.N. :
215-321-001, 002, 015, 016 & 017

PREPARED BY:
J.F. DAVIDSON ASSOCIATES, INC.
3880 LEMON ST. #300
RIVERSIDE, CA. 92501

PARCEL MAP WAIVER
OF A PORTION OF BLOCK 12, RANGE
4 OF THE TOWN OF RIVERSIDE PER
M.B. 7/17 S.B. CO...

W.O. 9513261

ADT 9-22-0

049721

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

RECEIVED FOR RECORD
AT 8:00 O'CLOCK

The Redevelopment Agency
of the City of Riverside
3737 Main Street, Suite 800
Riverside, California 92501
Attention: Executive Director

FEB 13 1997

Recorded in Official Records
of Riverside County, California

Recorder

Fees \$

(Fee exempt - Government Code §6103)

(Space above for Recorder's Use)

**FAMILY LAW COURT/RCBA
REPLACEMENT PARKING AGREEMENT**

between

**THE REDEVELOPMENT AGENCY OF THE
CITY OF RIVERSIDE
a public agency**

and

**THE RIVERSIDE COUNTY BAR ASSOCIATION
a California non-profit corporation**

[Dated January 7, 1997, for reference purposes only]

1. PARTIES AND EFFECTIVE DATE

1.1 Effective Date of Agreement. This Agreement will become effective on the date ("Effective Date") on which (i) this Agreement is approved by the Agency's governing board and fully executed by the appropriate authorities of the Agency and the Owner, and (ii) the lender which is the beneficiary of the deed of trust encumbering the RCBA Property (hereinafter defined) has consented to the release of the Parking Lot Parcel (hereinafter defined) from the lien of said deed of trust in accordance with Section 4.1 of this Agreement; provided, however, that Section 4.1 notwithstanding, the Owner shall not be required to expend more than \$1,000 to secure such release.

1.2 Parties to Agreement

1.2.1 The Agency. The Agency is a public body, corporate and politic, exercising governmental functions and powers and organized and existing under the Community Redevelopment Law of the State of California. The address of the Agency for purposes of this Agreement is:

The Redevelopment Agency of
The City of Riverside
3737 Main Street, Suite 800
Riverside, California 92501
Attention: Executive Director
Telephone: (909) 715-3500
Facsimile: (909) 715-3503

As used in this Agreement, "Agency" includes The Redevelopment Agency of the City of Riverside and any assignee of or successor to its rights, powers and responsibilities.

1.2.2 The Owner. The Owner is The Riverside County Bar Association, a California non-profit corporation. The address of the Owner for purposes of this Agreement is:

The Riverside County Bar Association
4129 Main Street
Riverside, California 92501
Attention: Executive Director
Telephone: (909) 682-1015
Facsimile: (909) 628-0106

All of the terms, covenants and conditions of this Agreement shall be binding on and shall inure to the benefit of the Owner and its nominees, successors and assigns. Wherever the term "Owner" is used herein, such term shall include any permitted nominee, assignee or successor of the Owner.

2. RECITALS ABOUT THE PLAN AND PROJECT

2.1 The Redevelopment Plan and Project Area. The City Council of the City of Riverside ("City") has approved and adopted a Redevelopment Plan ("Redevelopment Plan") for a redevelopment project known as the Merged Downtown/Airport Industrial Redevelopment Project Area ("Project Area") by its adoption of Ordinance No. 4348, as last amended on December 20, 1994.

This Agreement is subject to the provisions of the Redevelopment Plan as it now exists and as it may be amended subsequently. The Redevelopment Plan is hereby incorporated by this reference. The Project Area is located in the City of Riverside, California, and its boundaries are specifically described in the Redevelopment Plan.

2.2 Purpose of this Agreement. This Agreement implements the Redevelopment Plan for the Project Area by providing for the development of a Family Law Courthouse. The Owner holds fee simple title to that certain real property located at 4129 Main Street in the City of Riverside ("RCBA Property"). A portion of the RCBA Property ("Parking Lot Parcel") will be conveyed to the County of Riverside ("County") in accordance with this Agreement. The conveyance of the Parking Lot Parcel pursuant to this Agreement for the development of a Family Law Courthouse is in the best interests of the City, Agency and the health, safety, morals and welfare of their taxpayers and residents, and is in accordance with public purposes set forth in federal, state and local laws and regulations. Implementation of this Agreement will further the goals and objectives of the Redevelopment Plan and the City's General Plan by strengthening the City's land use and social structure and by alleviating economic and physical blight within the Project Area.

2.3 Overview of the Agreement. Owner has title to the Parking Lot Parcel which the County requires to build the Family Law Courthouse. In exchange for transferring title to the Parking Lot Parcel to the County, the Agency will: (i) replace the ten (10) parking spaces on the Parking Lot Parcel with fifteen (15) full size parking spaces, of which one will be set aside for handicapped parking ; (ii) pay Owner, upon the conveyance of the Parking Lot Parcel to the County of Riverside, the sum of Twenty Five Thousand Dollars (\$25,000); (iii) maintain, at no cost or expense to the Owner, all fifteen (15) parking spaces provided to the Owner pursuant to this Agreement, and (iv) provide the Owner with fifteen (15) interim use parking spaces during construction of the Courthouse Parking Lot (hereinafter defined) during the fourteen- to sixteen-month period of construction. The Agency and the Owner agree that the value of the compensation described above is no less than \$150,000.

In addition to the foregoing compensation, the Owner acknowledges that it may also receive compensation in the form of increased property value and increased rental and occupancy rates.

3. SPECIAL TERMS

3.1 The RCBA Property. The RCBA Property is located within the Project Area and is shown on the Site Map attached hereto as Exhibit A. A legal description of the RCBA Property is attached hereto as Exhibit B.

3.2 The Parking Lot Parcel. The Parking Lot Parcel is a portion of the RCBA Property and is shown on the Site Map attached hereto as Exhibit A. A legal description of the Parking Lot Parcel is attached hereto as Exhibit C.

3.3 Agreement Length and Exhibits. This Agreement consists of pages 1 through 13, inclusive, and Exhibits A through C attached hereto. This Agreement and its Exhibits constitute the entire understanding and agreement of the parties.

