

**OVERSIGHT BOARD FOR SUCCESSOR AGENCY TO THE
VICTORVILLE REDEVELOPMENT AGENCY
REGULAR MEETING AGENDA**

City of Victorville
14343 Civic Drive, Conference Room "D"
Victorville, CA 92392

Thursday, January 11, 2018
1:30 P.M.

CALL TO ORDER

ITEM 1 PUBLIC COMMENT

DISCUSSION AGENDA

ITEM 2 APPROVE MINUTES FROM SEPTEMBER 28, 2017 MEETING

ITEM 3 RESOLUTION OB-VRDA-18-001 OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT WITH NAMI KOENIG FOR THE SALE AND DISPOSITION OF CERTAIN UNIMPROVED REAL PROPERTY MORE PARTICULARLY DESCRIBED AS APN# 405-072-32 IN VICTORVILLE, CALIFORNIA

ITEM 4 RESOLUTION OB-VRDA-18-002 OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT WITH SPACE CENTER, MIRA LOMA FOR THE SALE AND DISPOSITION OF CERTAIN UNIMPROVED REAL PROPERTY MORE PARTICULARLY DESCRIBED AS APN# 3090-401-05, 3090-401-06, 3090-411-01, 3090-411-04 and 3090-411-05 IN VICTORVILLE, CALIFORNIA

ITEM 5 COMMENTS FROM OVERSIGHT BOARD, LEGAL COUNSEL AND STAFF

ITEM 6 ADJOURNMENT

MINUTES OF THE MEETING OF THE
OVERSIGHT BOARD FOR SUCCESSOR AGENCY
TO THE VICTORVILLE REDEVELOPMENT AGENCY
September 28, 2017

CALL TO ORDER

The special meeting of the Oversight Board for the Successor Agency to the Victorville Redevelopment Agency was called to order at 1:30 p.m. by Chairman Metzler in Conference Room "D", Victorville City Hall, at 14343 Civic Drive, Victorville, California.

ROLL CALL

PRESENT: Board Members Jackie Jauregui (Alternate for Debbie Betts), Keith Metzler, Mary O'Toole and Anita Tuckerman

ABSENT: Board Members Tracey Richardson and Doug Robertson

LATE: Board Member Janice Lindsay arrived at 1:38 p.m.

Also present was Director of Economic Development, Sophie Smith; Varner & Brandt, Attorney, Nathan Heyde and Recording Secretary, Heidi Roche

1. PUBLIC COMMENT

There was no public comment.

DISCUSSION AGENDA

2. APPROVE MINUTES FROM MAY 25, 2017 MEETING

It was moved by Board Member O'Toole, seconded by Board Member Lindsay to approve; motion carried with Board Member Tuckerman abstaining and Board Members Richardson and Robertson absent.

3. RESOLUTION OB-VRDA-17-005 APPROVING AMENDMENT 2 TO PROFESSIONAL SERVICES AGREEMENT WITH VARNER & BRANDT FOR OVERSIGHT BOARD LEGAL SERVICES

Ms. Smith provided background on the item and indicated that the amendment would extend the current agreement with Varner & Brandt retroactively from July 1, 2017 to June 30, 2018 in the amount not to exceed \$50,000.00.

It was moved by Board Member Tuckerman, seconded by Board Member O'Toole to adopt Resolution No. OB-VRDA-17-005; motion carried with Board Members Lindsay, Richardson and Robertson absent.

4. RESOLUTION OB-VRDA-17-006 OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT WITH CIVIC ROGERS LLC FOR THE SALE AND DISPOSITION OF CERTAIN UNIMPROVED REAL PROPERTY MORE PARTICULARLY DESCRIBED AS APN NO. 3106-261-19 IN VICTORVILLE, CALIFORNIA

Ms. Smith and Mr. Heyde provided the Board with background concerning the sale and disposition of the property known as one of two properties identified as Item No. 3 on the Long Range Property Management Plan, an unimproved remnant property consisting of approximately 0.35 acres zoned for general commercial and located adjacent to the I-15 Freeway. The land use is currently intended for a 60 to 65 foot sign to direct traffic to the Desert Valley Shopping Center.

Discussion ensued regarding the conflicting valuations of the property in which it was explained that the initial valuations were provided by a brokering firm and the latter valuation was an actual appraisal.

It was moved by Board Member O'Toole, seconded by Board Member Lindsay to adopt Resolution No. OB-VRDA-17-006; motion carried with Board Members Richardson and Robertson absent.

5. LONG RANGE PROPERTY MANAGEMENT PLAN (LRPMP) UPDATE

Ms. Smith provided an update of the existing properties listed on the plan.

Discussion ensued regarding additional property sale transactions and negotiations as well as the Board suggesting the Successor Agency re-zone difficult properties to increase buyer interest.

Discussion further ensued regarding the dissolution of the Oversight Board on June 30, 2018 due to County consolidations and the Department of Finance purview regarding decisions with respect to remaining properties and remnant properties still listed for sale after dissolution.

6. ADJOURNMENT

It was moved by Board Member Tuckerman, seconded by Board Member O'Toole to adjourn the meeting at 2:15 p.m.; motion carried with Board Members Richardson and Robertson absent.

CHAIRMAN OF THE BOARD OF ADMINISTRATORS

ATTEST:

RECORDING SECRETARY

AGENDA ITEM #3

OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE
VICTORVILLE REDEVELOPMENT AGENCY
MEETING OF: January 11, 2018

SUBJECT: PURCHASE AND SALE AGREEMENT BY AND BETWEEN THE SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY AND NAMI KOENIG, PURSUANT TO THE APPROVED LONG-RANGE PROPERTY MANAGEMENT PLAN (LRPMP)

RECOMMENDATION: THAT YOUR HONORABLE BOARD ADOPTS RESOLUTION NO. OB-VRDA-18-001 APPROVING THE SALE OF PROPERTY MORE PARTICULARLY DESCRIBED AS APN# 405-072-32 TO NAMI KOENIG

DISCUSSION: As you know, California Redevelopment Agencies were abolished as of February 1, 2012, as a result of legislation, ABx1 26, enacted on June 29, 2011, and upheld by the California Supreme Court on December 29, 2011. On February 1, 2012, all real properties of the former Redevelopment Agency transferred to the control of the Successor Agency by operation of law.

Pursuant to Health and Safety Code Section 34191.5(b), the Successor Agency was required to prepare a Long-Range Property Management Plan (LRPMP) that addressed the disposition and use of the real properties owned by the former redevelopment agency. On December 3, 2013, the Successor Agency Board approved the LRPMP via Resolution R-SA-13-007. Subsequently, at its December 5, 2013 meeting, the Oversight Board approved the LRPMP via Resolution OB-VRDA-13-008. Accordingly, the LRPMP was submitted to the Department of Finance on December 12, 2013. Successor Agency staff worked with several DOF analysts who reviewed the plan and provided comment as to the proposed disposition of each property. After a series of revisions, on October 22, 2015, the revised LRPMP was submitted to the DOF and was approved on October 28, 2015. As you may recall, the LRPMP addresses the disposition of 29 properties. Overall, the DOF approved 11 properties for transfer to the City from the Successor Agency for government-use purposes, 1 property to be retained for future development, and 17 parcels to be sold.

The Department of Finance approved the subject property for sale on the open market. The Agency conducted an appraisal in March 2016 which valued the property at \$3.59 per square foot (the appraised value). The property located at the northwest corner of Avenal Street and Cobalt Road is comprised of approximately 1.83 acres (1.955 estimated acres in the LRPMP) and has been listed with the City's brokerage firm Coldwell Banker Commercial (CBC) since March 2016 with little to no interest from potential buyers. CBC recommended a series of sales price adjustments to garner interest in the property. In September 2017, Ramesh and Parita Shihora submitted an offer in the amount of \$89,000 (\$1.12 psf). Due to the offer being well

below the appraised value and the length of time the property was on the market, staff requested a Broker's Opinion of Value to document current market conditions and site conditions affecting the value of the property. The September 26, 2017 Brokers Opinion of Value was \$.95 psf, which was based on the property not having streets and utilities to the site and recent comparable sales.

At the Successor Agency meeting of November 21, 2017 a Purchase and Sale Agreement was approved for the sale of the property to Ramesh and Parita Shihora, contingent on Oversight Board approval. However, between the Successor Agency's approval and the next Oversight Board meeting, a higher offer was received from another interested buyer. A request for the Best and Final Offer was requested from all interested parties, whereby Nami Koenig submitted the highest offer for the property in the amount of \$125,000 (\$1.57 psf). This offer was presented to the Successor Agency in closed session at the meeting of December 19, 2017. After such closed session discussion, it was reported in open session that the Successor Agency approved the transaction with Nami Koenig using the standard template Purchase and Sale Agreement contingent on Oversight Board approval.

Additional terms of the offer include the split of escrow/title fees between the Seller and Buyer, a 5% Broker's commission, \$5,000 deposit, 15-day due diligence period, with close of escrow within 10 days thereafter. The net sale proceeds will be used to first pay enforceable obligations of the former redevelopment agency, and secondly remitted to the County Auditor-Controller for distribution to taxing entities pursuant to the RDA dissolution rules.

Because the sale of this property is consistent with the approved LRPMP, staff is recommending approval of Resolution No. OB-VRDA-18-001.

Staff remains available for any questions or comments.

Submitted by: Sophie L. Smith, City of Victorville

Attachments:

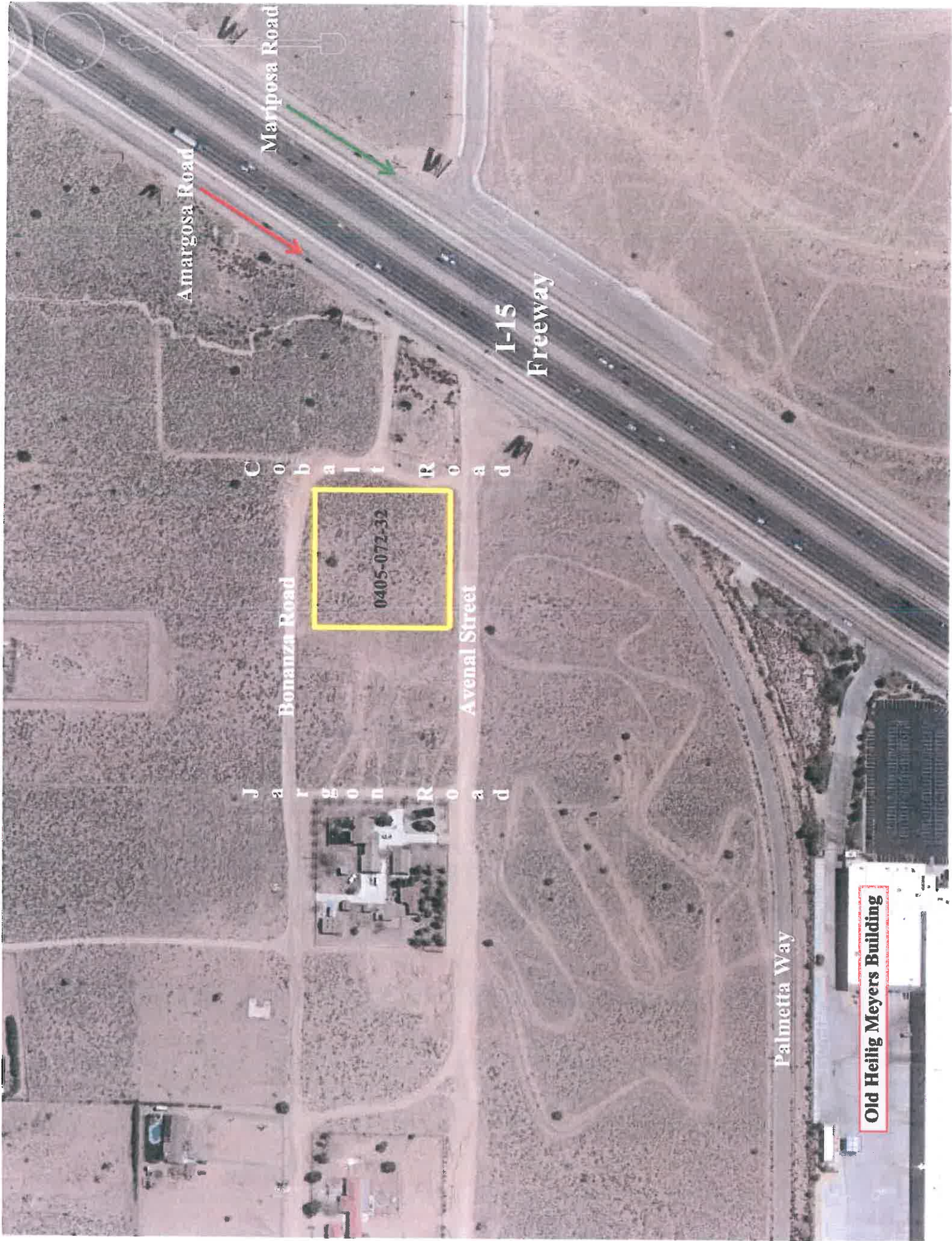
Map of property

Relevant pages from LRPMP

Resolution No. OB-VRDA-18-001

Purchase & Sale Agreement

September 26, 2017 Brokers Opinion of Value



Amargosa Road

Mariposa Road

I-15
Freeway

C o b a l t R o a d

0405-072-32

Bonanza Road

Avenal Street

J a r r i s o n R o a d

Palmetta Way

Old Heilig Meyers Building

Lager Land Swap Property

PARCEL INFORMATION

Address	APN	Lot Size	Property Type	Acquisition Date	Value At Acquisition
N/A	0405-072-32	1.955 Acres	Vacant Land	6/16/2009	\$595,000

Purpose of Acquisition: Land Swap for APN 0396-192-44

Current Zoning: C-2 (General Commercial)

ESTIMATE OF CURRENT PROPERTY VALUE

(If available, any appraisal information)

Estimated Current Value: \$106,450 based on \$1.25 p/s/f per Broker's Opinion of Value dated November 20, 2013 by The Bradco Companies (Exhibit "A")

Proposed Sale Value: To be determined based on Successor Agency's appraisal.

Proposed Sale Date: The property will be listed for sale within 120-days of the Long Range Property Management Plan approval

Past Appraisal History: \$595,000 from Appraisal Report by Thompson Appraisals, Inc. on December 5, 2007 (Exhibit "B").

ESTIMATE OF ANY LEASE, RENTAL, OR ANY OTHER REVENUES

(Plus any contractual requirements for the disposition of those funds)

Estimate of Lease/Rental/Other: \$0

Contractual Requirements for Use of Income/Revenue: N/A

HISTORY OF ENVIRONMENTAL CONTAMINATION

Brownfield Status	Studies Conducted	Remediation Efforts
Staff researched the Environmental Protection Agency (both Superfund and Brownfield website records) as well as the Geotracker tool used by the California Water Board. No records were found on these subject properties	None Known	N/A

BRIEF HISTORY OF PREVIOUS DEVELOPMENT PROPOSALS AND ACTIVITY (Including the rental or lease of property)

On June 16, 2009, the former Victorville Redevelopment Agency (RDA) acquired the property via a Land Swap Agreement with the Donald and Pamela Lager Trust (Exhibit "C"). The RDA transferred APN 0396-192-44 (\pm 0.70 acres) to the Trust and was granted APN 0405-072-32 (\pm 1.83 acres). The Lagers were owners in the commercial development adjacent to APN 0396-192-44 and wanted the RDA's property for a planned expansion of their store (the expansion has not occurred). Meanwhile, the RDA received a larger piece of property for future development.

POTENTIAL FOR TRANSIT-ORIENTED DEVELOPMENT

The property is located at the southwest quadrant of the City of Victorville, just west of the I-15 Freeway. The area is primarily a zoned residential with commercial zoning around the perimeter at the I-15 Freeway frontage. It is difficult to determine whether or not the property has the potential for transit-oriented development as much of the surrounding area remains undeveloped.

ADVANCEMENT OF PLANNING OBJECTIVES OF THE SUCCESSOR AGENCY

The proposed sale of the property is consistent with the planning objectives of the Successor Agency. The property is commercially zoned, so the sale of the property on the open market will further the redevelopment plan goals from the latest Five-Year Implementation Plan for the Victor Valley Redevelopment Project Area to "Leverage Private Sector Investment" (Exhibit "D").

USE OR DISPOSITION OF PROPERTY

Property Option Selected: The sale of the property

The Successor Agency proposes to offer the property for sale on the open market to be sold to a third party for development. The proceeds (net of any expenses related to the sale) from the sale of the property will be used to pay for any enforceable obligations of the former RDA.

The sale of the property will be based on an appraisal at then-fair market value. The specific sales terms and documents will be taken to the Oversight Board for final approval.