3.4 Conditions Precedent to Agency Obligations. The following are express conditions precedent to the Agency's obligations under this Agreement:

- (i) Owner shall convey fee title interest in the Parking Lot Parcel to the County (subject to such exceptions, liens or encumbrances reasonably acceptable to the County), and shall execute such other documents and provide such information relating to Owner, the Parking Lot Parcel, the RCBA Property, or the transactions contemplated by this Agreement as the Agency may reasonably request. The grant deed from the Owner to the County shall be subject to the reasonable approval of the Agency and shall include, at a minimum; (i) a provision that fee title to the Parking Lot Parcel shall revert to the Owner if the County abandons the Family Law Courthouse project or if the property on which the Family Law Courthouse is situated is no longer used as a Family Law Courthouse or other County governmental use; (ii) a provision requiring that, upon such reversion, the County shall, at its sole cost and expense, reconstruct a parking lot on the Parking Lot Parcel equivalent to the one existing on the Parking Lot Parcel as of the Effective Date of this Agreement; and (iii) a restrictive covenant precluding the construction of any structure on the Parking Lot Parcel within such distance from the exterior wall of the RCBA building as to violate the City's Building Code; and
- (ii) That agreement between the Agency and the County entitled "Family Law Courthouse - Owner Participation Agreement" has become effective pursuant to its terms.

3.5 RCBA Replacement Parking.

3.5.1 Agency's Replacement Parking Obligations. Since the Parking Lot Parcel constitutes the on-site parking for the RCBA Building, the Agency agrees to provide interim and permanent replacement parking to the Owner in accordance with the terms of this Agreement.

3.5.2 Permanent Parking. In conjunction with the construction of the Family Law Courthouse, the Agency will be constructing a paid parking lot ("Courthouse Parking Lot") to provide parking to serve the general public and those visiting the Family Law Courthouse. The Courthouse Parking Lot will be located as shown on the Site Map attached as Exhibit A. The Owner acknowledges that it is aware that the Agency possesses only a leasehold in the property underlying the Courthouse Parking Lot, which leasehold terminates in approximately thirty-four (34) years. The Courthouse Parking Lot shall be owned and operated

by the Agency or its designee. All revenues generated from the Courthouse Parking Lot shall belong exclusively to the Agency.

The Agency shall provide the Owner, at no cost or expense to the Owner, with fifteen (15) permanent full size parking spaces, inclusive of one (1) handicapped parking space, in the Courthouse Parking Lot, which spaces shall be marked for the exclusive use of the Owner and its employees, tenants, agents, contractors and invitees ("RCBA Parking Spaces"). The exact location of the RCBA Parking Spaces within the Courthouse Parking Lot shall be subject to adjustment at the reasonable discretion of the Agency, but shall be placed as close as reasonably practicable to the RCBA building. The Agency shall maintain the RCBA Parking Spaces, at no cost or expense to Owner.

The Agency shall provide to the Owner parking placards or decals which may be distributed to the Owner's employees, tenants, and invitees authorized to use the RCBA Parking Spaces. The City of Riverside shall be responsible for the enforcement of all parking regulations within the Courthouse Parking Lot and may cause any vehicles parked in the RCBA Parking Spaces which do not display the appropriate decal or placard to be cited or towed at the vehicle owner's expense.

Unless otherwise terminated sooner pursuant to Section 4.3 or other specific provision of this Agreement, the Agency's obligations under this Section 3.5.2 to provide the RCBA Parking Spaces in the Courthouse Parking Lot shall continue until the earliest to occur of any of the following:

- (i) The decision by the Agency or other cognizant governmental agency, in the exercise of its reasonable discretion, to convert the Courthouse Parking Lot to uses other than parking; and
- (ii) The expiration or termination of the Agency's leasehold interest in the property underlying the Courthouse Parking Lot, for any reason other than the Agency's election to purchase/acquire such property; and
- (iii) The thirty-fourth (34th) anniversary of the Effective Date of this Agreement.

If the Agency's obligation to provide the RCBA Parking Spaces in the Courthouse Parking Lot terminates as provided in the preceding paragraph, then the Agency shall provide fifteen (15) replacement RCBA Parking Spaces at any location in the City of Riverside within the area bounded by Tenth Street, Twelfth Street, Main Street and Market Street; provided, however, that the foregoing notwithstanding, the Agency shall provide the replacement RCBA Parking Spaces within the area bounded by Eleventh Street, Twelfth Street, Main Street and Market Street if the Agency holds any leasehold or ownership interest in any public parking facilities located within that area. The Agency's obligation to provide the replacement RCBA Parking Spaces described in this paragraph shall continue in perpetuity, unless terminated pursuant to the immediately following paragraph or Section 4.3 of this Agreement.

Anything in this Agreement to the contrary notwithstanding, the Agency's obligations to provide the RCBA Parking Spaces at the Courthouse Parking Lot or at any location whatsoever shall automatically terminate upon the reversion back to the Owner of title to the Parking Lot Parcel in accordance with the provisions of the grant deed described in Section 3.4(i) of this Agreement.

The Owner shall defend, indemnify, and hold the Agency, the City, and their respective officials, officers, employees, agents and contractors harmless from and against all losses, expenses (including attorneys fees and litigation expenses) and liability for personal injury (including wrongful death) and property damage arising out of or in any way connected with the negligence or wilful misconduct of the Owner or its employees, tenants, agents, contractors and invitees in their use of the Courthouse Parking Lot. The Owner's defense, indemnification and hold-harmless obligations shall survive the expiration or termination of this Agreement as to acts or omissions occurring prior to such expiration or termination.

The Agency shall defend, indemnify, and hold the Owner and its officials, officers, employees, agents and contractors harmless from and against all losses, expenses (including attorneys fees and litigation expenses) and liability for personal injury (including wrongful death) and property damage arising out of or in any way connected with the negligence or wilful misconduct of the Agency or its employees, agents, and contractors with regard to the operation or maintenance of the Courthouse Parking Lot. The Agency's defense, indemnification and hold-harmless obligations shall survive the expiration or termination of this Agreement as to acts or omissions occurring prior to such expiration or termination.

3.5.3 Interim Parking. After conveyance of the Parking Lot Parcel and during construction of the Courthouse Parking Lot, the Agency shall provide the Owner, at no cost or expense to the Owner, with fifteen (15) parking spaces at an interim parking facility for Owner's and its employees', tenants', agents', contractors' and invitees' use during construction of the Courthouse Parking Lot. These fifteen (15) interim parking spaces shall be located at City Parking Authority Lot No. 19 and the Owner shall be provided appropriate parking placards or decals which may be distributed to the Owner's employees, tenants and invitees authorized to use the designated interim parking spaces. The location of Lot No. 19 is shown on the Site Map attached as Exhibit A. The City of Riverside shall be responsible for the enforcement of all parking regulations within Lot No. 19 and may cause any vehicles parked in the interim parking spaces which do not display the appropriate decal or placard to be cited or towed at the vehicle owner's expense.

The Owner shall defend, indemnify, and hold the Agency, the City, and their respective officials, officers, employees, agents and contractors harmless from and against all losses, expenses (including attorneys fees and litigation expenses) and liability for personal injury (including wrongful death) and property damage arising out of or in any way connected with the negligence or wilful misconduct of the Owner or its employees, tenants, agents, contractors and invitees in their use of the interim parking facilities. The Owner's defense, indemnification and hold-harmless obligations shall survive the expiration or termination of this Agreement as to acts or omissions occurring prior to such expiration or termination.