RESOLUTION NO. OB-VRDA- 18-001

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF CERTAIN UNIMPROVED REAL PROPERTY MORE PARTICULARLY DESCRIBED AS APN 0405-072-32 LOCATED IN VICTORVILLE, CALIFORNIA

WHEREAS, the Successor Agency to the Victorville Redevelopment Agency was formed in accordance with California Health and Safety Code Section 34173 (“Successor Agency”); and

WHEREAS, the Oversight Board (“Oversight Board”) of the Successor Agency was established pursuant to California Health and Safety Code Section 34179; and

WHEREAS, the Successor Agency must dispose of assets and properties of the former redevelopment agency as directed by the Oversight Board pursuant to California Health and Safety Code Section 34177(e); and

WHEREAS, the Oversight Board must direct the Successor Agency to dispose of all assets and properties of the former redevelopment agency pursuant to California Health and Safety Code Section 34181(a); and

WHEREAS, the Successor Agency is not permitted to dispose of any real property assets of the former redevelopment agency, except governmental use assets, until the Department of Finance (“DOF”) approves the Successor Agency’s long-range property management plan (“LRPMP”) pursuant to California Health and Safety Code Section 34191.3; and

WHEREAS, on October 28, 2015, the DOF issued an approval notice approving the Successor Agency’s LRPMP (“Determination Letter”); and

WHEREAS, upon receiving DOF approval of the LRPMP, the LRPMP shall govern and supersede all other provisions relating to the disposition and use of real property assets of the former redevelopment agency pursuant to California Health and Safety Code Section 34191.3; and

WHEREAS, the Successor Agency desires to sell one parcel of unimproved real property to Nami Koenig (“Purchaser”) located west of Interstate 15 and consisting of approximately 1.83 acres (1.955 estimated acres in the LRPMP) and identified as APN 0405-072-32, and further identified as the “Lager Land Swap Property” in the LRPMP as a “for sale” property (the “Property”); and

WHEREAS, the Successor Agency intends to sell the Property to the Purchaser for a purchase price of \$125,000.00, which represents an amount greater than the current market value

of the Property, as determined by a broker's opinion provided by Coldwell Banker Commercial; and

WHEREAS, the sale of the Property by Successor Agency to Purchaser is intended to be made in accordance with the terms of a purchase and sale agreement (the "Purchase Agreement"), a copy of which has been made available to the Oversight Board for inspection and is attached hereto as Exhibit A; and

WHEREAS, the Oversight Board has determined that the approval of the sale and disposition of the Property and execution of the Purchase Agreement is consistent with the terms of the approved LRPMP under Health and Safety Code Section 34181(a) and 34191.3, and is consistent with the obligation of the Successor Agency to wind down the affairs of the former redevelopment agency in accordance with California Health and Safety Code Section 34177(h); and

WHEREAS, California Health and Safety Code Section 34179(e) requires the Oversight Board to adopt resolutions for any action taken by the Oversight Board.

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

Section 1. Approval of Purchase Agreement; Disposition of the Property. The Oversight Board hereby approves the sale and disposition of the Property in accordance with the terms of the approved LRPMP and approves the execution of the Purchase Agreement by the Successor Agency.

Section 2. Authorization of Successor Agency. Upon this resolution ("Resolution") becoming effective under Health and Safety Code Section 34179(h), the Oversight Board authorizes and directs the Executive Director and/or Assistant Secretary of the Successor Agency, jointly and severally, to execute and deliver the Purchase Agreement, in substantially the form made available to the Oversight Board for inspection, and any and all other documents which they may deem necessary or advisable in order to effectuate the approval of the Resolution.

Section 3. Delivery to the California Department of Finance. The Oversight Board hereby authorizes and directs the Secretary of the Oversight Board to electronically deliver a copy of this Resolution to the California Department of Finance in accordance with California Health and Safety Code Section 34179(h).

Section 4. Other Actions. The Oversight Board hereby authorizes and directs the Chairman, Vice Chairman and/or Secretary of the Oversight Board, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.

Section 5. CEQA. The Oversight Board, under Title 14 of the California Code of Regulations, Section 15378(b)(4), states that this Resolution is exempt from the requirements of the California Environmental Quality Act ("CEQA") in that it is not a "project," but instead

consists of the continuation of a governmental funding mechanism for potential future projects and programs, and does not commit funds to any specific project or program.

Section 6. **Effect.** This Resolution shall take effect in accordance with California Health and Safety Code Section 34179(h).

Section 7. **Certification.** The Oversight Board Secretary shall certify to the passage and adoption of this Resolution; shall enter the same in the book of original Resolutions of the Oversight Board; and shall make a minute of passage and adoption thereof in the records of the proceedings of the Oversight Board, in the minutes of the meeting at which this Resolution is passed and adopted.

RESOLUTION NO. OB-VRDA- 18-001

ATTACHMENT A

PURCHASE AGREEMENT

[ATTACHED BEHIND THIS PAGE]

PURCHASE AND SALE AGREEMENT
AND
ESCROW INSTRUCTIONS

This Purchase and Sale Agreement and Escrow Instructions (“Agreement”) for the property located at the Northeast Corner of Avenal Street and Cobalt Avenue in the City of Victorville, California, dated as of _____, 2018 (“Effective Date”) is entered into by and between the SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY, a public body corporate and politic (“Successor Agency”), and Nami Koenig or assignee (“Buyer”). The Successor Agency and the Buyer are hereinafter sometimes individually referred to as a “party” and collectively referred to as the “parties.”

RECITALS

A. The Victorville Redevelopment Agency (“Redevelopment Agency”) was duly formed pursuant to the provisions of California community redevelopment law, California Health and Safety Code Section 33000, *et seq.* (“CRL”) by an ordinance of the City of Victorville, California (“City”).

B. Pursuant to redevelopment dissolution legislation (ABX1 26 and AB 1484) (“Redevelopment Dissolution Legislation”) and California Health and Safety Code Section 34172, the Redevelopment Agency is now deemed dissolved and in accordance with California Health and Safety Code Section 34173(d)(3) and Resolution No. 12-005, the city council of the City (“City Council”) confirmed that the City shall serve as the Successor Agency to the Redevelopment Agency.

C. Upon dissolution of the Redevelopment Agency and confirmation of the City as Successor Agency, all assets, properties and contracts of the Redevelopment Agency, were transferred, by operation of law, to the Successor Agency pursuant to the provisions of California Health and Safety Code Section 34175(b) and pursuant to California Health and Safety Code Section 34179, the oversight board (“Oversight Board”) of the Successor Agency was also established.

D. Among the properties transferred from the Redevelopment Agency to the Successor Agency is that certain property located at the Northeast Corner of Avenal Street and Cobalt Avenue in the City of Victorville, California, as more particularly described on Exhibit A attached hereto, together with all right, title and interest in and to all appurtenances and improvements thereon (collectively, “Property”).

E. In accordance with the Redevelopment Dissolution Legislation, Buyer desires to purchase the Property from Successor Agency, and Successor Agency desires to sell the Property to Buyer on the terms and conditions contained in this Agreement.

NOW, THEREFORE, for valuable consideration, and subject to all terms and conditions hereof, Buyer and Successor Agency agree as follows:

1. **PURCHASE AND SALE.** Pursuant to the terms and conditions contained in this Agreement, Successor Agency hereby agrees to sell the Property to Buyer and, Buyer hereby agrees to purchase the Property from Successor Agency.

2. **PURCHASE PRICE.** The purchase price for the Property shall be One Hundred Twenty-Five Thousand Dollars (\$125,000.00) (“Purchase Price”), payable by Buyer to Successor Agency in cash at the Closing (as defined in Section 7A below). A deposit equal to Five Thousand Dollars (\$5,000.00) shall be

deposited into escrow by Buyer within five (5) days after execution of this Agreement by Successor Agency and delivery to Buyer. At the close of escrow, the Deposit shall be applied to the Purchase Price. Notwithstanding the above, if any of the conditions to the Closing set forth in Section 4 are not satisfied and escrow fails to close as a result thereof, the Deposit shall be fully refundable to Buyer.

3. ESCROW.

A. Opening of Escrow. The parties have opened an escrow ("Escrow") at the offices of Cimarron Escrow ("Escrow Holder"). The principal office of the Escrow Holder for purposes of this Agreement is located at 13911 Park Avenue, Suite 110A, Victorville, California, Attention: Kathy Higgs, Escrow Officer, Telephone: (760)241-7204, Fax: (760)241-3505, Email: khiggs@cei.services. Upon mutual execution of this Agreement, Buyer and Successor Agency shall deliver a fully executed copy of this Agreement to Escrow Holder.

B. Due Diligence Period. As used in the Agreement, the phrase "Due Diligence Period" shall mean the period of time beginning with the Effective Date, and continuing until 5:00 p.m. on the date which is fifteen (15) days following the Effective Date. Successor Agency hereby grants to Buyer the right to enter upon the Property from and after the Effective Date for the purpose of performing any reasonable due diligence activities; provided, however, Buyer shall, restore those portion of the Property altered by any activities of Buyer (or those of its employees, representatives or agents retained in connection herewith) on the Property to the general condition in which such portions of the Property existed immediately prior to said activities.

C. Closing Date. For purposes of this Agreement, the closing date ("Closing Date") shall mean the date on which a grant deed conveying the Property to Buyer is recorded in the San Bernardino County Recorder's Office. The conveyance of the Property shall close ("Closing") within ten (10) days of the parties' satisfaction or waiver of all of the conditions precedent as set forth in Section 4 hereof, but in no event later than ten (10) days after the end of the Due Diligence Period ("Outside Date").

4. CONDITIONS TO CLOSING.

A. Buyer's Conditions to Closing. Close of Escrow and Buyer's obligation to purchase the Property pursuant to this Agreement are subject to the satisfaction of the following conditions at or prior to Closing:

(i) Title. Buyer acknowledges receipt of a preliminary title report prepared by Commonwealth Land Title Company for the Property ("Title Report"). Buyer shall acquire the Property subject to all exceptions described in the Title Report, together with all non-delinquent real property taxes and assessments to be assessed against the Property ("Approved Exceptions"). At the Closing, Successor Agency shall deliver title to the Property to Buyer subject only to the Approved Exceptions.

(ii) Delivery of Deed. Successor Agency shall have executed and deposited into Escrow, for delivery to Buyer, the Grant Deed attached hereto as Exhibit B.

B. Successor Agency's Condition to Closing. Close of Escrow and Successor Agency's obligation to sell the Property to Buyer pursuant to this Agreement, are subject to the satisfaction of the following conditions at or prior to Closing:

(i) Authorization to Sell. Prior to the Closing, Successor Agency shall have obtained any and all authorizations and approvals necessary to sell the Property pursuant to the

Redevelopment Dissolution Legislation, including approval by the Oversight Board of the sale of the Property to Buyer on the terms and conditions set forth herein. In the event that the Oversight Board does not approve this Agreement, Successor Agency shall not be in default of this Agreement and this Agreement shall be immediately terminated if the Oversight Board does not approve this Agreement.

(ii) No Default. Buyer shall not be in material default of Buyer's obligations under this Agreement, including, but not limited to, Buyer's obligation to deliver the Purchase Price into Escrow on or before the Closing Date. If the conditions above have not been satisfied or waived by Successor Agency at or before the Closing Date through no fault of Successor Agency, then Successor Agency may, upon written notice to Buyer, cancel the Escrow, terminate this Agreement, and recover any documents delivered to the Escrow Holder pursuant to this Agreement.

5. REPRESENTATIONS AND WARRANTIES.

A. Buyer hereby represents and warrants to Successor Agency that (i) it has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby; (ii) all requisite action (corporate, trust, partnership or otherwise) has been taken by Buyer in connection with entering into this Agreement and the instruments referenced herein, and the consummation of the transactions contemplated hereby; and (iii) no consent of any other party is required.

B. Successor Agency hereby represents and warrants to Buyer that (i) it has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby; (ii) all requisite action (corporate, trust, partnership or otherwise) has been taken by Successor Agency in connection with entering into this Agreement and the instruments referenced herein, and the consummation of the transactions contemplated hereby; and (iii) this Agreement is subject to and only valid after approval by the Oversight Board.

C. Successor Agency hereby represents and warrants to Buyer that (i) there are no leases, options to purchase, rights of first refusal or contracts for lease or sale of the Property; and (ii) there are no liens or claims against the Property other than the Approved Exceptions.

6. **CONDITION OF PROPERTY.** The Property shall be conveyed from the Agency to the Buyer on an "AS IS" condition and basis with all faults and the Buyer agrees that the Agency has no obligation to make modifications, replacements or improvements thereto. Except as expressly and specifically provided in this Agreement, the Buyer and anyone claiming by, through or under the Buyer, hereby waives its right to recover from and fully and irrevocably releases the Agency and the Oversight Board, and their respective officers, directors, employees, representatives, agents, advisors, servants, attorneys, successors and assigns, and all persons, firms, corporations and organizations acting on the Agency's or Oversight Board's behalf (collectively, the "Released Parties") from any and all claims, responsibility and/or liability that the Buyer may now have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to the matters pertaining to the Property described in this Section 6. This release includes claims of which the Buyer is presently unaware or which the Buyer does not presently suspect to exist which, if known by the Buyer, would materially affect the Buyer's release of the Released Parties. If the Property is not in a condition suitable for the intended use or uses, then it is the sole responsibility and obligation of the Buyer to take such action as may be necessary to place the Property in a condition suitable for development of the project thereon. Except as otherwise expressly and specifically provided in this Agreement and without limiting the generality of the foregoing, **THE AGENCY MAKES NO REPRESENTATION OR WARRANTY AS TO (i) THE VALUE OF THE PROPERTY; (ii) THE INCOME TO BE DERIVED FROM THE PROPERTY; (iii) THE HABITABILITY,**

MARKETABILITY, PROFITABILITY, MERCHANTABILITY OR FITNESS FOR PARTICULAR USE OF THE PROPERTY; (iv) THE MANNER, QUALITY, STATE OF REPAIR OR CONDITION OF THE PROPERTY; (v) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (vi) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION OR POLLUTION LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS; (vii) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS AT, ON, UNDER OR ADJACENT TO THE PROPERTY; (viii) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE; AND (ix) WITH RESPECT TO ANY OTHER MATTER, THE BUYER FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY AND REVIEW INFORMATION AND DOCUMENTATION AFFECTING THE PROPERTY, THE BUYER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND REVIEW OF SUCH INFORMATION AND DOCUMENTATION AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY THE AGENCY. THE BUYER HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH IS SET FORTH BELOW:

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

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

Buyer's Initials

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

7. CLOSING OF ESCROW.

A. Delivery of Documents and Payment. At or prior to Closing, Successor Agency shall deposit into Escrow a Grant Deed in the form attached hereto as Exhibit B, properly executed and acknowledged by Successor Agency, in favor of Buyer, containing the legal description of the Property and subject only to the Approved Exceptions. At or prior to Closing, Buyer and Successor Agency shall have each deposited into Escrow any supplemental escrow instructions necessary to close this Escrow. Escrow Holder shall deliver to Successor Agency the Purchase Price, when (1) Escrow Holder holds, and is able to record, the Grant Deed, (2) Escrow Holder is prepared to issue to Buyer the Title Policy as provided in Section 7B below, and (3) the conditions specified in Section 4 have been satisfied or waived. Possession of the Property shall be delivered to the Buyer on the Close of Escrow.

B. Title Insurance. At the Close of Escrow, Buyer shall obtain from Escrow Holder a standard coverage California Land Title Association ("CLTA") owner's form policy of title insurance in the amount of the Purchase Price insuring title to the Property in the name of Buyer subject only to the Approved Exceptions and the standard printed exclusions from coverage of an CLTA standard title policy ("Title Policy").

C. Recordation and Delivery. At the Closing, Escrow Holder shall (1) forward the Grant Deed to the recorder for recordation, and (2) deliver the Title Policy as provided in Section 7B, above.

D. Obligation to Refrain from Discrimination. The Buyer covenants and agrees for itself, its successors and assigns, and for every successor in interest to the Property or any part thereof, that there shall be no discrimination against or segregation of any person, or group of persons, on account of sex, marital status, age, handicap, race, color, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, and the Buyer (itself or any person claiming under or through the Buyer) shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Property or any portion thereof. In order to insure the Buyer's compliance with the covenants set forth in this Section 7D, such covenants shall be set forth in the Grant Deed. Such covenants shall run with the Property for the benefit of the Agency and the Agency shall have the right to assign all of its rights and benefits therein to the Buyer. The non-discrimination and non-segregation requirements set forth in this Section 7D shall remain in effect in perpetuity.

8. FIRPTA. Successor Agency warrants that it is not a foreign person or entity, as defined in the Foreign Investors Real Property Tax Act and, prior to the close of escrow, Successor Agency will deposit an affidavit certifying same. Escrow Holder's duties pertaining to these provisions are limited to the receipt from Successor Agency of such affidavit prior to the close of escrow and delivery to Buyer of such affidavit at the close of escrow.

9. GOVERNING LAW. This Agreement shall be construed and enforced in accordance with the applicable laws of the State of California.

10. PROPERTY TAXES. Buyer shall be responsible for any property or other taxes assessed against the Property to the extent attributable to the period on or after the Closing. Successor Agency shall be responsible for any property or other taxes assessed against the Property to the extent attributable to the period prior to the Close of Escrow.

11. CLOSING COSTS. Buyer and Successor Agency shall split equally the documentary transfer taxes, customary escrow fee and charges and recordation fees and the cost of the Title Policy. Any endorsements to the Title Policy requested by Buyer shall be paid for by Buyer. Tenant rental payments, real property taxes and assessments (if any), utility and other operating costs of the Property shall be prorated at Closing.

12. NOTICES. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered, sent by national overnight courier service, sent by facsimile transmission, if also sent by one of the other methods provided in this Section, or sent by registered or certified mail, first class postage prepaid, return receipt requested, and shall be deemed received upon the earlier of (i) the date of delivery to the address of the person to receive such notice, (ii) the date of the facsimile transmission, or (iii) three (3) business days after the date of posting with the United States Postal Service at the following addresses:

To Buyer: Nami Koenig
C/O Graeme Carr
NAI Capital
13911 Park Ave., Suite 206

Victorville, CA 92392

To Successor Agency: Successor Agency to the Victorville
Redevelopment Agency
14343 Civic Drive
Victorville, California 92392
Attn: Sophie Smith

Any party to this Agreement may change its address for receipt of notices by giving notice of such change to the other party in the manner set forth in this Section. Neither the rejection of a notice by the addressee or the inability to deliver a notice because of a change of address for which no change of address notice was received, shall affect the date on which such notice is deemed received.

13. BROKER'S COMMISSION. The parties warrant to one another that they have not dealt with any finder, broker or realtor in connection with this Agreement, except, Coldwell Banker Commercial and NAI Capital ("Broker"). If any person (including the Broker) asserts a claim to any other finder's fee, brokerage commission or similar compensation in connection with this Agreement, the party under whom the finder or Broker is claiming will indemnify, defend and hold harmless the other party from and against any such claim and all costs, expenses and liabilities incurred in defending against such claim, including without limitation reasonable attorneys' fees and court costs. The provisions of this Section 13 shall survive Closing or any earlier termination of this Agreement.

14. MISCELLANEOUS.

A. Time. Time is of the essence of this Agreement with respect to each and every provision hereof in which time is a factor.

B. Entire Agreement. This Agreement, including the Exhibits attached hereto, contains the entire agreement between the parties pertaining to the subject matter hereof and fully supersedes any and all prior agreements and understandings between the parties. No change in, modification of or amendment to this Agreement shall be valid unless set forth in writing and signed by all of the parties subsequent to the execution of this Agreement.

C. Further Assurances. Each of the parties agrees that it will without further consideration execute and deliver such other documents and take such other action, whether prior or subsequent to the Closing Date, as may be reasonably requested by the other party to consummate more effectively the purposes or subject matter of this Agreement.

D. Successors. Subject to the provisions of this Agreement, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective heirs, executors, representatives, successors and assigns.

E. Severability. In the event any provision of this Agreement shall be determined by a court of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall be effective only to the extent of such determination and shall not prohibit or otherwise render ineffective any other provision of this Agreement.

F. Exhibits. References herein to exhibits are to Exhibit A, and Exhibit B attached hereto, which exhibits are hereby incorporated by reference.

G. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document.

IN WITNESS WHEREOF, Buyer and Successor Agency have executed this Agreement as of the date first written above.

BUYER:

Nami Koenig

SUCCESSOR AGENCY:

Successor Agency to the Victorville
Redevelopment Agency

By: _____

Name: _____

Its: _____

ATTEST:

Agency Secretary

APPROVED AS TO FORM:

Green de Bortnowsky, LLP

By: _____
Agency Attorney

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

PROPERTY LEGAL DESCRIPTION

Real property in the City of Victorville, County of San Bernardino, State of California, being Parcel 3 of Parcel Map No. 3148, as filed in Book 28 of Parcel Maps, Page 9, in the Official Records of the County Recorder of said County.

APN#0405-072-32

EXHIBIT B
GRANT DEED

GRANT DEED

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)
)
)
Nami Koenig)
C/O Graeme Carr)
NAI Capital)
13911 Park Ave., Suite 206)
Victorville, CA 92392)
)
)
)

GRANT DEED

For valuable consideration, receipt of which is hereby acknowledged,

The **SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY**, a public body, corporate and politic (“Grantor”), hereby grants to Nami Koenig (“Grantee”), the real property hereinafter referred to as the “Property,” described in Exhibit “A” attached hereto and incorporated herein. The Grantee hereto covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (P) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property herein conveyed, nor shall the Grantee himself or herself, or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Property herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.

SAID PROPERTY IS CONVEYED SUBJECT TO all liens, encumbrances, easements, covenants, conditions and restrictions of record, and all matters that would be disclosed or apparent by a survey and/or an inspection of the Property.

GRANTOR:

**SUCCESSOR AGENCY TO THE
VICTORVILLE REDEVELOPMENT AGENCY, a
public body corporate and politic**

Dated: _____, 2018

By: _____
Executive Director

ATTEST:

Agency Secretary

EXHIBIT "A"
TO
GRANT DEED

PROPERTY LEGAL DESCRIPTION

Real property in the City of Victorville, County of San Bernardino, State of California, being Parcel 3 of Parcel Map No. 3148, as filed in Book 28 of Parcel Maps, Page 9, in the Official Records of the County Recorder of said County.

APN#0405-072-32



COLDWELL BANKER COMMERCIAL
15500 WEST SAND STREET, 2ND FLOOR
Victorville, CA 92392
BUS (760) 684-8000
FAX (760) 243-9700
www.CBCdesert.com

September 26, 2017

Jennifer Thompson
Economic Development Specialist
City of Victorville
14343 Civic Drive
Victorville, CA 92392

RE: Broker's Opinion of Value for the 1.83 Net Acre Parcel on the NWC of Avenal and Cobalt in Victorville, CA, identified by APN: 0405-072-32

Dear Ms. Thompson:

The purpose of this letter is to describe the history of the pricing and marketing effort for this property and the reasons we believe an All Cash Purchase price of \$89,600 reflects the current market price of the Property.

The Property is located at the NWC of Avenal Street and Cobalt Road in the City of Victorville, CA. Exhibit I is an Aerial of the area around the Subject Property. The property, which currently fronts on two dirt roads, is approximately 300 feet west of the I-15 Freeway and approximately 200 feet west of Amargosa Road. The property is currently visible from the Freeway; however, there are four adjacent parcels of vacant land that front on Amargosa Road, which if developed, would substantially diminish the visibility of the Subject Property from the Freeway. The property is zoned General Commercial – C2. All the adjacent parcels have the same zoning; however, 800 feet to the south of the parcel is a 488,000 SF warehouse and distribution building. Utilities are reported to be in Amargosa Road. To develop the site a street and utilities would have to extended from Amargosa Road and the two streets that front on the parcel would most likely have to be installed.

In March 17, 2016, the property was appraised by James Smothers for \$286,000, which is equivalent to \$3.60 per SF of Land. The same appraiser appraised the two commercial properties on Civic Drive for \$755,000 or \$3.50 per SF. The latter two parcels front on existing streets with utilities available in the streets. As a rule of thumb. It costs between \$2.50 and \$3.50 per Square Foot (SF) of land to convert Raw Land to Rough Graded Lots with utilities in the street. The two lots on Civic Drive are ready for immediate development, whereas the Subject Property is not likely to be developed within the next five years and when it is developed it will be necessary for the owner to pay for the Off-Site improvements. At the time the property was listed we made city staff aware that the appraised value of the Subject Property was substantially over market. Nevertheless, we listed the property for \$318,000.



Over time we reduced the price, but we were not able to generate any interest. When we placed calls to the dozen or so real estate agents representing land buyers' active in the High Desert we received a few inquiries from agents that had clients willing to purchase the property for \$30,000 to \$50,000. CBC reduced the asking price in stages. When we lowered the price to \$99,600, we received an offer for \$70,000, with a down payment of \$30,000. There was another offer for \$60,000 All Cash about 6 weeks ago. Finally, we received an offer of \$84,000, which the Successor Agency counted at \$89,000 and Buyer accepted. Another real estate agent indicated he had a land investor who may be willing to offer as high as \$85,000, all cash; but it was never submitted.

Addendum A contains information on 8 land sales that occurred in the High Desert during the period beginning on January 1, 2016 and ending on September 18, 2017. All the sales were fronting on or close to the I-15 Freeway. Most of the sales comps have streets and utilities to the property. Two of the comps have a street and utilities nearby. There were no land sales in the submarket that involved raw land; so it was necessary to use land sales that involved lots or parcels that front on streets and had all the utilities to the site; and deduct from the estimated market value for such properties the cost of constructing the streets and utilities for the Subject Property. Sales Comps 1, 3, 5 and 6 are more like to the Subject Property in terms of the location and use. They briefly discuss below:

- Sales Comp #1 is a 10.87-acre parcel in the City of Hesperia. It is in escrow as of November 18, 2017. The Asking Price was \$1,150,000 or \$2.43 per Square Foot (SF) of land area. All streets and utilities are to the site. The property is zoned for Office Park (OP). The actual contract sales price is probably 10% to 20% less than the asking price.
- Sales Comp #3 is a 4.26-acre site with an old building on the SEC of Verde Street and Mariposa Road in the City of Hesperia. The property fronts on the frontage road on the east side of the I-15 Freeway. Access is from Mariposa Road, which is paved. All utilities are to the site. The property is zoned for Office-Professional use (OP). The property sold on May 20, 2016 for \$560,000, which is \$3.02 per SF. The down payment was only \$36,000. Most of the purchase price was funded by the Seller, which is a Bank.
- Sales Comp #5 is a 3.77-acre parcel that fronts on Mariposa Road approximately ¼ miles south of Avenal Street in the City of Hesperia. The Sales Price was \$410,553 or \$2.50 per SF. The Date of Sale was August 25, 2016. It was an All Cash Purchase. All Off-Site improvements are in.
- Sales Comp #6 is a 1.11-acre parcel fronting on Mariposa Road. The Purchase Price was \$113,100 or \$2.34 per SF. The Date of Sale was October 12, 2016. The Property fronts on Mariposa Road. All utilities are to the site. It was an all cash purchase.



Except for Sales Comp #3, the price of the other Sales Price per SF ranged from \$2.34 to \$2.50 per SF of land. Sales Price #3 has seller financing for 93% of the Sales. The nominal sales price was \$3.02 per SF; but the all cash equivalent price was likely closer to \$2.40 per SF. This suggests a parcel with all the Off-Sites work done would sell for approximately \$2.45 per SF of Land in September 2016. Land prices may have appreciated approximately 25% in the last year so that today a parcel that submarket with all the Off Sites installed would have a value in September 2017 of \$3.06 per SF. However, the Subject Property would require the installation Streets and Utilities, which could be a much as \$3.50 per SF of land. However, because the cost of the Off-Site Improvements would not be incurred until a later date and land investor would probably only deduct \$1.50 per SF from the value of the Subject Property to arrive at an "as is" land value of \$0.95 per SF for the Subject Property.

A Purchase Price of \$89,000 for the 1.83-acre parcel is equivalent to \$1.11 per SF of land area. The above analysis suggest that the price offered by the Buyer is at the upper of the market. This is collaborated by the fact that CBC has not received any offers above that price, despite its marketing efforts.

We are available to answer any questions concerning this analysis, the sales comps and the general market conditions for land in the High Desert.

Best regards,

A handwritten signature in cursive script that reads 'Ron Barbieri'.

Ronald J. Barbieri, Ph.D., MBA
Senior Vice President
CAL BRE# 00344191

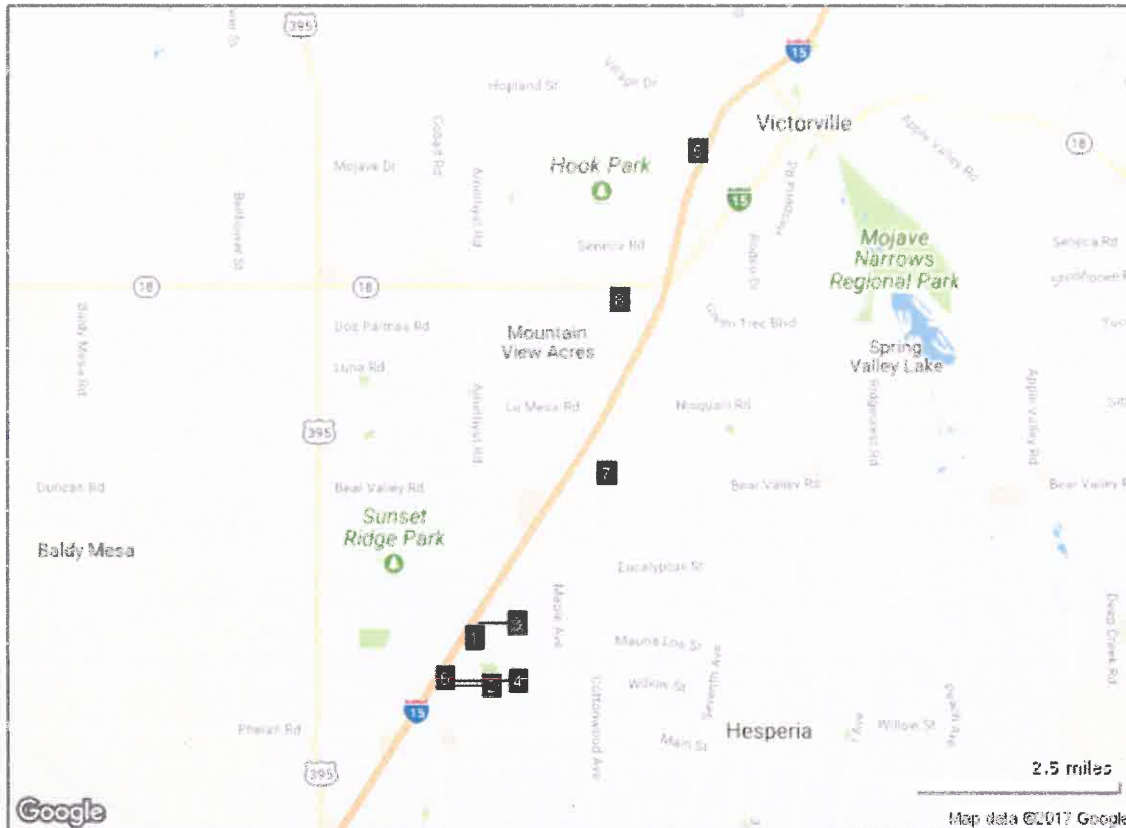


Exhibit I





Addendum A



	Address	City	Property Info	Sale Info
1	Mariposa Rd	Hesperia	10.87 AC Land	Escrow: w/Asking Price of \$1,150,000 (\$106,795.77/AC)
2	Live Oak St	Hesperia	10.68 AC Land	Sold: \$1,210,000 (\$113,189.90/AC)
3	10795 Mariposa Rd	Hesperia	4.28 AC Land	Sold: \$560,000 (\$131,455.40/AC)
4	Mariposa Rd @ Avenal	Hesperia	3.77 AC Land	Sold: \$410,553 (\$108,900/AC)
5	Village Dr	Victorville	0.63 AC Land	Sold: -
6	Mariposa Rd	Hesperia	1.11 AC Land	Sold: \$113,100
7	Bear Valley Rd	Victorville	5.05 AC Land	Sold: \$495,000 (\$98,019.80/AC)
8	Anacapa Rd	Victorville	1.07 AC Land	Sold: \$65,000





1 Mariposa Rd FOR SALE Hepperta, CA 92345 Land of 10.87 AC is for sale at \$1,150,000 (\$105,795.77/AC)	
For Sale Data	
Asking Price: \$1,150,000 Price/AC Land Gross: \$105,795.77 (\$2.43/SF) Days on Market: 156 Sale Status: Escrow Parcel No: 0405-331-26	Sale Type: Investment Land Area: 10.87 AC (473,497 SF) Proposed Use: Commercial, Office
Transaction Notes	
<ul style="list-style-type: none"> » 10.87 Acres OP Zoning (Office Park) » APN: 0405-331-26 » All Utilities included (Buyer to Verify) » Directly Across Freeway from Future St. Mary's Hospital » Great Site for Medical Condos » Asking \$1,150,000 (\$2.43/SF) » Almost 1900 SF of Freeway Frontage on I-15 	
Current Land Information ID: 5992211	
Zoning: OP Density Allowed: - Number of Lots: 1 Max # of Units: - Units per Acre: - Improvements: -	Proposed Use: Commercial/Office Land Area: 10.87 AC (473,497 SF) Min Div Lot Size: - On-Site Improv.: - Lot Dimensions: - Owner Type: -
Off-Site Improv.: Cable, Curb/Gutter/Sidewalk, Electricity, Gas, Irrigation, Sewer, Streets, Telephone, Water Street Frontage: 900 feet on I-15	
Location Information	
Metro Market: Inland Empire (California) Submarket: Inland Empire West/North San Bernardino County: San Bernardino CBSA: Riverside-San Bernardino-Ontario, CA CSA: Los Angeles-Long Beach, CA	



2	<p>Live Oak St</p> <p>Hesperia, CA 92345</p> <p>Sale on 3/4/2016 for \$1,210,000 (\$113,189.90/AC) - Research Complete</p> <p>Residential Land of 10.69 AC (465,656 SF)</p>	SOLD
<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="width: 40%; border: 1px solid gray; padding: 10px; text-align: center;"> <p>Image Coming Soon</p> </div> <div style="width: 55%;"> <p style="font-size: small; text-align: right;">Map data ©2017 Google</p> </div> </div>		
Transaction Details		
ID: 3544549		
<p>Sale Date: 03/04/2016</p> <p>Escrow Length: -</p> <p>Sale Price: \$1,210,000 Confirmed</p> <p>Price/AC Land Gross: \$113,189.90 (\$2.60/SF)</p> <p>Zoning: RC</p> <p>Sale Conditions: Direct Exchange</p> <p>Street Frontage: 637 feet on Live Oak St</p> <p>Financing: Down payment of \$1,210,000.00 (100.0%)</p> <p>Topography: Level</p> <p>On-Site Improv: Raw Land</p> <p>Off-Site Improv: Cable, Curb/Gutter/Sidewalk, Electricity, Gas, Irrigation, Sewer, Streets, Telephone, Water</p> <p>Parcel No: 0405-072-59</p> <p>Document No: 084214</p> <p>Sale History: Sold on 6/23/2017 Non-Arms Length Sold for \$1,210,000 on 3/4/2016 Sold on 12/20/2011 Sold for \$0 on 9/2/2011 Non-Arms Length Sold for \$1,500,000 on 10/15/2009</p>	<p>Sale Type: Investment</p> <p>Land Area: 10.69 AC (465,656 SF)</p> <p>Proposed Use: Commercial, Multi-Family, Single Family Development</p> <p>Percent Improved: -</p> <p>Total Value Assessed: \$1,244,449 in 2009</p> <p>Improved Value Assessed: -</p> <p>Land Value Assessed: \$1,244,449</p> <p>Land Assessed/AC: \$116,412</p>	

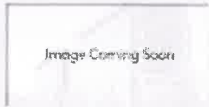



3	10795 Mariposa Rd Hasperia, CA 92345 Sold on 5/20/2018 for \$560,000 (\$131,456.40/AC) - Research Complete Commercial Land of 4.26 AC (185,566 SF)	SOLD				
						
Transaction Details ID: 3613643						
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;"> Sale Date: 05/20/2016 (2,667 days on market) Escrow Length: - Sale Price: \$560,000-Full Value Asking Price: 725000 Price/AC (Land Gross): \$131,456.40 (\$3.02/SF) </td> <td style="width: 50%;"> Sale Type: Investment Land Area: 4.26 AC (185,566 SF) Proposed Use: Commercial, Retail, Office, Office Park </td> </tr> <tr> <td> Zoning: O-P, Office Professional Lot Dimensions: 333x610 Transfer Tax: \$616 </td> <td> Percent Improved: 66.6% Total Value Assessed: \$220,871 in 2015 Improved Value Assessed: \$147,099 Land Value Assessed: \$73,772 Land Assessed/AC: \$17,317 </td> </tr> </table>			Sale Date: 05/20/2016 (2,667 days on market) Escrow Length: - Sale Price: \$560,000-Full Value Asking Price: 725000 Price/AC (Land Gross): \$131,456.40 (\$3.02/SF)	Sale Type: Investment Land Area: 4.26 AC (185,566 SF) Proposed Use: Commercial, Retail, Office, Office Park	Zoning: O-P, Office Professional Lot Dimensions: 333x610 Transfer Tax: \$616	Percent Improved: 66.6% Total Value Assessed: \$220,871 in 2015 Improved Value Assessed: \$147,099 Land Value Assessed: \$73,772 Land Assessed/AC: \$17,317
Sale Date: 05/20/2016 (2,667 days on market) Escrow Length: - Sale Price: \$560,000-Full Value Asking Price: 725000 Price/AC (Land Gross): \$131,456.40 (\$3.02/SF)	Sale Type: Investment Land Area: 4.26 AC (185,566 SF) Proposed Use: Commercial, Retail, Office, Office Park					
Zoning: O-P, Office Professional Lot Dimensions: 333x610 Transfer Tax: \$616	Percent Improved: 66.6% Total Value Assessed: \$220,871 in 2015 Improved Value Assessed: \$147,099 Land Value Assessed: \$73,772 Land Assessed/AC: \$17,317					
Street Frontage: 125 feet on I-15/Mariposa 509 feet on Blanchard						
Financing: Down payment of \$36,200.00 (6.5%) \$291,000.00 from Pacific Ent Bk \$232,800.00 from Pacific Enterprise Bank						
Topography: Level On-Site Improv: Previously developed lot Off-Site Improv: Cable, Curb/Gutter/Sidewalk, Electricity, Irrigation, Sewer, Streets, Telephone, Water Improvements: SFR						
Legal Desc: PTN W 1/2 W 1/2 NW 1/4 SW 1/4 SEC 12 TP 4N R 5W LYING SELY OF HWY 66 AND SLY OF LI WHICH IS 12 FT NLY OF AND PARALLEL WITH SLY LI OF ST ESMT PER SURVEYORS MAP REC BK 6 PG 33 EX S 31 FT THEREOF AND EX STATE HWY (C C 11-22-85 #85-296110)						
Parcel No: 0405-052-08 Document No: 198665 Sale History: Sold for \$560,000 on 5/20/2016 Sold for \$207,000 on 11/12/1999						
Transaction Notes						
All info is based on the deed.						