The Agency shall defend, indemnify, and hold the Owner and its officials, officers, employees, agents and contractors harmless from and against all losses, expenses (including attorneys fees and litigation expenses) and liability for personal injury (including wrongful death) and property damage arising out of or in any way connected with the negligence or wilful misconduct of the Agency or its employees, agents, and contractors with regard to the operation or maintenance of the interim parking facilities. The Agency's defense, indemnification and hold-harmless obligations shall survive the expiration or termination of this Agreement as to acts or omissions occurring prior to such expiration or termination.

3.6 Payment Following Conveyance. The Agency shall pay the Owner, within thirty (30) days from the date of recordation of the grant deed conveying the Parking Lot Parcel to the County, the sum of Twenty-five Thousand Dollars (\$25,000).

4. STANDARD TERMS

4.1 Lot Line Adjustment and Other Development Matters. The Agency shall, at its cost and expense, cause the preparation of lot line adjustment or similar parcelization documents as may be necessary or convenient to cause the parcelization of the Parking Lot Parcel from the remainder of the RCBA Property. The Owner shall, at its cost and expense, execute, deliver and obtain such instruments and documents as requested by the Agency, including, without limitation, temporary rights of entry, a release of any liens, trust deeds or other encumbrances affecting the Parking Lot Parcel.

The Owner acknowledges that the construction of the Family Law Courthouse will require the vacation of the alleyway located immediately adjacent to the RCBA Property, as identified on Exhibit A. The Owner agrees to take such actions and give such approvals as may be reasonably required to facilitate such vacation.

The Agency shall provide reasonable pedestrian access from the Courthouse Parking Lot to the RCBA Property.

4.2 Rights of Access. For the purposes of ensuring the Owner's compliance with this Agreement, representatives of the Agency and the City and their employees, agents and contractors shall have reasonable right of access to the Parking Lot Parcel without charge.

The Owner agrees to enter into good faith negotiations with the County concerning the County's obtaining a right of entry upon the Parking Lot Parcel for pre-construction activities prior to the conveyance of the Parking Lot Parcel to the County. The terms of such right of entry shall be as agreed upon by the County and the Owner. All costs associated with such right of entry shall be borne solely by the County and the Owner, as they may agree.

4.3 Termination Upon Termination of Agency's Family Law Court Agreement With the County of Riverside. In addition to all other rights and remedies granted to the Agency under this Agreement or available to it in equity or at law, the Agency may terminate this Agreement and all of its obligations hereunder without cost or liability upon the termination of the Agency's Owner Participation Agreement with the County for the Family Law Courthouse due to the County's abandonment of the Family Law Courthouse project. Upon such abandonment, the County shall be obligated to restore the RCBA parking lot upon the Parking Lot Parcel as provided in Section 3.4(i) of this Agreement.

4.4 Notices and Demands. All notices or other communications required or permitted hereunder shall be in writing, and may be personally delivered or sent by United States registered or certified mail, postage prepaid, return receipt requested, addressed to parties at the addresses provided in Section 1.2, subject to the right of either party to designate a different address for itself by notice similarly given. Any notice so given by registered or certified United States mail shall be deemed to have been given on the second business day after the same is deposited in the United States mail. Any notice not so given by registered or certified mail shall be deemed given upon receipt of the same by the party to whom the notice is given.

4.5 Nonliability of City, Agency and Owner Officials and Employees. No board member, official, officer, employee, agent or consultant of the City or Agency shall be personally liable to the Owner, or any successor in interest, in the event of any default or breach by the Agency or for any amount which may become due to the Owner or to its successor, or on any obligations arising under this Agreement.

No board member, official, officer, employee, agent or consultant of the Owner shall be personally liable to the Agency or the City, or any successor in interest, in the event of any default or breach by the Owner or for any amount which may become due to the Agency or the City or to their successors, or on any obligations arising under this Agreement.

4.6 Time Deadlines Critical; Extensions and Delays. Time is of the essence of this Agreement. However, in addition to specific provisions of this Agreement, neither party hereunder shall be deemed to be in default where delays or defaults are due to war; insurrection;

strikes; lockouts; riots; third party litigation; floods; earthquakes; fires; acts of God; acts of a public enemy; epidemics; quarantine restrictions; and freight embargoes.

4.7 Attorney's Fees. If either party brings any action or proceeding against the other arising out of this Agreement, the prevailing party in that action or proceeding shall be entitled to recover as an element of its costs of suit, and not as damages, its reasonable attorney's fees as fixed by the court in such action or proceeding or in a separate action or proceeding brought to recover such attorney's fees. Costs and expenses recovered or pursuant to this Section 4.7 include, without limitation, attorney's fees and costs incurred during any appeal of an underlying judgment or related to the enforcement of any judgment entered in the underlying action or proceeding.

4.8 Submission of Documents and Other Actions for Approval. Except where such approval is expressly reserved to the sole discretion of the approving party, all approvals required hereunder by either party shall be not be unreasonably withheld.

4.9 Amendments to This Agreement. The Owner and the Agency agree to consider reasonable requests for amendments to this Agreement which may be made by any of the parties hereto, lending institutions, bond counsel or financial consultants. Any amendments to the Agreement must be in writing and signed by the appropriate authorities of both the Agency and the Owner. The Agency's Executive Director is authorized on behalf of the Agency to approve and execute minor amendments to this Agreement.

4.10 Counterpart Originals; Integration. This Agreement may be executed in duplicate originals, each of which is deemed to be an original. This Agreement and its Exhibits represent the entire understanding of the parties and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

4.11 No Waiver. Failure to insist on any one occasion upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any rights or powers hereunder at any one

time or more times be deemed a waiver or relinquishment of such other right or power at any other time or times.

4.12 Release by Owner. The Owner hereby releases the City, the Agency and each of their constituent agencies and each of their agents, representatives, attorneys, principals, predecessors, successors, and assigns from any and all obligations, liabilities, claims, costs, expenses, demands, debts, controversies, damages, causes of action, including without limitation, those relating to just compensation, relocation assistance, attorneys' fees, interest, fixtures and equipment, goodwill, and pre-condemnation damages, under state and federal law, which it may now have, or might hereafter have, by reason of any matter or anything arising out or in any way related to the acquisition of private property by a public entity under the Relocation Assistance Law (Government Code Section 7260, et seq.), the Eminent Domain Law (Code of Civil Procedure Section 1230, et seq.), the Community Redevelopment Law (Health and Safety Code Section 33000, et seq.) or any other regulation, ordinance or public policy or any such laws, any increase or decrease in the value of or other effect on personal or real property owned by or adjacent to or near the Parking Lot Parcel or RCBA Property. This release shall not apply to any claim that one party may have against the other for breach of any provision or covenant of this Agreement.