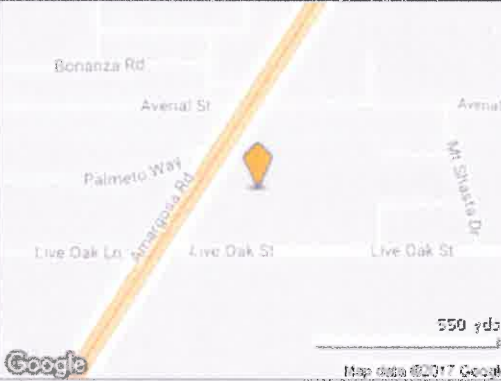


10795 Mariposa Rd		SOLD	
Commercial Land of 4.26 AC (185,566 SF) (cont)			
Current Land Information:			ID: 4242586
Zoning:	O-P, Office Professional	Proposed Use:	Commercial/Retail/Office/Office Park
Density Allowed:	-	Land Area:	4.26 AC (185,566 SF)
Number of Lots:	-	On-Site Improv:	Previously developed lot
Max # of Units:	-	Lot Dimensions:	333x610
Units per Acre:	-	Owner Type:	-
Improvements:	SFR		
Legal Desc:	W2 NW4 SW4 sec 12 T4N R5W SBB&M bk 5669 pg 647		
Topography:	Level		
Off-Site Improv:	Cable, Curb/Gutter/Sidewalk, Electricity, Irrigation, Sewer, Streets, Telephone, Water		
Street Frontage:	125 feet on I-15/mariposa 509 feet on Blanchard		
Location Information			
Metro Market:	Inland Empire (California)		
Submarket:	Inland Empire West/North San Bernardino		
County:	San Bernardino		
CBSA:	Riverside-San Bernardino-Ontario, CA		
CSA:	Los Angeles-Long Beach, CA		
DMA:	Los Angeles, CA-NV		
Map/Page:	Thomas Bros. Guide 4475-F5		



4	Bear Valley Rd - 5.05 Acres Victorville, CA 92395 Sale on 12/14/2016 for \$495,000 (\$98,019.80/AC) - Research: Complete Commercial Land of 5.05 AC (219,978 SF)	SOLD
		
		
Transaction Details		ID: 3789586
Sale Date: 12/14/2016 (362 days on market) Escrow Length: - Sale Price: \$495,000-Confirmed Asking Price: 1400000 Price/AC Land Gross: \$98,019.80 (\$225/SF)	Sale Type: Investment Land Area: 5.05 AC (219,978 SF) Proposed Use: -	
Zoning: C-2	Percent Improved: - Total Value Assessed: \$1,135,313 in 2016 Improved Value Assessed: - Land Value Assessed: \$1,135,313 Land Assessed/AC: \$224,814	
Parcel No: 3093-251-01 Document No: 546984		
Current Land Information		ID: 10188372
Zoning: C-2 Density Allowed: - Number of Lots: - Max # of Units: - Units per Acre: - Improvements: -	Proposed Use: - Land Area: 5.05 AC (219,978 SF) On-Site Improv.: - Lot Dimensions: - Owner Type: -	
Location Information		
Metro Market: Inland Empire (California) Submarket: Inland Empire West/North San Bernardino County: San Bernardino CBSA: Riverside-San Bernardino-Ontario, CA CSA: Los Angeles-Long Beach, CA DMA: Los Angeles, CA-NV		





5	Mariposa Rd @ Avenal SOLD Heapeira, CA 92345 Sale on 8/25/2018 for \$410,553 (\$108,900.00/AC) - Research Complete Commercial Land of 3.77 AC (164,221 SF)	
		
Transaction Details ID: 3690356		
Sale Date: 08/25/2016 (118 days on market) Escrow Length: 30 days Sale Price: \$410,553 Confirmed Asking Price: 500000 Price/AC Land Gross: \$108,900.00 (\$2.50/SF)		Sale Type: Investment Land Area: 3.77 AC (164,221 SF) Proposed Use: Commercial Retail
Zoning: Regional Commercial Street Frontage: 392 feet on Mariposa Financing: Down payment of \$410,553.00 (100.0%) Topography: Rolling On-Site Improv: Raw land Off-Site Improv: Cable, Curb/Gutter/Sidewalk, Electricity, Gas, Irrigation, Sewer, Streets, Telephone, Water Improvements: Street Parcel No.: 040S-072-58		
Current Land Information ID: 5494413		
Zoning: Regional Commercial Density Allowed: - Number of Lots: - Max # of Units: - Units per Acre: - improvements: Street		Proposed Use: Commercial/Retail Land Area: 3.77 AC (164,221 SF) On-Site Improv: Raw land Lot Dimensions: - Owner Type: Other - Private
Topography: Rolling Off-Site Improv: Cable, Curb/Gutter/Sidewalk, Electricity, Gas, Irrigation, Sewer, Streets, Telephone, Water Street Frontage: 392 feet on Mariposa		
Location Information		
Cross Street: Avenal Metro Market: Inland Empire (California)		


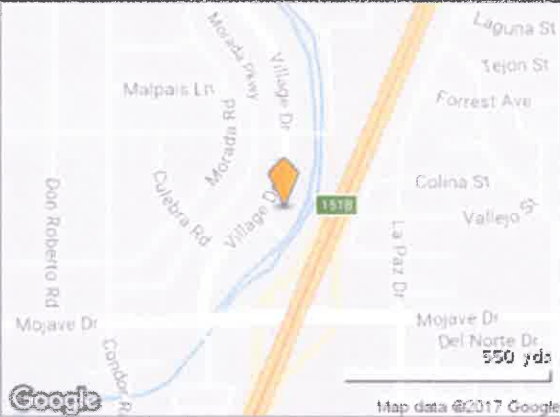


Mariposa Rd - Lot 61 SOLD	
6 Hesperia, CA 92345 Sale on 10/12/2016 for \$113,100 (\$101,891.89/AC) Commercial Land of 1.11 AC (48,352 SF)	
Transaction Details ID: 3728385	
Sale Date: 10/12/2016 (44 days on market) Escrow Length: - Sale Price: \$113,100-Confirmed Price/AC Land Gross: \$101,891.89 (\$2.34/SF)	Sale Type: Investment Land Area: 1.11 AC (48,352 SF) Proposed Use: Commercial
Zoning: RC Sale Conditions: Auction Sale Street Frontage: 163 feet on Mariposa Rd Topography: Level On-Site Improv: Raw land Off-Site Improv: Cable, Curb/Gutter/Sidewalk, Electricity, Gas, Irrigation, Sewer, Streets, Telephone, Water improvements: Vacant Land Parcel No: 0405-072-61 Sale History: Sold for \$113,100 on 10/12/2016 Sold on 11/12/2013 Portfolio sale of 5 properties sold for \$1,300,000 on 11/8/2013 Portfolio sale of 5 properties sold for \$800,000 on 10/29/2012	
Current Land Information ID: 7657680	
Zoning: RC Density Allowed: - Number of Lots: - Max # of Units: - Units per Acre: - improvements: Vacant Land Topography: Level Off-Site Improv: Cable, Curb/Gutter/Sidewalk, Electricity, Gas, Irrigation, Sewer, Streets, Telephone, Water Street Frontage: 163 feet on Mariposa Rd	Proposed Use: Commercial Land Area: 1.11 AC (48,352 SF) On-Site Improv: Raw land Lot Dimensions: - Owner Type: -
Location Information	



7	Anacapa Rd - 1.07 Acres Next to Self Storage SOLD	
Victorville, CA 92392 Sale on 12/29/2016 for \$65,000 (\$60,747.66/AC) Industrial Land of 1.07 AC (46,609 SF)		
		
Transaction Details ID: 3832223		
Sale Date: 12/29/2016 (105 days on market) Escrow Length: - Sale Price: \$65,000 Asking Price: 75000 Price/AC Land Gross: \$60,747.66 (\$139/SF)	Sale Type: Investment Land Area: 1.07 AC (46,609 SF) Proposed Use: Self Storage	
Current Land Information ID: 9437043		
Zoning: - Density Allowed: - Number of Lots: - Max # of Units: - Units per Acre: - Improvements: -	Proposed Use: Self-Storage Land Area: 1.07 AC (46,609 SF) On-Site Improv: - Lot Dimensions: - Owner Type: -	
Location Information		
Metro Market: Inland Empire (California) Submarket: Inland Empire West/North San Bernardino County: San Bernardino CBSA: Riverside-San Bernardino-Ontario, CA CSA: Los Angeles-Long Beach, CA DMA: Los Angeles, CA-NV		



8	<p>Village Dr SOLD</p> <p>Victorville, CA 92394 Sale on 4/20/2016 Commercial Land of 0.63 AC (27,443 SF)</p>
	 <p style="text-align: right; font-size: small;">Map data ©2017 Google</p>
Transaction Details ID: 3722105	
<p>Sale Date: 04/20/2016 (916 days on market) Escrow Length: - Sale Price: - Asking Price: 40885</p> <p>Zoning: C-1</p> <p>Parcel No: 0395-122-14</p>	<p>Sale Type: Investment Land Area: 0.63 AC (27,443 SF) Proposed Use: -</p>
Current Land Information ID: 9247478	
<p>Zoning: C-1 Density Allowed: - Number of Lots: - Max # of Units: - Units per Acre: - Improvements: -</p>	<p>Proposed Use: - Land Area: 0.63 AC (27,443 SF) On-Site Improv: - Lot Dimensions: - Owner Type: -</p>
Location Information	
<p>Metro Market: Inland Empire (California) Submarket: Inland Empire West/North San Bernardino County: San Bernardino CBSA: Riverside-San Bernardino-Ontario, CA CSA: Los Angeles-Long Beach, CA DMA: Los Angeles, CA-NV</p>	



CLIENT MEMORANDUM

TO: OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY

FROM: VARNER & BRANDT LLP

SUBJECT: TRANSMITTAL OF JANUARY 11, 2018 OVERSIGHT BOARD MEETING AGENDA ITEM #4

DATE: JANUARY 5, 2018

The following memorandum provides the members of the Oversight Board ("Oversight Board") for the Successor Agency to the Victorville Redevelopment Agency ("Successor Agency") with pertinent information in order for each Board Member to make an informed decision on the matters before the Oversight Board.

Agenda Item No.: 4

Subject: *Approval of Disposition of Property; Execution of Purchase and Sale Agreement.* The Successor Agency seeks the approval of the Oversight Board for the sale and disposition of certain unimproved real property located North of Ottawa Street and East of Hesperia Road in Victorville, California in the Foxborough Industrial Park and more particularly described as APN 3090-401-05, 3090-401-06, 3090-411-01, 3090-411-04, and 3090-411-05 (collectively, the "Property"), and to approve the Successor Agency's execution of a Purchase and Sale Agreement ("Agreement") with Space Center, Mira Loma, Inc., a Minnesota corporation (the "Purchaser") concerning the sale and disposition of the Property.

Legislative Authority of the Oversight Board:

1. *California Health and Safety Code Section 34177(e):* The Successor Agency must dispose of assets and properties of the former redevelopment agency as directed by the Oversight Board; provided, however that the Oversight Board may direct the Successor Agency to transfer ownership of certain assets pursuant to Section 34181(a). The disposition of the assets and properties is to be completed expeditiously and in a manner aimed at maximizing value.
2. *California Health and Safety Code Section 34177(h):* The Successor Agency must expeditiously wind down the affairs of the former redevelopment agency in accordance with the direction of the Oversight Board.
3. *California Health and Safety Code Section 34181(a):* The Oversight Board must direct the Successor Agency to dispose of all assets and properties of the former redevelopment agency; provided, however that the Oversight Board may instead direct the Successor Agency to transfer ownership of those assets constructed and used for a governmental purpose, such as roads, school buildings, parks, police and fire stations, libraries, and local agency administrative buildings, to the appropriate public jurisdiction pursuant to

any existing agreements relating to this construction or use of such an asset. The Successor Agency must dispose of assets and property expeditiously and in a manner aimed at maximizing value.

4. *California Health and Safety Code Section 34191.3*: The disposition authority of the Successor Agency and the Oversight Board under Sections 34177(e) and 34181(a), respectively, is suspended, except as to transfers for governmental use, until the Department of Finance has approved a long-range property management plan, at which point the long-range property management plan will govern the disposition and use of real property assets of the former redevelopment agency.

Discussion:

The long-range property management plan (“LRPMP”) of the Successor Agency governs the disposition and use of the real property assets of the former redevelopment agency. (HSC Section 34191.3(a)). The Successor Agency must dispose of assets and properties of the former redevelopment agency in accordance with the direction of the Oversight Board. (HSC Sections 34177(e), 34181(a)). Approval of the Successor Agency’s LRPMP occurred on October 28, 2015.

The Property is identified as Item No. 5 in the LRPMP and reflected as a “for sale” property. A detailed history of the Property is provided under the LRPMP. Successor Agency staff also prepared a summary report concerning the Property, which is included with your materials.

The Property is unimproved land consisting of five parcels of approximately 16.49 total acres zoned for heavy industrial (M2) and located adjacent to Hesperia Road. The disposition of the Property under the LRPMP contemplates the Successor Agency first offer the Property to Purchaser and then market the Property to the general public.

The Successor Agency obtained an appraisal of the Property on December 10, 2015, from James Smothers, who valued the Property at \$381,200.00 (\$0.53 per square foot). In accordance with the LRPMP, the Successor Agency first offered the Property to Purchaser, who elected to purchase the Property.

The Purchaser submitted an offer to purchase the Property for \$381,200.00, which proposed purchase price represents an amount equal to the 2015 appraisal. The proposed Purchase and Sale Agreement and Escrow Instructions (“Agreement”) between the Successor Agency and the Purchaser provides that the sale of the Property is made on an “AS IS” basis and includes a full release of claims and indemnity naming the Successor Agency and Oversight Board. The Purchaser must also provide a deposit of \$38,120.00. Closing costs will be split between the parties. The Purchaser will have a 60-day due diligence period and escrow will close no later than 30 days following the end of the due diligence period. In addition, the Agreement contemplates the Purchaser’s assumption of the outstanding obligations of the Successor Agency identified in that certain Land Swap Agreement, between WBW Inc. and the former redevelopment agency.

The Successor Agency’s obligations under the Land Swap Agreement include, road improvements to Ottawa Road, including curbs, gutters, and striping, realignment of existing streambed, and certain rough grading of the Property. The assignment of these obligations to Purchaser allows the Successor Agency to discharge outstanding enforceable obligations in furtherance of the winding down process.

The proposed action is proper and consistent with the LRPMP and HSC Section 34181(f).

RESOLUTION NO. OB-VRDA- 18-002

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY, APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT FOR THE SALE AND DISPOSITION OF CERTAIN UNIMPROVED REAL PROPERTY IN THE FOXBOROUGH INDUSTRIAL PARK MORE PARTICULARLY DESCRIBED AS APN 3090-401-05, 3090-401-06, 3090-411-01, 3090-411-04, and 3090-411-05 LOCATED IN VICTORVILLE, CALIFORNIA

WHEREAS, the Successor Agency to the Victorville Redevelopment Agency was formed in accordance with California Health and Safety Code Section 34173 (“Successor Agency”); and

WHEREAS, the Oversight Board (“Oversight Board”) of the Successor Agency was established pursuant to California Health and Safety Code Section 34179; and

WHEREAS, the Successor Agency must dispose of assets and properties of the former redevelopment agency as directed by the Oversight Board pursuant to California Health and Safety Code Section 34177(e); and

WHEREAS, the Oversight Board must direct the Successor Agency to dispose of all assets and properties of the former redevelopment agency pursuant to California Health and Safety Code Section 34181(a); and

WHEREAS, the Successor Agency is not permitted to dispose of any real property assets of the former redevelopment agency, except governmental use assets, until the Department of Finance (“DOF”) approves the Successor Agency’s long-range property management plan (“LRPMP”) pursuant to California Health and Safety Code Section 34191.3; and

WHEREAS, on October 28, 2015, the DOF issued an approval notice approving the Successor Agency’s LRPMP (“Determination Letter”); and

WHEREAS, upon receiving DOF approval of the LRPMP, the LRPMP shall govern and supersede all other provisions relating to the disposition and use of real property assets of the former redevelopment agency pursuant to California Health and Safety Code Section 34191.3; and

WHEREAS, the Successor Agency desires to sell five parcels of unimproved real property to Space Center, Mira Loma, Inc., a Minnesota corporation (“Purchaser”) located within the Foxborough Industrial Park and consisting of approximately 16.49 acres and identified as APN 3090-401-05, 3090-401-06, 3090-411-01, 3090-411-04, and 3090-411-05, and further identified in the LRPMP as a “for sale” property (the “Property”); and

WHEREAS, the Successor Agency intends to sell the Property to the Purchaser for a purchase price of \$381,200.00, which represents an amount equal to the appraised value of the Property, as determined by James Smothers of Smothers Appraisals; and

WHEREAS, the sale of the Property by Successor Agency to Purchaser is intended to be made in accordance with the terms of a purchase and sale agreement (the "Purchase Agreement"), a copy of which has been made available to the Oversight Board for inspection and is attached hereto as Exhibit A; and

WHEREAS, the Oversight Board has determined that the approval of the sale and disposition of the Property and execution of the Purchase Agreement is consistent with the terms of the approved LRPMP under Health and Safety Code Section 34181(a) and 34191.3, and is consistent with the obligation of the Successor Agency to wind down the affairs of the former redevelopment agency in accordance with California Health and Safety Code Section 34177(h); and

WHEREAS, California Health and Safety Code Section 34179(e) requires the Oversight Board to adopt resolutions for any action taken by the Oversight Board.

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

Section 1. Approval of Purchase Agreement; Disposition of the Property. The Oversight Board hereby approves the sale and disposition of the Property in accordance with the terms of the approved LRPMP and approves the execution of the Purchase Agreement by the Successor Agency.

Section 2. Authorization of Successor Agency. Upon this resolution ("Resolution") becoming effective under Health and Safety Code Section 34179(h), the Oversight Board authorizes and directs the Executive Director and/or Assistant Secretary of the Successor Agency, jointly and severally, to execute and deliver the Purchase Agreement, in substantially the form made available to the Oversight Board for inspection, and any and all other documents which they may deem necessary or advisable in order to effectuate the approval of the Resolution.

Section 3. Delivery to the California Department of Finance. The Oversight Board hereby authorizes and directs the Secretary of the Oversight Board to electronically deliver a copy of this Resolution to the California Department of Finance in accordance with California Health and Safety Code Section 34179(h).

Section 4. Other Actions. The Oversight Board hereby authorizes and directs the Chairman, Vice Chairman and/or Secretary of the Oversight Board, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.

Section 5. CEQA. The Oversight Board, under Title 14 of the California Code of Regulations, Section 15378(b)(4), states that this Resolution is exempt from the requirements of

the California Environmental Quality Act (“CEQA”) in that it is not a “project,” but instead consists of the continuation of a governmental funding mechanism for potential future projects and programs, and does not commit funds to any specific project or program.

Section 6. **Effect.** This Resolution shall take effect in accordance with California Health and Safety Code Section 34179(h).

Section 7. **Certification.** The Oversight Board Secretary shall certify to the passage and adoption of this Resolution; shall enter the same in the book of original Resolutions of the Oversight Board; and shall make a minute of passage and adoption thereof in the records of the proceedings of the Oversight Board, in the minutes of the meeting at which this Resolution is passed and adopted.

RESOLUTION NO. OB-VRDA- 18-002

ATTACHMENT A

PURCHASE AGREEMENT

[ATTACHED BEHIND THIS PAGE]

PURCHASE AND SALE AGREEMENT
AND
ESCROW INSTRUCTIONS

This Purchase and Sale Agreement and Escrow Instructions (“Agreement”) for the property located North of Ottawa and East of Hesperia Road in the City of Victorville, dated as of _____ (“Effective Date”) is entered into by and between the SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY, a public body corporate and politic (“Successor Agency”), and Space Center, Mira Loma, a Minnesota corporation (“Buyer”). The Successor Agency and the Buyer are hereinafter sometimes individually referred to as a “party” and collectively referred to as the “parties.”

RECITALS

A. The Victorville Redevelopment Agency (“Redevelopment Agency”) was duly formed pursuant to the provisions of California community redevelopment law, California Health and Safety Code Section 33000, *et seq.* (“CRL”) by an ordinance of the City of Victorville, California (“City”).

B. Pursuant to redevelopment dissolution legislation (ABX1 26 and AB 1484) (“Redevelopment Dissolution Legislation”) and California Health and Safety Code Section 34172, the Redevelopment Agency is now deemed dissolved and in accordance with California Health and Safety Code Section 34173(d)(3) and Resolution No. 12-005, the city council of the City (“City Council”) confirmed that the City shall serve as the Successor Agency to the Redevelopment Agency.

C. Upon dissolution of the Redevelopment Agency and confirmation of the City as Successor Agency, all assets, properties and contracts of the Redevelopment Agency, were transferred, by operation of law, to the Successor Agency pursuant to the provisions of California Health and Safety Code Section 34175(b) and pursuant to California Health and Safety Code Section 34179, the oversight board (“Oversight Board”) of the Successor Agency was also established.

D. Among the properties transferred from the Redevelopment Agency to the Successor Agency is that certain property located North of Ottawa and East of Hesperia Road in the City of Victorville, California, as more particularly described on Exhibit A attached hereto, together with all right, title and interest in and to all appurtenances and improvements thereon (collectively, “Property”).

E. In accordance with the Redevelopment Dissolution Legislation, Buyer desires to purchase the Property from Successor Agency, and Successor Agency desires to sell the Property to Buyer on the terms and conditions contained in this Agreement.

NOW, THEREFORE, for valuable consideration, and subject to all terms and conditions hereof, Buyer and Successor Agency agree as follows:

1. **PURCHASE AND SALE.** Pursuant to the terms and conditions contained in this Agreement, Successor Agency hereby agrees to sell the Property to Buyer and, Buyer hereby agrees to purchase the Property from Successor Agency.

2. **PURCHASE PRICE.** The purchase price for the Property shall be Three Hundred Eight-One Thousand Two Hundred Dollars (\$381,200.00) (“Purchase Price”), payable by Buyer to Successor Agency in cash at the Closing (as defined in Section 7A below). A deposit equal to ten percent (10%) of

the Purchase Price ("Deposit") shall be deposited into escrow by Buyer within five (5) days after execution of this Agreement by Successor Agency and delivery to Buyer. At the close of escrow, the Deposit shall be applied to the Purchase Price. Notwithstanding the above, if any of the conditions to the Closing set forth in Section 4 are not satisfied and escrow fails to close as a result thereof, the Deposit shall be fully refundable to Buyer.

3. ESCROW.

A. Opening of Escrow. The parties have opened an escrow ("Escrow") at the offices of Escrow Junction ("Escrow Holder"). The principal office of the Escrow Holder for purposes of this Agreement is located at 12600 Hesperia Road, Suite C, Victorville, California, Attention: Stacey Tarango, Escrow Officer, Telephone: (760) 245-1966, Fax: (760) 245-9333, Email: starango@escrowjunction.com. Upon mutual execution of this Agreement, Buyer and Successor Agency shall deliver a fully executed copy of this Agreement to Escrow Holder.

B. Due Diligence Period. As used in the Agreement, the phrase "Due Diligence Period" shall mean the period of time beginning with the Effective Date, and continuing until 5:00 p.m. on the date which is sixty (60) days following the Effective Date. Successor Agency hereby grants to Buyer the right to enter upon the Property from and after the Effective Date for the purpose of performing any reasonable due diligence activities; provided, however, Buyer shall, restore those portion of the Property altered by any activities of Buyer (or those of its employees, representatives or agents retained in connection herewith) on the Property to the general condition in which such portions of the Property existed immediately prior to said activities.

C. Closing Date. For purposes of this Agreement, the closing date ("Closing Date") shall mean the date on which a grant deed conveying the Property to Buyer is recorded in the San Bernardino County Recorder's Office. The conveyance of the Property shall close ("Closing") on the date which is thirty (30) days after the end of the Due Diligence Period ("Outside Date"), or on such earlier date as may be mutually agreed upon in writing by Buyer and Seller.

4. CONDITIONS TO CLOSING.

A. Buyer's Conditions to Closing. Close of Escrow and Buyer's obligation to purchase the Property pursuant to this Agreement are subject to the satisfaction of the following conditions at or prior to Closing:

(i) Title. Buyer acknowledges receipt of a preliminary title report prepared by Commonwealth Land Title Company for the Property ("Title Report"). Buyer shall acquire the Property subject to all exceptions described in the Title Report, together with all non-delinquent real property taxes and assessments to be assessed against the Property ("Approved Exceptions"). At the Closing, Successor Agency shall deliver title to the Property to Buyer subject only to the Approved Exceptions.

(ii) Delivery of Deed. Successor Agency shall have executed and deposited into Escrow, for delivery to Buyer, the Grant Deed attached hereto as Exhibit B.

(iii) Approval of Property. Buyer shall have delivered written notice to Seller of its approval of the Property prior to the expiration of the Due Diligence Period.

B. Successor Agency's Condition to Closing. Close of Escrow and Successor Agency's obligation to sell the Property to Buyer pursuant to this Agreement, are subject to the satisfaction of the following conditions at or prior to Closing:

(i) Authorization to Sell. Prior to the Closing, Successor Agency shall have obtained any and all authorizations and approvals necessary to sell the Property pursuant to the Redevelopment Dissolution Legislation, including approval by the Oversight Board of the sale of the Property to Buyer on the terms and conditions set forth herein. In the event that the Oversight Board does not approve this Agreement, Successor Agency shall not be in default of this Agreement and this Agreement shall be immediately terminated if the Oversight Board does not approve this Agreement.

(ii) No Default. Buyer shall not be in material default of Buyer's obligations under this Agreement, including, but not limited to, Buyer's obligation to deliver the Purchase Price into Escrow on or before the Closing Date. If the conditions above have not been satisfied or waived by Successor Agency at or before the Closing Date through no fault of Successor Agency, then Successor Agency may, upon written notice to Buyer, cancel the Escrow, terminate this Agreement, and recover any documents delivered to the Escrow Holder pursuant to this Agreement.

5. REPRESENTATIONS AND WARRANTIES.

A. Buyer hereby represents and warrants to Successor Agency that (i) it has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby; (ii) all requisite action (corporate, trust, partnership or otherwise) has been taken by Buyer in connection with entering into this Agreement and the instruments referenced herein, and the consummation of the transactions contemplated hereby; and (iii) no consent of any other party is required.

B. Successor Agency hereby represents and warrants to Buyer that (i) it has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby; (ii) all requisite action (corporate, trust, partnership or otherwise) has been taken by Successor Agency in connection with entering into this Agreement and the instruments referenced herein, and the consummation of the transactions contemplated hereby; and (iii) this Agreement is subject to and only valid after approval by the Oversight Board.

C. Successor Agency hereby represents and warrants to Buyer that (i) there are no leases, options to purchase, rights of first refusal or contracts for lease or sale of the Property; and (ii) there are no liens or claims against the Property other than the Approved Exceptions.

D. Buyer represents that it will be bound to perform the Agency obligations as set forth in Section 3.11(d) of the attached Land Swap Agreement by and between WBW Inc. and the Victorville Redevelopment Agency. These obligations include, but are not limited to the following, and are more particularly described in Exhibit C, attached hereto, and incorporated by this reference:

- a. Necessary road widening improvements to Ottawa Road, including but not limited to, curb and gutter and striping that may be conditioned as a function of development
- b. Planned signalization improvements at Ottawa Road and Hesperia Road
- c. Realignment of the existing streambed traversing the subject sites
- d. Rough Grading of the WBW Inc. parcel

6. **CONDITION OF PROPERTY.** The Property shall be conveyed from the Agency to the Buyer on an "AS IS" condition and basis with all faults and the Buyer agrees that the Agency has no obligation to make modifications, replacements or improvements thereto. Except as expressly and specifically

provided in this Agreement, the Buyer and anyone claiming by, through or under the Buyer, hereby waives its right to recover from and fully and irrevocably releases the Agency and the Oversight Board, and their respective officers, directors, employees, representatives, agents, advisors, servants, attorneys, successors and assigns, and all persons, firms, corporations and organizations acting on the Agency's or Oversight Board's behalf (collectively, the "Released Parties") from any and all claims, responsibility and/or liability that the Buyer may now have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to the matters pertaining to the Property described in this Section 6. This release includes claims of which the Buyer is presently unaware or which the Buyer does not presently suspect to exist which, if known by the Buyer, would materially affect the Buyer's release of the Released Parties. If the Property is not in a condition suitable for the intended use or uses, then it is the sole responsibility and obligation of the Buyer to take such action as may be necessary to place the Property in a condition suitable for development of the project thereon. Except as otherwise expressly and specifically provided in this Agreement and without limiting the generality of the foregoing,

THE AGENCY MAKES NO REPRESENTATION OR WARRANTY AS TO (i) THE VALUE OF THE PROPERTY; (ii) THE INCOME TO BE DERIVED FROM THE PROPERTY; (iii) THE HABITABILITY, MARKETABILITY, PROFITABILITY, MERCHANTABILITY OR FITNESS FOR PARTICULAR USE OF THE PROPERTY; (iv) THE MANNER, QUALITY, STATE OF REPAIR OR CONDITION OF THE PROPERTY; (v) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (vi) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION OR POLLUTION LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS; (vii) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS AT, ON, UNDER OR ADJACENT TO THE PROPERTY; (viii) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE; AND (ix) WITH RESPECT TO ANY OTHER MATTER, THE BUYER FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY AND REVIEW INFORMATION AND DOCUMENTATION AFFECTING THE PROPERTY, THE BUYER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND REVIEW OF SUCH INFORMATION AND DOCUMENTATION AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY THE AGENCY. THE BUYER HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH IS SET FORTH BELOW:

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

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

Buyer's Initials

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

7. CLOSING OF ESCROW.

A. Delivery of Documents and Payment. At or prior to Closing, Successor Agency shall deposit into Escrow a Grant Deed in the form attached hereto as Exhibit B, properly executed and acknowledged by Successor Agency, in favor of Buyer, containing the legal description of the Property and subject only to the Approved Exceptions. At or prior to Closing, Buyer and Successor Agency shall have each deposited into Escrow any supplemental escrow instructions necessary to close this Escrow. Escrow Holder shall deliver to Successor Agency the Purchase Price, when (1) Escrow Holder holds, and is able to record, the Grant Deed, (2) Escrow Holder is prepared to issue to Buyer the Title Policy as provided in Section 7B below, and (3) the conditions specified in Section 4 have been satisfied or waived. Possession of the Property shall be delivered to the Buyer on the Close of Escrow.

B. Title Insurance. At the Close of Escrow, Buyer shall obtain from Escrow Holder a standard coverage California Land Title Association ("CLTA") owner's form policy of title insurance in the amount of the Purchase Price insuring title to the Property in the name of Buyer subject only to the Approved Exceptions and the standard printed exclusions from coverage of an CLTA standard title policy ("Title Policy").

C. Recordation and Delivery. At the Closing, Escrow Holder shall (1) forward the Grant Deed to the recorder for recordation, and (2) deliver the Title Policy as provided in Section 7B, above.

D. Obligation to Refrain from Discrimination. The Buyer covenants and agrees for itself, its successors and assigns, and for every successor in interest to the Property or any part thereof, that there shall be no discrimination against or segregation of any person, or group of persons, on account of sex, marital status, age, handicap, race, color, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, and the Buyer (itself or any person claiming under or through the Buyer) shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Property or any portion thereof. In order to insure the Buyer's compliance with the covenants set forth in this Section 7D, such covenants shall be set forth in the Grant Deed. Such covenants shall run with the Property for the benefit of the Agency and the Agency shall have the right to assign all of its rights and benefits therein to the Buyer. The non-discrimination and non-segregation requirements set forth in this Section 7D shall remain in effect in perpetuity.

8. FIRPTA. Successor Agency warrants that it is not a foreign person or entity, as defined in the Foreign Investors Real Property Tax Act and, prior to the close of escrow, Successor Agency will deposit an affidavit certifying same. Escrow Holder's duties pertaining to these provisions are limited to the receipt from Successor Agency of such affidavit prior to the close of escrow and delivery to Buyer of such affidavit at the close of escrow.

9. GOVERNING LAW. This Agreement shall be construed and enforced in accordance with the applicable laws of the State of California.

10. PROPERTY TAXES. Buyer shall be responsible for any property or other taxes assessed against the Property to the extent attributable to the period on or after the Closing. Successor Agency shall be responsible for any property or other taxes assessed against the Property to the extent attributable to the period prior to the Close of Escrow.

amendment to this Agreement shall be valid unless set forth in writing and signed by all of the parties subsequent to the execution of this Agreement.

C. Further Assurances. Each of the parties agrees that it will without further consideration execute and deliver such other documents and take such other action, whether prior or subsequent to the Closing Date, as may be reasonably requested by the other party to consummate more effectively the purposes or subject matter of this Agreement.

D. Successors. Subject to the provisions of this Agreement, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective heirs, executors, representatives, successors and assigns.