Without limiting the generality of the foregoing, the Owner acknowledges that it is aware of the terms of California Civil Code Section 1542 which provides:

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.

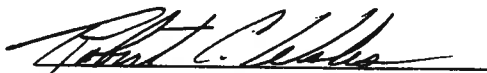
Owner acknowledges that it understands of the import and meaning of California Civil Code Section 1542. The Owner hereby irrevocably waives, relinquishes and forgoes any rights which it may have pursuant to Civil Code Section 1542 and all other state and federal statutes or judicial decisions of similar effect.

[SIGNATURES ON FOLLOWING PAGES]

Date:

1/10/97THE REDEVELOPMENT AGENCY
OF THE CITY OF RIVERSIDE

By:



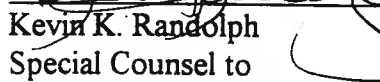
Robert C. Wales, P.E.

Executive Director

ATTEST:

Colleen J. Nicol
Agency SecretaryAPPROVED AS TO FORM:
BEST BEST & KRIEGER LLP

By:


Kevin K. Randolph
Special Counsel to
The Redevelopment Agency
of the City of Riverside

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

49721

No. 5907

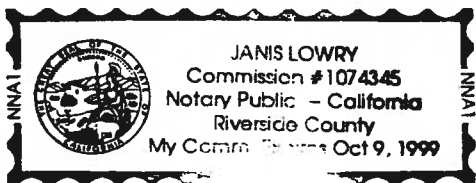
State of CALIFORNIA

County of RIVERSIDE

On JANUARY 15, 1997 before me, JANIS LOWRY, Notary Public,
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared COLLEEN J. NIKOL,
NAME(S) OF SIGNER(S)

☒ 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.

Janis Lowry
SIGNATURE OF NOTARY

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER

TITLE(S)

- ☐ PARTNER(S) ☐ LIMITED
☐ ATTORNEY-IN-FACT ☐ GENERAL
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☒ OTHER: _____

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

Redevelopment Agency
CITY OF RIVERSIDE

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

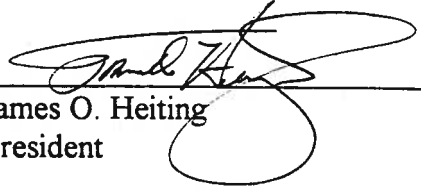
SIGNER(S) OTHER THAN NAMED ABOVE

49721

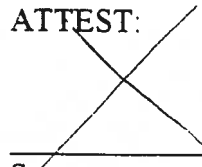
Date: 1-7-97

THE RIVERSIDE COUNTY
BAR ASSOCIATION

By:


James O. Heiting
President

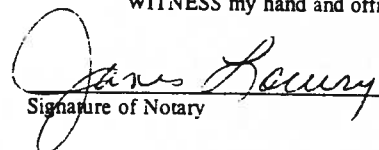
ATTEST:


Secretary

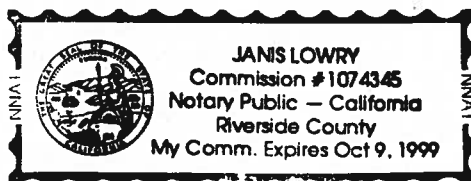
STATE OF CALIFORNIA }
 }
 COUNTY OF RIVERSIDE }

On 10-17, 1996, before me, the undersigned notary public, personally appeared **ROBERT C. WALES, P.E.**, ☒ personally known to me OR ☐ proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which he person acted, executed the instrument.

WITNESS my hand and official seal.


 Signature of Notary

(SEAL)



**CAPACITY CLAIMED
 BY SIGNER:**

- ☐ Individual(s)
☐ Corporate _____
 Officer(s) _____
☐ Partner(s)
☐ Attorney-in-Fact
☐ Trustee(s)
☐ Subscribing Witness
☐ Guardian/Conservator
☒ Other **EXECUTIVE DIRECTOR OF**
 AGENCY

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR
ENTITY(IES)
REDEVELOPMENT AGENCY OF
THE CITY OF RIVERSIDE

STATE OF CALIFORNIA

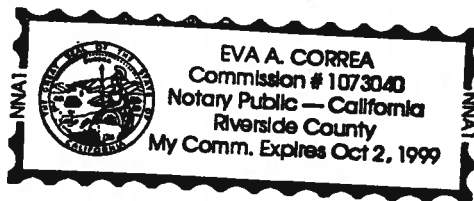
COUNTY OF Riverside

On Jan. 7, 1997, before me, the undersigned notary public, personally appeared **JAMES O. HEITING**, ☐ personally known to me OR ☐ proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which he person acted, executed the instrument.

WITNESS my hand and official seal.

Eva A. Correa
Signature of Notary

(SEAL)


**CAPACITY CLAIMED
BY SIGNER:**

☐ Individual(s)
☒ Corporate President, RCBA
 Officer(s) _____
☐ Partner(s)
☐ Attorney-in-Fact
☐ Trustee(s)
☐ Subscribing Witness
☐ Guardian/Conservator
☒ Other PRESIDENT OF
 ASSOCIATION
 SIGNER IS REPRESENTING:
 NAME OF PERSON(S) OR
 ENTITY(IES)
 PRESIDENT

Site Map of the RCBA Property, Parking Lot Parcel, Courthouse Parking Lot, and City Parking Lot No. 19