E. Severability. In the event any provision of this Agreement shall be determined by a court of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall be effective only to the extent of such determination and shall not prohibit or otherwise render ineffective any other provision of this Agreement.

F. Exhibits. References herein to exhibits are to Exhibit A, Exhibit B, and Exhibit C attached hereto, which exhibits are hereby incorporated by reference.

G. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document.

IN WITNESS WHEREOF, Buyer and Successor Agency have executed this Agreement as of the date first written above.

BUYER:

Space Center, Mira Loma

By: _____

Name: _____

Its: _____

SUCCESSOR AGENCY:

Successor Agency to the Victorville
Redevelopment Agency

By: _____

Name: Sophie L. Smith

Its: Director of Economic Development

ATTEST:

Agency Secretary

APPROVED AS TO FORM:

Green de Bortnowsky, LLP

By: _____
Agency Attorney

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

PROPERTY LEGAL DESCRIPTION

Real property in the City of Victorville, County of San Bernardino, State of California, described as follows:

EXHIBIT "A"

(sheet 1 of 1)

(APN 3090-401-05)

The southeast quarter of the northeast quarter of the southeast quarter of the northwest quarter of Section 27, Township 5 North, Range 4 West, San Bernardino Base and Meridian, in the City of Victorville, County of San Bernardino, State of California, according to the Official Plat thereof.

This description was prepared by:

David J. Cockrum 08-28-17

David James Cockrum,
Professional Land Surveyor, License No. L7979

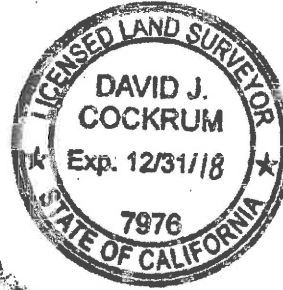


EXHIBIT "A"

(sheet 1 of 1)

(APN 3090-401-06)

The southwest quarter of the northeast quarter of the southeast quarter of the northwest quarter of Section 27, Township 5 North, Range 4 West, San Bernardino Base and Meridian, in the City of Victorville, County of San Bernardino, State of California, according to the Official Plat thereof.

This description was prepared by:

David J. Cockrum 08-28-17

David James Cockrum,
Professional Land Surveyor, License No. L7979



EXHIBIT "A"

(sheet 1 of 1)

(APN 3090-411-01)

The northwest quarter of the southwest quarter of the southeast quarter of the northwest quarter of Section 27, Township 5 North, Range 4 West, San Bernardino Base and Meridian, in the City of Victorville, County of San Bernardino, State of California, according to the Official Plat thereof.

This description was prepared by:

David J. Cockrum 08-28-17

David James Cockrum,
Professional Land Surveyor, License No. L7979



EXHIBIT "A"

(sheet 1 of 1)

(APN 3090-411-04)

That real property situated in the City of Victorville, County of San Bernardino, State of California, being Parcel 3 of Parcel Map No. 2102, as per plat filed in Book 18 of Parcel Maps at Page 26 in the Office of the County Recorder of said county.

This description was prepared by:

David J. Cockrum 08-28-17

David James Cockrum,
Professional Land Surveyor, License No. L7979



EXHIBIT "A"

(sheet 1 of 1)

(APN 3090-411-05)

That real property situated in the City of Victorville, County of San Bernardino, State of California, being Parcel 4 of Parcel Map No. 2102, as per plat filed in Book 18 of Parcel Maps at Page 26 in the Office of the County Recorder of said county.

This description was prepared by:

David J. Cockrum 08-28-17

David James Cockrum,
Professional Land Surveyor, License No. L7979



EXHIBIT B
GRANT DEED

GRANT DEED

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)
)
Space Center, Mira Loma)
3401 Etiwanda Ave)
Jurupa Valley, CA 91752)
)
)
)
)

APN: 3090-401-05,06; 3090-411-01, 05, 06

This document is exempt from payment of a recording fee pursuant to Government Code Sections 6103 and 27383.

GRANT DEED

For valuable consideration, receipt of which is hereby acknowledged,

The **SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY**, a public body, corporate and politic (“Grantor”), hereby grants to Space Center, Mira Loma, a Minnesota corporation (“Grantee”), the real property hereinafter referred to as the “Property,” described in Exhibit “A” attached hereto and incorporated herein. The Grantee hereto covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (P) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property herein conveyed, nor shall the Grantee himself or herself, or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Property herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.

SAID PROPERTY IS CONVEYED SUBJECT TO all liens, encumbrances, easements, covenants, conditions and restrictions of record, and all matters that would be disclosed or apparent by a survey and/or an inspection of the Property.

GRANTOR:

**SUCCESSOR AGENCY TO THE
VICTORVILLE REDEVELOPMENT AGENCY, a
public body corporate and politic**

Dated: _____, 2017

By: _____
Sophie L. Smith, Director of Economic Development

ATTEST:

Agency Secretary

**EXHIBIT "A"
TO
GRANT DEED**

PROPERTY LEGAL DESCRIPTION

Real property in the City of Victorville, County of San Bernardino, State of California, described as follows:

EXHIBIT C
LAND SWAP AGREEMENT
WBW INC.

LAND SWAP AGREEMENT
BY AND BETWEEN
WBW INC.
AND
THE VICTORVILLE REDEVELOPMENT AGENCY

THIS AGREEMENT is made and entered into as of the Effective Date, by and between WBW Inc. (hereinafter referred to as "Seller") a California corporation, and the Victorville Redevelopment Agency (hereinafter referred to as the "Agency"), a public body corporate and politic, organized and existing under the laws of the State of California (hereinafter collectively referred to as "Parties").

RECITALS:

WHEREAS, the Agency is authorized and empowered by the Community Redevelopment Law, Chapter 1 of Division 24 of the California Health and Safety Code, as amended (the "Community Redevelopment Law"), to enter into agreements for the exchange of real property or otherwise dispose of any real property or any interest in property; and assist in the redevelopment of real property within a redevelopment project area conforming with a redevelopment plan adopted for such area; and

WHEREAS, the Agency, along with the City of Victorville (the "City") have previously adopted a redevelopment plan known as the Bear Valley Road Redevelopment Plan which encompasses the Bear Valley Road Project Area (the "Redevelopment Plan"); and

WHEREAS, the Agency goals for the Bear Valley Project Area (the "Project Area") include fostering the development of industrial and manufacturing type uses; and

WHEREAS, Seller is the owner of certain real property ("Parcel A") located in the City of Victorville, California, as more fully described in Exhibit "A" hereto and incorporated herein by this reference; and

WHEREAS, Agency is the owner of certain real property ("Parcel B") located in the City of Victorville, California, as more fully described in Exhibit "B" hereto and incorporated herein by this reference; and

WHEREAS, Agency is in the process of acquiring or facilitating the acquisition of certain parcels located adjacent to Parcel A, as more fully described in Exhibit "C" hereto and incorporated herein by this reference (the "Adjacent Parcels"); and

WHEREAS, Seller has offered to exchange Parcel A for Parcel B and Agency desires to acquire Parcel A; and

WHEREAS, Parcel A is currently undeveloped and unoccupied and the Seller's offer to exchange is not induced by Agency's desire to redevelop Parcel A or surrounding land. The Agency has notified Seller of its intention to redevelop Parcel A; and

WHEREAS, the Agency desires to acquire said Parcel A in order to facilitate redevelopment of Parcel A in connection with the expansion of industrial and manufacturing type uses in the Project Area; and

WHEREAS, the requirements necessary to carry out the land exchange which is the subject of this Agreement have been met, including all requirements under Section 33431 of the Health and Safety Code and the Parties hereto are duly authorized to enter into this Agreement.

TERMS AND CONDITIONS

NOW, THEREFORE, IN CONSIDERATION OF THE PRECEDING RECITALS AND THE MUTUAL PROMISES AND COVENANTS HEREINAFTER CONTAINED, THE PARTIES AGREE AS FOLLOWS:

Section 1 Subject of Agreement

1.1 Purposes of Agreement. The purpose of this Agreement is to effectuate redevelopment with the boundaries of the City of Victorville by facilitating the exchange of Agency property necessary for the expansion of industrial and manufacturing type uses within the Project Area as contemplated by the Redevelopment Plan. The exchange of property pursuant to this Agreement, and the fulfillment of the Agreement, are in the vital and best interest of the City, the Agency, and the health, safety, morals and welfare of the City's residents, and are in accord with the public purposes and provisions of applicable federal, state and local laws and requirements.

1.2 The Redevelopment Plan. This Agreement shall be subject to the provisions of the Community Redevelopment Law and the Redevelopment Plan.

1.3 Parties to the Agreement.

a. The Agency is a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under

Chapter 2 of the Community Redevelopment Law, Health and Safety Code Section 33000, et seq. The principal office of the Agency is located at 14343 Civic Drive, Victorville, California 92392. As used in this Agreement, the term "Agency" shall be deemed to include the Agency and any assignee and/or successor to the Agency or to its rights, powers and responsibilities under this Agreement.

b. The Seller is WBW, Inc., a California corporation. The principal office of the Seller for purposes of this Agreement is located at 8140 Rosecrans Avenue, Paramount, California 90723.

Section 2 Acquisition; Exchange

2.1 The Agency agrees to acquire from Seller Parcel A in exchange for Parcel B and Seller agrees to acquire from Agency Parcel B in exchange for Parcel A.

2.2 Parcel A and Parcel B have been determined to have substantially the same market value such that the exchange of Parcel A for Parcel B will not result in any monetary gain by either party and is fair and equitable in all respects.

Section 3 Escrow and Transfer of Ownership

3.1 The Agency and the Seller agree to coordinate the establishment of an escrow for the exchange of Parcel A and Parcel B with the escrow established for the Agency's acquisition of the Adjacent Parcels (the "Escrow Agent"). The escrow shall be opened within five (5) days after the Effective Date of this Agreement, or simultaneously with the opening of escrow for the Agency's acquisition of the Adjacent Parcels, whichever is the first to occur.

3.2 The Agency and the Seller shall provide and execute such additional escrow instructions consistent with this Agreement as shall be necessary. The Escrow Agent hereby is empowered to act under this Agreement, and, upon indicating its acceptance of this Section in writing, delivered to the Agency and Seller, within five (5) calendar days after the establishment of the escrow, shall carry out its duties as the Escrow Agent hereunder.

3.3 The Agency and the Seller shall deliver to the Escrow Agent all documents necessary for the conveyance of title to Parcel A, to the extent provided in this Agreement, in conformity with, within the times, and in the manner provided in this Agreement.

3.4 The Agency and the Seller shall deliver to the Escrow Agent all documents necessary for the conveyance of title to Parcel B, to the extent provided in this Agreement, in conformity with, within the times, and in the

manner provided in this Agreement.

3.5 Payment of Escrow fees:

a. The Agency shall pay all escrow fees related to the transfer of Parcel A from the Seller to the Agency, promptly after the Escrow Agent has notified the Seller of the amount of such fees, charges and costs, but in any event, prior to closing of escrow.

b. The Agency shall pay all escrow fees related to the transfer of Parcel B from the Agency to the Seller, promptly after the Escrow Agent has notified the Agency of the amount of such fees, charges and costs, but in any event, prior to closing of escrow.

3.6 Execution of Grant Deed

a. The Seller shall prepare, timely and properly execute, acknowledge and deliver to the Escrow Agent a grant deed conveying to the Agency title to Parcel A in accordance with the requirements of this Agreement in substantially the same form as that attached hereto as Exhibit "D" and incorporated herein by reference (the "Seller Grant Deed"). Reasonable costs, as approved by the Agency, associated with the preparation, execution and delivery of the Seller Grant Deed shall be borne by the Agency.

b. The Agency, at its own cost, shall prepare, timely and properly execute, acknowledge and deliver to the Escrow Agent a grant deed conveying to the Seller title to Parcel B in accordance with the requirements of this Agreement in substantially the same form as that attached hereto as Exhibit "E" and incorporated herein by reference (the "Agency Grant Deed"). Such Agency Grant Deed shall contain the following covenants which such covenants shall remain in effect without limitation as to time:

(i) There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, ancestry, or national origin in the development, sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of Parcel B, or any interest to be conveyed therein, nor shall the Seller or any grantees or any persons claiming under or through the Seller establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, leases, subtenants, sublessees or vendees of Parcel B.

(ii) All deeds, leases or contracts pertaining to the sale, lease, sublease, rental, transfer, use, occupancy, tenure or enjoyment of the Parcel B (or any part thereof) shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

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

2. In leases: "The Lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of sex, marital status, race, color, religion, ancestry, or national origin in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants lessees, sublessee, subtenants, or vendees in the premises herein leased."

3. In contracts: "There shall be no discrimination against or segregation of any person or group of persons on account of sex, marital status, race, color, religion, ancestry, or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed or leased, nor shall the transferee or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the premises herein transferred. The foregoing provision shall be binding upon and shall obligate the contracting party or parties and any subcontracting party or parties, or other transferees under the instrument."

c. The Agency Grant Deed shall also reserve to the City of Victorville for public use, easements for right of way and drainage as described in Exhibit "F", attached hereto.

3.7 The Escrow Agent shall cause a Preliminary Title Report to be prepared and issued by Chicago Title Company (the "Title Company") for both Parcel A and Parcel B and shall promptly provide the Agency and the Seller with copies thereof along with legible copies of all reported title exceptions. The Agency shall pay for all costs incurred in the preparation of the Preliminary Title

Reports for Parcel A and Parcel B. The Agency and the Seller must approve the Preliminary Title Reports prepared for both Parcel A and Parcel B in writing as a condition precedent to close of escrow.

3.8 If determined as financially feasible to the parties of escrow, all funds received in escrow shall be deposited by the Escrow Agent in an insured account with any state or national bank doing business in the State of California, and such funds may be combined with other escrow funds of the Escrow Agent. Such funds shall draw the highest reasonable rate of interest and such interest shall accrue to the party to this Agreement who shall have made the deposit thereof with the Escrow Agent.

3.9 Conveyance of Title and Delivery of Possession:

a. Subject to the conditions set forth in Section 3.11 hereof and to any mutually agreed upon written extension of time or extensions otherwise authorized by this Agreement, conveyance to the Seller of title to Parcel B and conveyance to the Agency of title to Parcel A, in accordance with the provisions of this Section shall be completed concurrently with the conveyance of the Adjacent Parcels to the Agency ("Close of Escrow"). The Agency and the Seller agree to perform all acts necessary for conveyance of title to Seller of Parcel B, and conveyance of title to Agency of Parcel A in the form and to the extent required herein, in sufficient time for title to be conveyed in accordance with this provision.

b. Possession of Parcel B shall be delivered to the Seller concurrently with the conveyance of title, and possession of Parcel A shall be delivered to the Agency concurrently with the conveyance of title.

3.10 Payment of the Consideration and Recordation of the Grant Deed(s) and other Documents:

a. When the parties have each deposited into escrow all documents and any funds as required by this Agreement and Section 3.11 the Escrow Agent shall promptly file for recordation among the land records in the Office of the County Recorder where the Property is located: (i) the grant deed to Parcel A, and (ii) the grant deed to Parcel B. The Escrow Agent shall thereafter promptly provide a copy of said recorded documents to both parties, shall promptly deliver to the Seller a title insurance policy insuring title to Parcel B in conformity with this Agreement and shall promptly deliver to the Agency a title insurance policy insuring title to Parcel A in conformity with this Agreement.

3.11 Conditions for Close of Escrow:

a. The Agency's obligation to convey Parcel B to the Seller at the Close of Escrow shall be expressly conditioned upon satisfaction or waiver by the Agency of each of the following:

1. The Seller shall have deposited into the escrow all sums required to be deposited by it into the escrow pursuant to this Agreement unless otherwise described in this Agreement.

2. The Seller shall have taken all necessary steps required by this Agreement and California law to convey good and marketable title to Parcel A free of any title defects, liens, encumbrances, conditions, covenants, restrictions and other adverse interests of record or known to Seller, subject only to those exceptions approved by Agency in writing.

3. VVTA shall be in position to transfer Assessors Parcel No's. 3090-401-05, 3090-401-06, 3090-411-04, and 3090-411-05 to the Agency.

4. Space Center shall have acquired Assessors Parcel No's. 3090-401-07, 3090-401-08, 3090-411-03 and 3090-411-02 and be in position to transfer such parcels to the Agency.

b. The Seller's obligation to convey Parcel A to the Agency at the Close of Escrow shall be expressly conditioned upon satisfaction or waiver by the Seller of each of the following:

1. The Agency shall have deposited into the escrow all sums required to be deposited by it into the escrow pursuant to this Agreement;

2. The Agency shall have taken all necessary steps required by this Agreement and California law to convey good and marketable title to Parcel B free of any title defects, liens, encumbrances, conditions, covenants, restrictions and other adverse interests of record or known to Seller, subject only to those exceptions approved by Agency in writing.

c. The parties' obligations to convey the subject parcels to the other party shall be expressly conditioned upon the Agency's acquisition of the Adjacent Parcels.

d. The Agency shall have agreed to the following:

1. The Agency shall make the necessary road widening improvements to Ottawa Road, including, but not limited to, curb and gutter and striping that may be conditioned as a function of developing Parcel A.

2. The Agency shall not seek reimbursement from Seller for any costs associated with planned signalization improvements at Ottawa Road and Hesperia Road once the improvements are made.

3. The Agency shall cause the realignment of the existing streambed traversing the subject sites, to occur as follows: relocate the streambed to a pipe from its point of discharge at Hesperia Road, southerly to Ottawa Road in the proposed storm drain easement, as described in Exhibit "F", incorporated herein by reference, then easterly along Ottawa Road.

4. The Agency shall cause the rough grading of the site to generally conform to the earthwork analysis prepared by Parsons Brinkerhoff, attached as Exhibit "G" and incorporated herein by reference (the "earthwork analysis"). The Agency shall cause Parcel B to be rough graded to a rough elevation of two thousand, eight hundred and eighty five (2885) feet. The Agency will also include the parcel immediately north of and adjacent to Parcel B as a part of the mass grading for the grading of the "adjacent parcel." The adjacent parcel owned by WBW, Inc. will be graded to generally conform with elevation 6B.