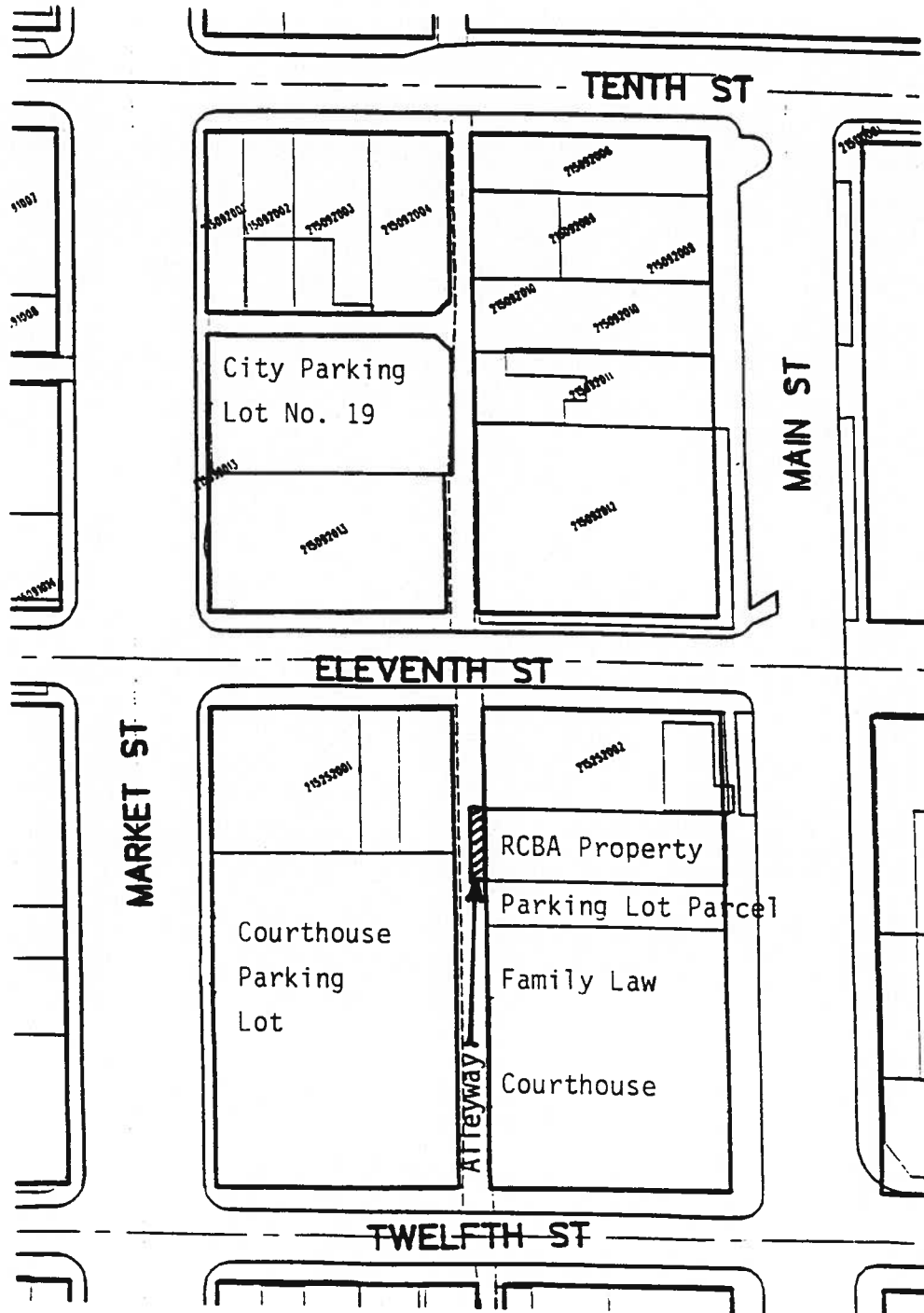


EXHIBIT B**FAMILY LAW COURT/RCBA REPLACEMENT PARKING
AGREEMENT*****Legal Description of the RCBA Property***

BEGINNING OF THE WESTERLY LINE OF MAIN STREET AT A POINT 70 FEET SOUTHERLY FROM THE NORTHEASTERLY CORNER OF BLOCK 11, RANGE 7 OF THE TOWN OF RIVERSIDE, IN THE CITY OF RIVERSIDE, AS PER MAP RECORDED IN BOOK 7, PAGE 17, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY; THENCE WESTERLY AND PARALLEL WITH THE SOUTHERLY LINE OF ELEVENTH STREET, 155.53 FEET TO THE EASTERLY LINE OF AN ALLEY; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID ALLEY, 80 FEET; THENCE EASTERLY AND PARALLEL WITH SAID SOUTHERLY LINE ELEVENTH STREET, 155.55 FEET TO SAID WESTERLY LINE OF MAIN STREET; THENCE WESTERLY ALONG SAID WESTERLY LINE OF MAIN STREET, 80 FEET TO THE POINT OF BEGINNING.

EXHIBIT C**FAMILY LAW COURT/RCBA REPLACEMENT PARKING
AGREEMENT*****Legal Description of the Parking Lot Property***

BEGINNING OF THE WESTERLY LINE OF MAIN STREET AT A POINT 120.10 FEET SOUTHERLY FROM THE NORTHEASTERLY CORNER OF BLOCK 11, RANGE 7 OF THE TOWN OF RIVERSIDE, IN THE CITY OF RIVERSIDE, AS PER MAP RECORDED IN BOOK 7, PAGE 17, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY; THENCE WESTERLY AND PARALLEL WITH THE SOUTHERLY LINE OF ELEVENTH STREET, 155.10 FEET TO THE EASTERLY LINE OF AN ALLEY; THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID ALLEY, 29.90 FEET; THENCE EASTERLY AND PARALLEL WITH SAID SOUTHERLY LINE ELEVENTH STREET, 155.54 FEET TO SAID WESTERLY LINE OF MAIN STREET; THENCE WESTERLY ALONG SAID WESTERLY LINE OF MAIN STREET, 29.90 FEET TO THE POINT OF BEGINNING.

AMENDMENT TO GROUND LEASE

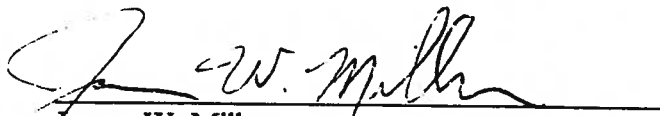
THIS AMENDMENT is executed as of this 22nd day of October, 1996, by and between MARKET STREET PROPERTIES I, LLC, a California limited liability company ("Landlord") and REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE, a public entity ("Tenant"). Landlord and Tenant have previously entered into a "Ground Lease and Option to Purchase" dated as of April 25, 1996 and retroactively effective as of March 16, 1996 (the "Lease"). The parties desire by this Amendment to incorporate an additional provision in the Lease. All defined terms utilized herein will have the same meaning as set forth in the Lease.

1. Street Dedication. The City of Riverside requires the widening of 12th Street immediately adjacent (to the south) of the Premises. As a result of such widening, 12th Street will be expanded from a thirty-three (33) foot width to a forty-four (44) foot width. Landlord agrees, at no expense to Landlord, to dedicate to the City of Riverside for public street purposes, that portion of the Premises located adjacent to 12th Street sufficient to accommodate such street widening. Tenant will be solely responsible for all costs associated with the demolition and reconstruction of that portion of 12th Street located adjacent to the Premises, including the removal and reconstruction of pavement, curbs, gutters, sidewalks and the like. The parties agree to execute such documents as may be reasonably required by the City of Riverside in order to finalize this dedication.

Except as modified by this Amendment, the Lease remains in full force and effect.

LANDLORD:


MARKET STREET PROPERTIES I, LLC, a California
limited liability company

By: 
James W. Miller

By: 
John R. Miller, M.D.