5. For the purpose of this Agreement, Parcels B and the adjacent parcel shall be those parcels as identified in Exhibit "F-1", attached hereto and incorporated herein by reference.

e. The Seller shall have accepted proposed dedications for a realigned storm channel and widening of Ottawa Road, as described in Exhibit "F".

3.12 Title Insurance:

a. Concurrently with recordation of the grant deed to Parcel B, the Title Company shall provide and deliver to the Seller an C.L.T.A. or at Seller's option and cost, an ALTA owners policy of title insurance issued by the Title Company insuring that the title to Parcel B is as required pursuant to the terms of this Agreement.

b. Concurrently with recordation of the grant deed to Parcel A, the Title Company shall provide and deliver to the Agency an C.L.T.A. or at Agency's option and cost, an ALTA owners policy of title insurance issued by the Title Company insuring that the title to Parcel A is as required pursuant to the terms of this Agreement.

Section 4 Board Approval

Final approval of this Agreement is subject to Agency Board's formal approval.

Section 5 Environmental Review

Upon the opening of escrow, Seller shall make Parcel A available for Agency or its assignees or agents to conduct soils and environmental investigations. Seller acknowledges and agrees that Agency satisfaction with soil and environmental review is a condition precedent to completion of this Agreement. In the event the Agency determines the soil and environmental reviews are not satisfactory, Agency may cancel Agreement without further expense or delay, and Seller shall not be entitled to any reimbursement for moneys expended in connection with Agreement, nor any portion of good faith deposit.

Section 6 Inspection

The parties have inspected and evaluated the subject parcels to ensure that they have been properly maintained. The parties shall bear their own costs for inspecting and approving the parcels.

Section 7 Condition of properties as-is

7.1 Seller makes no representation, warranty, agreement, statement, guarantee or promise, other than those contained in this Agreement, and Agency acknowledges that Seller has made no such representation, agreement, statement, warranty, guarantee, or promise regarding Parcel A or the zoning, construction, physical condition or other status of Parcel A, except as herein contained. Parcel A is being transferred to and accepted by Agency in its existing condition AS-IS AND WITH ALL FAULTS.

7.2 Agency makes no representation, warranty, agreement, statement, guarantee or promise, other than those contained in this Agreement, and Seller acknowledges that Agency has made no such representation, agreement, statement, warranty, guarantee, or promise regarding Parcel B or the zoning, construction, physical condition or other status of Parcel B, except as herein contained. Parcel B is being transferred to and accepted by Seller in its existing condition AS-IS AND WITH ALL FAULTS.

Section 8 Maintenance

8.1 Prior to the transfer of ownership of Parcel A by Seller to Agency, as provided herein, Seller shall be responsible for the maintenance of Parcel A

and shall maintain and transfer same to Agency in as good condition as it was at the time of execution of this Agreement.

8.2 Prior to the transfer of ownership of Parcel B by Agency to Seller, as provided herein, Agency shall be responsible for the maintenance of Parcel B and shall maintain and transfer same to Seller in as good condition as it was at the time of execution of this Agreement.

Section 9 Insurance

9.1 Seller shall be responsible for maintaining fire and casualty insurance on Parcel A until close of escrow.

9.2 Agency shall be responsible for maintaining fire and casualty insurance on Parcel B until close of escrow.

Section 10 Assumption of Risk

10.1 Seller agrees to assume all risk of loss involving Parcel A until close of escrow, except to the extent any liability or loss is directly caused by actions of the Agency.

10.2 Agency agrees to assume all risk of loss involving Parcel B until close of escrow, except to the extent any liability or loss is directly caused by actions of the Seller.

Section 11 Brokers and Finders.

Buyer and Sellers warrant that the execution of this Agreement was not induced or procured through any person, firm, or corporation acting as a broker or finder. Each Party agrees to indemnify and hold the other harmless from and against any damage, liability or cost, including without limitation, reasonable attorneys' fees, arising from or in connection with any claim by any other person, firm, or corporation based upon their having acted as broker or finder for or in connection with this transaction on behalf of such party.

Section 12 Entire Agreement

This Agreement (including Exhibits which are attached and incorporated by reference) constitutes the entire agreement and understanding between the parties with respect to the subject matter contained herein, and supersedes any prior agreement and understanding about the subject matter hereof. This Agreement may only be modified or amended by a written instrument executed by Sellers and Buyer.

Section 13 Time is of the Essence

Time is of the essence of this Agreement.

Section 14 Headings

The subject headings of the sections and paragraphs of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

Section 15 Counterparts

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

Section 16 Successors and Assigns

Each covenant and condition contained in this Agreement shall inure to the benefit of and be binding on the parties to this Agreement and their respective heirs, executors, administrators, personal representatives, successors and assigns.

Section 17 Attorneys' Fees; Costs of Litigation

If any legal action or any other proceeding is brought by the Parties for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled, including the fees and costs incurred in enforcing any judgment which may be obtained in said action.

Section 18 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 19 Non Liability of Officials and Employees of City

No member, official or employee of the Agency shall be personally liable to Sellers or any successor in interest, in the event of any Default or breach by Agency or for any amount which may become due to Sellers or its successors, or on any obligations under the terms of this Agreement.

Section 20 Interpretation

As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates.

Section 21 Legal Advice

The Parties represent and warrant to the other the following: they have carefully read this Agreement, and in signing this Agreement, they do so with full knowledge of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matters set forth in this Agreement, or have knowingly chosen not to consult legal counsel as to the matters set forth in this Agreement; and, they have freely signed this Agreement without any reliance upon any agreement, promise, statement or representation by or on behalf of the other party, or their respective agents, employees or attorneys, except as specifically set forth in this Agreement, and without duress or coercion, whether economic or otherwise.

Section 22 Jointly Drafted

It is agreed to by and between the Parties that this Agreement was jointly negotiated and jointly drafted by the Parties, and that it shall not be interpreted or construed in favor or against either party on the ground that said party drafted the Agreement. It is also agreed and represented by all Parties that this Agreement was the result of extended negotiations between the Parties, and that said Parties were of equal or relatively equal bargaining power. In no way whatsoever shall it be deemed that this Agreement is a contract of adhesion, is unreasonable or unconscionable. The language of this Agreement shall be construed as a whole according to its fair and logical meaning and not strictly for or against any of the Parties.

Section 23 Effective Date

This Agreement shall become effective as of the last date of execution by each of the persons set forth on the signature page below.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

"SELLER"
WBW Inc.

By: _____


"AGENCY"
VICTORVILLE REDEVELOPMENT AGENCY

By: _____
Keith Metzler
Director of Economic Development

ATTEST:

By: _____
Secretary

APPROVED AS TO FORM:

By: 
GREEN, DE BORTNOWSKY &
QUINTANILLA, LLP
Agency Counsel

VICT\0023\DOC\040-6.DOC
6/26/06 hvt

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first above written

"SELLER"
WBW Inc.

By: 


"AGENCY"
VICTORVILLE REDEVELOPMENT AGENCY

By: 
Keith Metzler
Director of Economic Development

ATTEST:

By: 
Secretary

APPROVED AS TO FORM:

By: 
GREEN, DE BORTNOWSKY &
QUINTANILLA, LLP
Agency Counsel

VICTORVILLE REDEVELOPMENT AGENCY
6/25/08

EXHIBIT "A"

[PROPERTY DESCRIPTION PARCEL A]

That portion of the northwest quarter of the southwest quarter of the southeast quarter of the northwest quarter of Section 27, Township 5 North, Range 4 West, Lying East of Hesperia Road, San Bernardino Meridian.

Assessors Parcel No. 3090-411-01

± 2.54 Acres

EXHIBIT "B"

[PROPERTY DESCRIPTION PARCEL B]

That portion of the southeast quarter of the southeast quarter of the southwest quarter of the northwest quarter of Section 27, Township 5 North, Range 4 West, Lying East of Hesperia Road, San Bernardino Meridian.

Excepting Parcel A (Ottawa Road), Parcel B (Hesperia Road) and Parcel C (Ottawa Road) for roadway dedication purposes and Parcel D (drainage easement) for drainage purpose.

Assessors Parcel No. 3090-381-02
± 1.57 acres

Subject to mutually agreed upon dedications for ultimate road width to Ottawa Road and a realigned storm channel, as described in Exhibit "F".

EXHIBIT "C"

[PROPERTY DESCRIPTION ADJACENT PARCELS]

Properties located in the City of Victorville, County of San Bernardino, State of California, identified with the following Assessor Parcel Numbers:

3090-401-08	2.5 ±	Acres
3090-411-02	2.54 ±	Acres
3090-401-07	2.5 ±	Acres
3090-411-03	4.47 ±	Acres
3090-401-06	2.5 ±	Acres
3090-411-04	5.06 ±	Acres
3090-401-05	2.5 ±	Acres
3090-411-05	5.04 ±	Acres

EXHIBIT "D"

[FORM FOR GRANT DEED FOR PARCEL A]

GRANT DEED

Recording Requested by:

CITY OF VICTORVILLE

After Recordation, Mail to:

CITY OF VICTORVILLE

P.O. BOX 5001

Victorville, California 92393-5001

ATTN: Carolee Bates, City Clerk

GRANT DEED

For valuable consideration, the receipt of which is hereby acknowledged,

WBW Inc., a _____ corporation (the "Grantor"), hereby grants to VICTORVILLE REDEVELOPMENT AGENCY, a public body, corporate and politic, (the "Grantee"), the real property (the "Property") legally described in the document attached hereto, labeled Exhibit A, and incorporated herein by this reference. The Property is conveyed subject to the Land Swap Agreement entered into between the Grantor and the Grantee, dated _____, 2006, (herein referred to as the "Agreement").

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers thereunto duly authorized, this ____ day of _____, 2006.

Grantor:

WBW Inc., a _____ Corporation

By: _____

The provisions of this Grant Deed are hereby approved and accepted.

Grantee:

VICTORVILLE REDEVELOPMENT AGENCY

By: _____
Chairman

By: _____
Secretary

APPROVED AS TO FORM:

By: _____
Counsel for Grantee

Exhibit "A" to Grant Deed to Parcel A

That portion of the northwest quarter of the southwest quarter of the southeast quarter of the northwest quarter of Section 27, Township 5 North, Range 4 West, Lying East of Hesperia Road, San Bernardino Meridian.

Assessors Parcel No. 3090-411-01
± 2.54 Acres

EXHIBIT "E"

[FORM GRANT DEED FOR PARCEL B]

GRANT DEED

For valuable consideration, the receipt of which is hereby acknowledged,

VICTORVILLE REDEVELOPMENT AGENCY, a public body, corporate and politic (the "Grantor"), hereby grants to WBW Inc., a _____ corporation (the "Grantee"), the real property (the "Property") legally described in the document attached hereto, labeled Exhibit "A", and incorporated herein by this reference, reserving to the City of Victorville for public use, easements for right of way and drainage as described in Exhibit "A", attached hereto.

1. The Property is conveyed subject to the Land Swap Agreement entered into between the Grantor and the Grantee, dated _____, 2006, (herein referred to as the "Agreement").

2. The Grantee covenants by and for itself, its successors in interest and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, age, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Property.

3. All deeds, leases or contracts made relative to the Property, shall contain the following nondiscrimination clauses:

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

(b) In leases: "The lessee herein covenants by and for itself, its successors in interest and assigns, and all persons claiming under or through

him, and this lease is made and accepted upon and subject to the following conditions:

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

(c) In contracts: "There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, age, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee himself, or any person claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the land."

3. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Grant Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust or other financing or security instrument permitted by the Agreement; provided, however, that any successor of Grantee to the Property shall be bound by such remaining covenants, conditions, restrictions, limitations and provisions, whether such successor's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

4. The covenants contained in this Grant Deed shall be binding for the benefit of the Grantor and its successors and assigns, and such covenants shall run in favor of the Grantor for the entire period during which such covenants shall be in full force and effect, without regard to whether the Grantor is or remains an owner of any land or interest herein to which such covenants relate. The grantor, in the event of any breach of any such covenants, shall have the right to exercise all of the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach as provided in the Agreement or by law. The covenants contained in this Grant Deed shall be for the benefit of and shall be enforceable only by the Grantor, its successors and its assigns.

[END OF THIS PAGE]

IN WITNESS WHEREOF, the Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers thereunto duly authorized, this ____ day of _____, 2006.

Grantor:

VICTORVILLE REDEVELOPMENT AGENCY

By: _____
Chairman

By: _____
Secretary

APPROVED AS TO FORM:

By: _____
Counsel for Grantor

Grantee:

WBW, Inc.

By: _____
Its:

By: _____
Its:

APPROVED AS TO FORM:

By: _____
Counsel for Grantee

EXHIBIT "A" TO GRANT DEED FOR PARCEL B

That portion of the southeast quarter of the southeast quarter of the southwest quarter of the northwest quarter of Section 27, Township 5 North, Range 4 West, Lying East of Hesperia Road, San Bernardino Meridian.

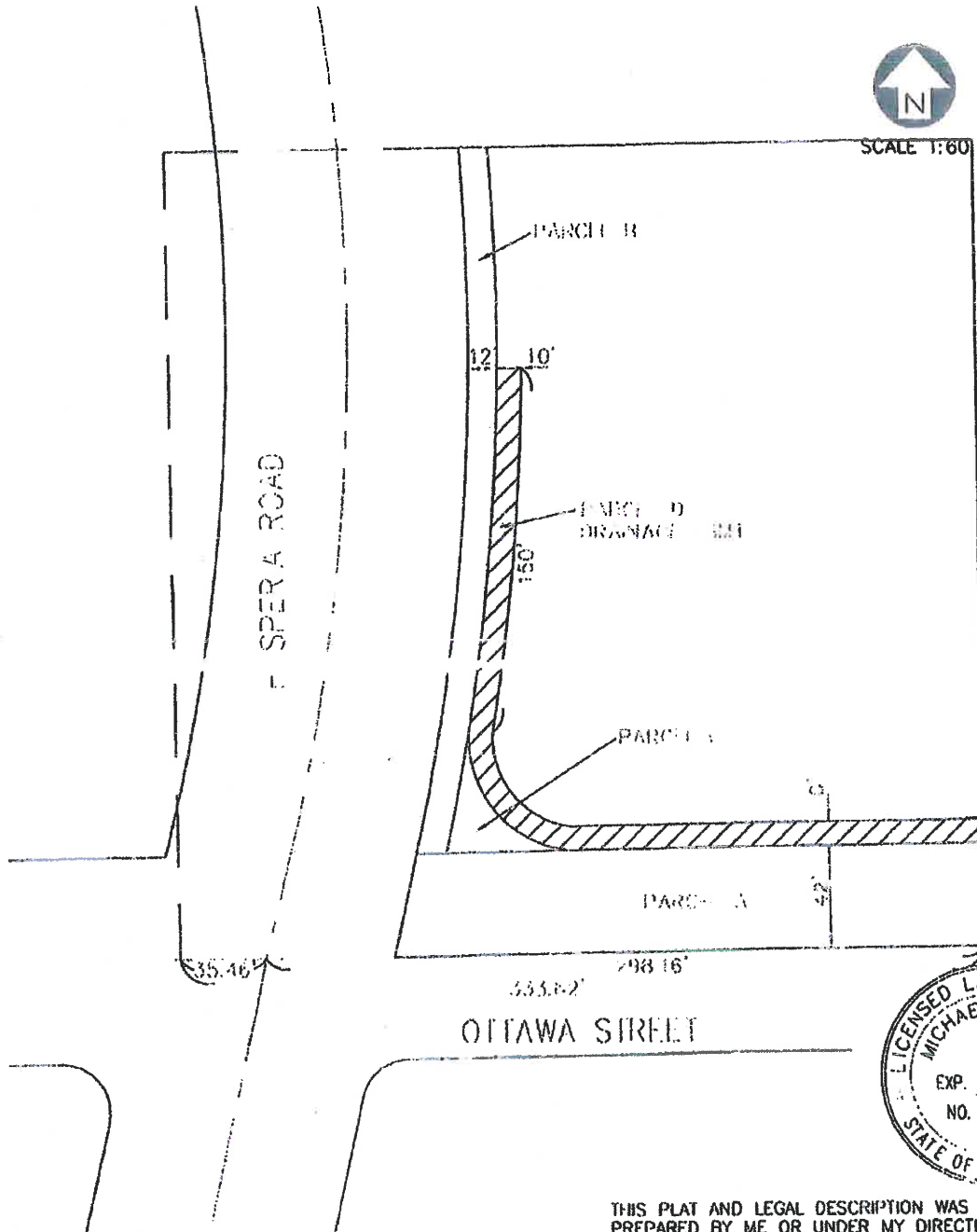
Excepting Parcel A (Ottawa Road), Parcel B (Hesperia Road) and Parcel C (Ottawa Road) for roadway dedication purposes and Parcel D (drainage easement) for drainage purpose.

Assessors Parcel No. 3090-381-02
± 1.57 acres

EXHIBIT "F"



SCALE 1:60



THIS PLAT AND LEGAL DESCRIPTION WAS PREPARED BY ME OR UNDER MY DIRECTION

DATED 5-31-06 SIGNED *Michael D. Coy*

MICHAEL D. COY L.S. 7337

CITY OF TORVILLE
 ENGINEERING DEPARTMENT
 1115 G Street, Suite 202 (410) 255-3100
 CALIFORNIA

EXHIBIT "F"
 APN 3090-381-02
 EASEMENT PLAT

Exhibit "F1"

APN 3090-381-02

Parcel A
Ottawa Rd.

The South 42 feet of that portion of the Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 27, Township 5 North, Range 4 West SBM, lying east of Hesperia Road, as described in deed recorded in book 5560 page 306, official records of San Bernardino County.

Parcel B
Hesperia Road

A strip of land 12 feet wide lying in the Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section, the West line being the East Right of way of Hesperia Road as described in deed recorded in book 5560, page 306, official records of said county, said strip being concentric to Hesperia Road, excepting that portion already described in above Parcel A.