TENANT:

REDEVELOPMENT AGENCY OF THE CITY OF
RIVERSIDE, a public entity

By: 

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

REDEVELOPMENT AGENCY OF THE
CITY OF RIVERSIDE
3737 Main Street, Suite 800
Riverside, CA 92501
Attn: Michael Yuzon

COPY of Document Recorded
on 10/28/96 as No. 412465
has not been compared with
original.
FRANK K. JOHNSON
County Recorder
RIVERSIDE COUNTY CALIFORNIA

(Space above for Recorder's Use)

MEMORANDUM OF LEASE AND OPTION

THIS MEMORANDUM is executed in connection with that certain Agreement entitled "Ground Lease and Option To Purchase" executed concurrently herewith by MARKET STREET PROPERTIES I, LLC, a California limited liability company, as Landlord and REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE, a public entity, as Tenant.

1. Lease. Landlord hereby leases to Tenant and Tenant leases from Landlord that real property located in the City of Riverside, Riverside County, California, more particularly described in Exhibit "1" attached hereto (the "Premises"). The Initial Term of this Lease expires March 15, 2004, but is subject to extension for a maximum term which would expire February 15, 2030.

2. Option To Purchase. Landlord hereby grants to Tenant the exclusive right to purchase the Premises at a price and on the terms and conditions as set forth in the above-referenced Agreement.

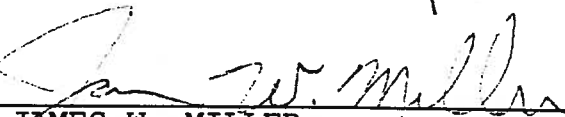
3. Additional Provisions. The Lease and option rights described above are subject to the further terms, conditions and provisions of the unrecorded Ground Lease and Option To Purchase

between the parties dated April 25, 1996, which is incorporated herein by reference.

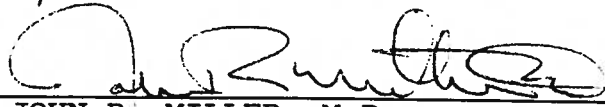
LANDLORD:

MARKET STREET PROPERTIES I, LLC, a
California limited liability company

By:


JAMES W. MILLER

By:


JOHN R. MILLER, M.D.

TENANT:

REDEVELOPMENT AGENCY OF THE CITY OF
RIVERSIDE, a public entity

By:


Robert C. Wales, Executive Director

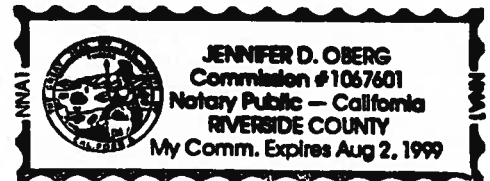
ACKNOWLEDGMENTS

STATE OF CALIFORNIA)
)
COUNTY OF Riverside) SS.

On April 26, 1996, 1996, before me, Jennifer D. Dberg, a Notary Public in and for said state, personally appeared James W. Miller and John R. Miller, 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), as Members, 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.

Signature



(Seal)

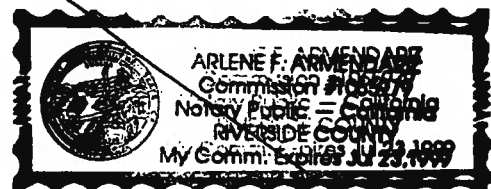
STATE OF CALIFORNIA)
)
) ss.
COUNTY OF Riverside)

On October 25, 1996, before me, Arlene F. Armendariz, a Notary Public in and for said state, personally appeared Robert C. Wales, Executive Director, 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), as Executive Director, 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.

Signature

(Seal)



ACKNOWLEDGMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF Riverside)

On October 25, 1996, before me, Arlene F. Armendariz, a Notary Public in and for said state, personally appeared Robert C. Wales, 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), as Executive Director, 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.

Signature

(Seal)

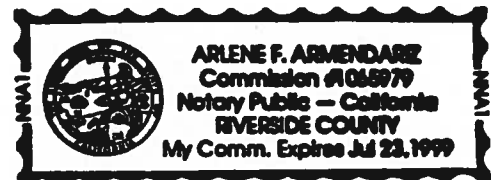


EXHIBIT "1"

Legal Description and Depiction of the Premises

That certain real property located in the City of Riverside, Riverside County, California described as follows:

BEGINNING AT THE SOUTHWESTERLY CORNER OF BLOCK 11, RANGE 7 OF THE TOWN OF RIVERSIDE, AS SHOWN BY MAP RECORDED IN BOOK 7 PAGE 17 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA; THENCE NORTHERLY ALONG THE EASTERLY LINE OF MARKET STREET, 100 FEET; THENCE EASTERLY PARALLEL WITH THE NORTHERLY LINE OF TWELFTH STREET, 155.56 FEET TO A POINT ON THE WESTERLY LINE OF A 20-FOOT ALLEY; THENCE SOUTHERLY ALONG THE WESTERLY LINE OF SAID ALLEY, 100 FEET TO A POINT ON SAID NORTHERLY LINE OF TWELFTH STREET; THENCE WESTERLY ALONG SAID NORTHERLY LINE OF TWELFTH STREET, 155.57 FEET TO THE POINT OF BEGINNING.

SAID PROPERTY IS ALSO SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 10 PAGE 70 OF RECORDS OF SURVEY, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, AND

BEGINNING AT A POINT ON THE WESTERLY LINE OF BLOCK 11, RANGE 7 OF THE TOWN OF RIVERSIDE, AS SHOWN BY MAP RECORDED IN BOOK 7 PAGE 17 OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, 100 FEET NORTHERLY FROM THE SOUTHWESTERLY CORNER OF SAID BLOCK, SAID POINT BEING ALSO THE NORTHWESTERLY CORNER OF THAT CERTAIN PARCEL OF LAND CONVEYED TO BLANCHE M. WALKER AND MYRL R. MILLER, BY DEED RECORDED JUNE 17, 1935 IN BOOK 236 PAGE 252 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA; THENCE NORTHERLY ALONG THE EASTERLY LINE OF MARKET STREET, 130.60 FEET, MORE OR LESS, TO A POINT 100 FEET SOUTHERLY FROM THE NORTHWESTERLY CORNER OF SAID BLOCK 11, RANGE 7, SAID POINT BEING ALSO THE SOUTHWESTERLY CORNER OF THAT CERTAIN PARCEL OF LAND CONVEYED TO WILLIAM M. TRUE AND SARA T. MORGAN, BY DEED RECORDED JUNE 22, 1935 IN BOOK 232 PAGE 540 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA; THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL OF LAND, 155.53 FEET TO A POINT ON THE NORTHWESTERLY LINE OF AN ALLEY; THENCE SOUTHWESTERLY ALONG SAID NORTHWESTERLY LINE OF ALLEY, 130.59 FEET, MORE OR LESS, TO THE NORTHEASTERLY CORNER OF SAID PARCEL OF LAND CONVEYED TO BLANCHE M. WALKER AND MYRL R. MILLER; THENCE NORTHWESTERLY ALONG THE NORTHEASTERLY LINE OF SAID PARCEL OF LAND, 155.56 FEET TO THE POINT OF BEGINNING. SAID PROPERTY IS ALSO SHOWN ON RECORD OF SURVEY ON FILE IN BOOK 10 PAGE 70 OF RECORDS OF SURVEY, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

1 SECOND AMENDMENT TO GROUND LEASE
2 AND OPTION TO PURCHASE

3 THIS SECOND AMENDMENT TO GROUND LEASE AND OPTION TO PURCHASE
4 is made and entered into this day of , 1998, by
5 and between **MARKET STREET PROPERTIES I, LLC**, a California limited
6 liability company ("Landlord") and **REDEVELOPMENT AGENCY OF THE**
7 **CITY OF RIVERSIDE, CALIFORNIA**, a public entity ("Tenant"), with
8 reference to the follow facts:

9 A. Landlord and Tenant entered into that certain Ground
10 Lease and Option to Purchase dated April 25, 1996, ("Lease")
11 wherein Tenant leased from Landlord that certain real
12 property (the "Property") located in the City of Riverside,
13 County of Riverside, State of California, described in
14 Exhibit "1", attached hereto and incorporated herein by this
15 reference. The Property leased to Tenant by Landlord is
16 located on the easterly side of Market Street, westerly of
17 the alley extending from Eleventh Street to Twelfth Street,
18 and northerly of Twelfth Street. The Lease was amended by
19 the Amendment to Ground Lease executed in October, 1996, to
20 reflect the dedication by Landlord to the City of Riverside
21 ("City") of a portion of the Property necessary for the
22 widening of Twelfth Street immediately adjacent (to the
23 south) of the Property, so that Twelfth Street could be
24 expanded from a 33-foot wide street to a 44-foot wide street.

25 B. At the request of Tenant, City proposes to vacate
26 the alley adjacent to the Property extending from Eleventh
27 Street to Twelfth Street between Market Street and Main

1 Street in City of Riverside Vacation Case VC-003-978. In the
2 event the alley is vacated by Vacation Case VC-003-978, that
3 portion of the alley extending from its centerline westerly
4 and immediately adjacent to the Property shall by operation
5 of law become the property of Landlord free from any right of
6 the public to use said alley, and said property needs to be
7 included in the Lease.

8 C. Related to Vacation Case VC-003-978 Tenant is
9 working with the Riverside County Bar Association ("RCBA")
10 and Landlord to locate and to provide authorized solid waste
11 hauler access to a solid waste container to be utilized by
12 the RCBA.

13 NOW, THEREFORE, the parties hereto mutually agree as follows:

14 1. Upon the completion of Vacation Case VC-003-978 and the
15 recordation of the resolution of the City Council of City ordering
16 the vacation of the alley extending from Eleventh Street to
17 Twelfth Street between Main Street and Market Street, the term
18 "Premises" as used in the Lease shall mean and include the
19 Property ~~less~~ the portion of said Property dedicated to City for
20 the widening of Twelfth Street as reflected in the earlier
21 Amendment to Ground Lease ~~plus~~ the real property located on the
22 westerly side from the centerline of said vacated alley
23 immediately adjacent to the Property. A plat showing the Premises
24 is attached hereto as Exhibit "2", and is incorporated herein by
25 this reference.

26 2. All other terms and conditions of the Lease not amended
27 herein shall remain in full force and effect, it being agreed that

1 the only change in the Lease is to describe the Premises as being
2 the real property depicted in attached Exhibit "2".

3 3. In the event that Landlord enters into an agreement or
4 agreements with the County of Riverside, a political subdivision
5 of the State of California ("County") relating to the construction
6 of any improvements on the alley proposed to be vacated in
7 Vacation Case VC-003-978, and/or the maintenance thereof, Tenant
8 hereby agrees to consent to such agreements as the lessee of the
9 Premises affected by such agreements as may be necessary;
10 provided, however, the obligations of Tenant shall not exceed
11 those set forth in the Lease.

12 4. Landlord will permit regularly scheduled access to the
13 RCBA solid waste container by City authorized solid waste haulers. ^{RCBA}

14 IN WITNESS WHEREOF, the parties hereto have caused this
15 Second Amendment to Lease to be executed by their authorized
16 officers the day and year first above written.

17 **LANDLORD:**
18 MARKET STREET PROPERTIES I, LLC, a
19 California limited liability company

20 By: _____
21 JAMES W. MILLER

22 By: _____
23 JOHN R. MILLER, M.D.

24 **TENANT:**
25 REDEVELOPMENT AGENCY OF THE CITY OF
26 RIVERSIDE, CALIFORNIA, a public entity

APPROVED AS TO FORM

27 By: _____
ROBERT C. WALES
Executive Director

Agency Counsel

DBB/bb 01/28/98

-FAX MESSAGE-

FROM: (909) 789 1505

DATE: Mar 12, 2001

TIME 1:30 PM

TO: CAROL BRITTON

PHONE-FAX (909) 826 5744

PHONE (909) 826 5649

Firm: Redevelopment Agency of the City of Riverside

City: Riverside, CA

MARKET STREET PROPERTIES I, LLC

4 JAMES W. MILLER

1507 WESTON WAY

RIVERSIDE, CA 92506

(909) 789 1357

FACSIMILE TRANSMISSION COVER SHEET

We are transmitting TWO pages including this cover page. If transmission is not complete, please call (909) 789 1357. Transmitting from: Murata Telecopier M920 - FAX (909) 789 1505.

RE: 4150 Market Street, City Redevelopment Lease.

Pages 3 & 4, Section 3.2 of the above Lease provides for an annual adjustment in rent, based upon the CPI-U.

In accordance with said lease you are to adjust the rent as of April 1 of each year using "the index in publication three months before the Commencement Date" -- as the "Base Index". The Index and publication three months before each adjustment date, being January of each year, shall be the 'Comparison Index.' As of each Adjustment Date, the rent payable during the upcoming Lease Year will be determined by increasing the initial Base Rent by a percentage equal to the percentage increase, if any, in the Comparison Index over the Base Index.

The published figures obtained today from the "Internet" URL ADDRESS: <http://www.bls.gov/reghome.htm> Adjusted Base Index - 167.9 with the Comparison Index being 174.2. This then means the factor for increase is 1.0384 (174.2/167.9). Therefore the new monthly rent due April 1, 2001 is \$5,595.00. We are enclosing a summary of rents received and current BLS statistical data for Los Angeles-Riverside-Anaheim.