Parcel C
Ottawa Road

A triangular shaped Parcel of land bounded as follows: On the South by the North line of Parcel A, on the West by the East line of Parcel B and on the Northeast by the arc of a curve, concave to the Northeast and having a radius of 50 feet, said curve being tangent to the North line of said Parcel A and tangent to the East line of Parcel B.

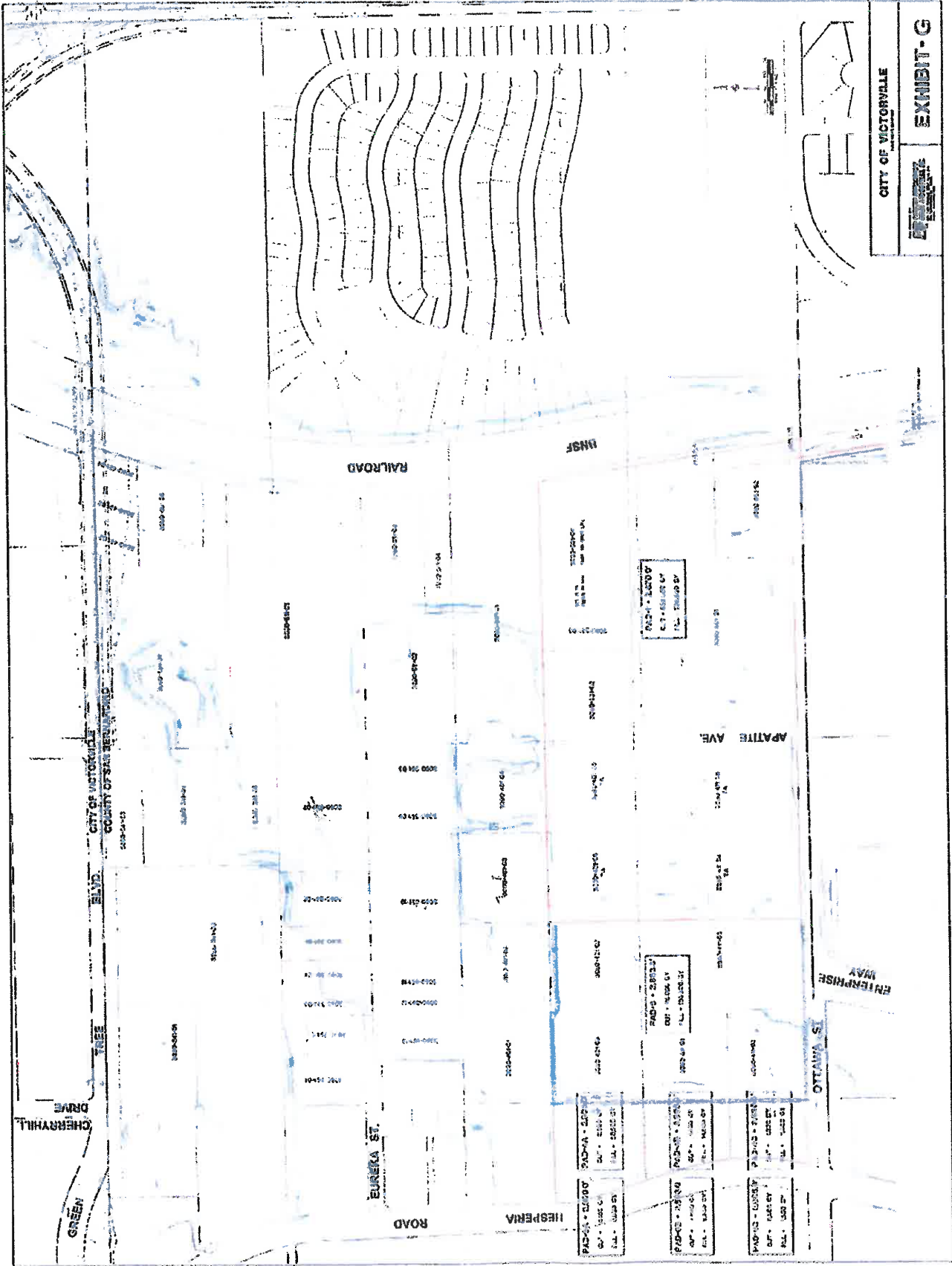
Parcel D
Drainage Easement

A strip of land 10 feet wide, the South line being parallel and 42 feet North of the South line of the Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 27, together with a strip of land 10 feet wide, the Southwest line being common with the Northeast line of the above described Parcel C; thence continuing North concentric to Hesperia Road and East of Parcel B above for 150 feet.

This legal description was prepared by
Me or under my direction.

Michael D. Coy
Michael D. Coy, L.S. 7337





CHERRYHILL DRIVE
GREEN

BLVD. CITY OF VICTORVILLE
COUNTY OF SAN BERNARDINO
503-24-43

RAILROAD

BUREKA ST.

ROAD HESPERIA

PLANNED - RESIDENTIAL
SINGLE-FAMILY
S.F. - 2000 S.F.
M.A. - 2000 S.F.

PLANNED - RESIDENTIAL
SINGLE-FAMILY
S.F. - 2000 S.F.
M.A. - 2000 S.F.

APTITE AVE.

OTTAWA ST.

ENRIEPRISH MAW

CITY OF VICTORVILLE



EXHIBIT-G



AGENDA ITEM

WRITTEN COMMUNICATIONS

SUCCESSOR AGENCY BOARD OF DIRECTORS

MEETING OF: December 19, 2017

SUBMITTED BY: SOPHIE L. SMITH *ises* **DATE:** 12/5/17
DIRECTOR OF ECONOMIC DEVELOPMENT

ATTACHMENT: RESOLUTION NO. R-SA-17-007

SUBJECT: RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VICTORVILLE SITTING AS THE GOVERNING BOARD OF THE SUCCESSOR AGENCY TO THE VICTORVILLE REDEVELOPMENT AGENCY AUTHORIZING THE SALE OF PROPERTY TO SPACE CENTER, MIRA LOMA, PURSUANT TO THE APPROVED LONG RANGE PROPERTY MANAGEMENT PLAN CONTINGENT UPON RECEIPT OF OVERSIGHT BOARD APPROVAL

RECOMMENDATION: THAT YOUR HONORABLE BOARD ⁽¹⁾ ADOPTS RESOLUTION NO. R-SA-17-007 APPROVING THE SALE OF PROPERTY MORE PARTICULARLY DESCRIBED AS APN# 3090-401-05, 3090-401-06, 3090-411-01, 3090-411-04, and 3090-411-05 TO SPACE CENTER, MIRA LOMA, AND ⁽²⁾ AUTHORIZES THE DIRECTOR OF ECONOMIC DEVELOPMENT TO EXECUTE ANY AND ALL TRANSACTIONAL DOCUMENTS TO EFFECTUATE THIS SALE

FISCAL IMPACT: Approx. \$381,200 Gross Sale Proceeds

PROJECT BUDGET:	\$	-
PROJECT COST:	- \$	-
PROJECT BALANCE:	\$	-

BUDGET ACCT NO: 3033010-46100
Successor Agency - Sale of Property

— Finance Use Only —

Additional Expense:

_____ No
_____ Yes / Amount

Additional Revenue:

_____ No
_____ Yes / Amount

Finance Review

DISCUSSION: As you know, California Redevelopment Agencies were abolished as of February 1, 2012, as a result of legislation, ABx1 26, enacted on June 29, 2011, and upheld by the California Supreme Court on December 29, 2011. On February 1, 2012, all real properties of the former Redevelopment Agency transferred to the control of the Successor Agency by operation of law.

Pursuant to Health and Safety Code Section 34191.5(b), the Successor Agency was required to prepare a Long-Range Property Management Plan (LRPMP) that addressed the disposition and use of the real properties owned by the former redevelopment agency. On December 3, 2013, the Successor Agency Board approved the LRPMP via Resolution R-SA-13-007. Subsequently, at its December 5, 2013 meeting, the Oversight Board approved the LRPMP via Resolution OB-VRDA-13-008. Accordingly, the LRPMP was submitted to the Department of Finance on December 12, 2013. Successor Agency staff worked with several DOF analysts who reviewed the plan and provided comment as to the proposed disposition of each property. After a series of revisions, on October 22, 2015, the revised LRPMP was submitted to the DOF and was approved on October 28, 2015. As you may recall, the LRPMP addresses the disposition of 29 properties. Overall, the DOF approved 11 properties for transfer to the City from the Successor Agency for government-use purposes, 1 property to be retained for future development, and 17 parcels to be sold.

The Department of Finance approved the subject properties for sale with the right of first refusal to Space Center, Mira Loma as the written record clearly demonstrated the intent of the former RDA to sell the properties to the developer in support of its planned warehouse/manufacturing facility. The properties total 16.49 acres and are located east of Hesperia Road and north of Ottawa Road, in the Foxborough Industrial Park. Space Center, Mira Loma agreed to purchase the property at its appraised value in March 2016 and the drafting of a Purchase and Sale Agreement (PSA) commenced. However, issues with the drafting and format of the PSA arose, and caused staff to work with legal counsel for both the Successor Agency and Oversight Board to develop a standard PSA that would be used for the sale of LRPMP properties that would satisfy both Boards. In the meantime, another LRPMP transaction between the Successor Agency and Space Center (through its real estate entity Paxbello, LLC) took priority, which escrow has since closed. Therefore, the focus has returned to this transaction. The proposed sales price is \$381,200, which amounts to \$0.53 p/s/f and represents the appraised value of the property. There is no broker commission payable in connection with this transaction.

Additional terms agreed upon include the split of escrow/title fees between the Seller and Buyer, a 60-day due diligence period, with close of escrow within 30 days thereafter. The buyer has also agreed to an additional term detailed in the LRPMP, which is that Space Center will assume the obligations of the former RDA outlined in a 2006 Land Swap Agreement with WBW, Inc. The assumption of such obligations furthers the goal of the RDA Dissolution Act in that it serves to wind down the outstanding obligations of the former RDA. As with previous Successor Agency sales, the net sale proceeds will be used to first pay enforceable obligations of the former

redevelopment agency, and secondly for distribution to taxing entities pursuant to the RDA dissolution rules.

Because the sale of this property is consistent with the approved LRPMP, staff is recommending approval of Resolution No. R-SA-17-007.

Staff remains available for any questions or comments.

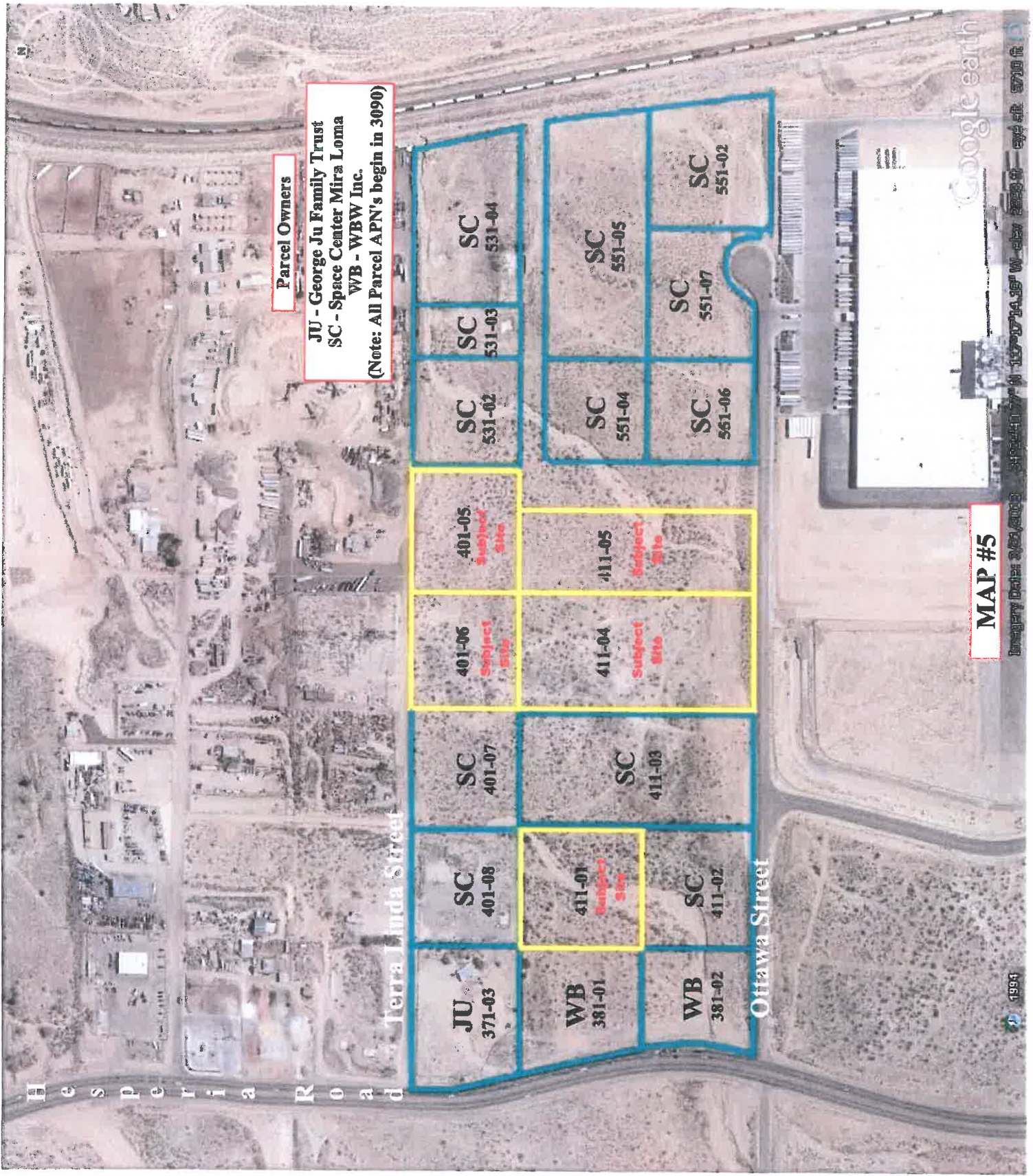
Attachments:

Map of Property

Resolution No. R-SA-17-007

Purchase & Sale Agreement

Relevant pages from LRPMP



Parcel Owners

JU - George Ju Family Trust
SC - Space Center Mira Loma
WB - WBW Inc.
(Note: All Parcel APN's begin in 3090)

JU 371-03	SC 401-08	SC 401-07	401-06 Subject Site	401-05 Subject Site	SC 531-02	SC 531-03	SC 531-04	WB 381-01	411-01 Subject Site	SC 551-04	SC 551-05	WB 381-02	SC 411-02	SC 561-06	SC 551-07	SC 551-02
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MAP #5

Relevant pages from LRPMP

Foxborough North Property

PARCEL INFORMATION

Listed below are parcels within the Foxborough North Property area:

Address	APN	Lot Size	Property Type	Acquisition Date	Value At Acquisition
N/A	3090-401-05	2.5 Acres	Vacant Land	1/3/2007	\$1,520,000 (\$2.50 p/s/f)
N/A	3090-401-06	2.5 Acres	Vacant Land		
N/A	3090-411-04	4.76 Acres	Vacant Land		
N/A	3090-411-05	4.19 Acres	Vacant Land		
N/A	3090-411-01	2.54 Acres	Vacant Land	1/16/2007	\$69,758
Total Acres		16.49 Acres or 718,304.4 sq. ft.			

Purpose of Acquisition: Land assembly for development of industrial space
Current Zoning: M-2 (Heavy Industrial District)

ESTIMATE OF CURRENT PROPERTY VALUE (If available, any appraisal information)

Estimated Current Value: \$179,576 (\$.25 p/s/f) to \$251,407 (\$.35 p/s/f) based on Broker's Opinion of value dated November 20, 2013 by The Bradco Companies (Exhibit "A").

Proposed Sale Value: To be determined based on Successor Agency's appraisal.

Proposed Sale Date: Within 180 days of LRPMP approval.

Past Appraisal History May 11, 2006 Appraisal by Integra Realty Resources - \$1,520, 000 for APNs 3090-401-05,06 & 411-04,05; APN 3090-411-01 was \$2.50 p/s/f.
 Appraisal updated June 25, 2007 for APNs 3090-401-05,06 & 411-04,05 with same value as May 11, 2006 report.

ESTIMATE OF ANY LEASE, RENTAL, OR ANY OTHER REVENUES (Plus any contractual requirements for the disposition of those funds)

Estimate of Lease/Rental/ Other: \$0

Contractual Requirements for Use of Income/Revenue: N/A

HISTORY OF ENVIRONMENTAL CONTAMINATION

APN	Brownfield Status	Studies Conducted	Remediation Efforts
3090-401-05	Staff researched the Environmental Protection Agency (both Superfund and Brownfield website records) as well as the Geotracker tool used by the California Water Board. No records were found on the subject property.	Phase I on 12/15/05	No evidence of dumping or significant waste disposal on site was found. No evidence of underground storage tanks, etc.
3090-401-06			
3090-411-04			
3090-411-05			
3090-411-01		Phase I on 5/10/06	Moderate to significant soil staining found adjacent northern parcel — not on RDA parcel

BRIEF HISTORY OF PREVIOUS DEVELOPMENT PROPOSALS AND ACTIVITY (Including the rental or lease of property)

On May 16, 2006 the RDA entered into an Memorandum of Understanding (MOU) with Space Center Mira Loma, Inc., for the purpose of facilitating a land assembly within the Foxborough Industrial Park located in the Bear Valley Redevelopment Project Area for the ultimate build-out of additional industrial space (Exhibit "B"). To effectuate the MOU, the RDA participated in two real estate transactions:

1) On July 7, 2006, the RDA entered into a land swap agreement with WBW Inc. (Exhibit "C"). In this transaction, the RDA transferred APN 3090-381-02 to WBW, Inc. and was granted APN 3090-411-01 which was key to the Space Center land assembly. The land swap was completed on January 16, 2007 (