The Lease has been in force for five years and has three more years until expiration. Further, bear in mind the City has the option to change the lease to a long term contract with better rental provisions plus an option to purchase said property. Under the changed contract the rent increases only 2% per year. Note the increase for this coming year is almost double that figure. May we suggest you consider this matter and exercise your privilege while my brother and I are still able to sign the necessary documents for change.

We will appreciate you discussing the above with the appropriate party or parties so that continuation of the adjusted rent will be timely and you'll consider the possibility for change at this time.

Thanks for your consideration and help!


James W. Miller, Manager
Market Street Properties I, LLC

XXXXXX Original WILL FOLLOW by:

XXX Regular mail.

The information contained in this FAX is for the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify me by telephone, and return the original of this transmittal to the address shown above via Postal Service.

-FAX MESSAGE-

FROM: (909) 789 1505 DATE: Mar 6, 1999 TIME 10:30

TO: JUDY SORIANO PROJECT ASSISTANT PHONE-FAX (909) 826 5744
PHONE (909) 826 5952

Firm: Redevelopment Agency of the City of Riverside

City: Riverside, CA

MARKET STREET PROPERTIES I, LLC
4 JAMES W. MILLER
1507 WESTON WAY
RIVERSIDE, CA 92506
(909) 789 1357

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The published figures obtained today from the "Internet" URL ADDRESS-
<http://www.bls.gov/ro9home.htm> Adjusted Base Index - 164.2 with the Comparison Index being 167.9. This then means the factor for increase (167.9/164.2 is 1.225%, and equates to a new monthly rent for the coming year and due April 1, 2000 of \$5,392.65. (Please see the enclosed printout from the net.)

We will appreciate you advising the appropriate party or parties so that continuation of the adjusted rent will be timely.

Thanks for your consideration and help!

James W. Miller, Manager
Market Street Properties I, LLC

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XXX Regular mail.

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-FAX MESSAGE-

FROM: (909) 789 1505

DATE: Mar 4, 1998

TIME 16:00

TO PATRICK KEENEY City Redev Agcy PHONE FAX (909) 782 5744
PHONE (909) 782 5974

Firm: Redevelopment Agency of the City of Riverside

City: Riverside, CA

RECEIVED
MAR 6 1998

MARKET STREET PROPERTIES I, LLC
% JAMES W. MILLER
1507 WESTON WAY
RIVERSIDE, CA 92506
(909) 789 1357

Development Department

FACSIMILE TRANSMISSION COVER SHEET

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Transmitting from: Murata Telecopier M920 - FAX (909) 789 1505.

RE: 4150 Market Street, City Redevelopment Lease.

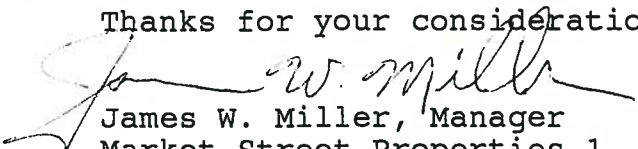
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The published figures obtained today from the "Internet" URL ADDRESS-
<http://www.bls.gov/ro9home.htm> Adjusted Base Index - 159.1 with the Comparison Index being 161. This then means the factor for increase (161/159.1) is 1.012%. and equates to a new monthly rent for the coming year and due April 1, 1998 of \$5,171.03. (Please see the enclosed printout from the net.)

We will appreciate you advising the appropriate party or parties so that continuation of the adjusted rent will be timely.

Thanks for your consideration and help!


James W. Miller, Manager
Market Street Properties 1, LLC

____ XXXXXX ____ Original WILL FOLLOW by:
____ XXX ____ Regular mail.

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<http://www.bls.gov/ro9home.htm>

Bureau of Labor Statistics Data

Data extracted on: March 04, 1998 (06:05 PM)

Consumer Price Index-All Urban Consumers

Series Catalog:

Series ID : CUURA421SA0

Not Seasonally Adjusted

Area : Los Angeles-Riverside-Orange County, CA

Item : All items

Base Period : 1982-84=100

Data:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
1997	159.1	159.2	159.8	159.9	159.5	159.4	159.5	159.7	160.5	161.1	160.7	161.2	160.0
1998	161.0												



Region IX & X - San Francisco Home Page



Data Home Page



BLS Home Page

Bureau of Labor Statistics

SFEAI@bls.gov

$$1997 - \frac{161}{159.1} = 1.012 \times 5110 = 5171.03$$

Hylone @ development

-FAX MESSAGE-

FROM: (909) 789 1505

DATE: Mar 4, 1999

TIME 10:30

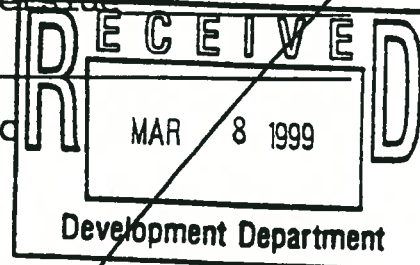
TO DONNA L. ANDERSON ASST DIRECTOR PHONE-FAX (909) 782 5744

PHONE (909) 782 5649

Firm: Redevelopment Agency of the City of Riverside

City: Riverside, CA

MARKET STREET PROPERTIES I, LLC
% JAMES W. MILLER
1507 WESTON WAY
RIVERSIDE, CA 92506
(909) 789 1357



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The published figures obtained today from the "Internet" URL ADDRESS-<http://www.bls.gov/ro9home.htm> Adjusted Base Index - 161.0 with the Comparison Index being 164.2. This then means the factor for increase (164.2/161) is 1.2%. and equates to a new monthly rent for the coming year and due April 1, 1999 of \$5,273.81. (Please see the enclosed printout from the net.)

We will appreciate you advising the appropriate party or parties so that continuation of the adjusted rent will be timely.

Thanks for your consideration and help!


James W. Miller, Manager
Market Street Properties I, LLC

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Bureau of Labor Statistics Data

Data extracted on: March 01, 1999 (01:17 PM)

Consumer Price Index-All Urban Consumers

Series Catalog:

Series ID : CUURA421SA0

Not Seasonally Adjusted

Area : Los Angeles-Riverside-Orange County, CA

Item : All items

Base Period : 1982-84=100

Data:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
1998	161.0	161.1	161.4	161.8	162.3	162.2	162.1	162.6	162.6	163.2	163.4	163.5	162.3
1999	164.2												

<http://www.bls.gov/ro9home.htm>

Consumer Home Page

$$\text{C.P.I.} - 164.2 \div 161 = 1.02 \times 5171.03 = \$5273.81$$

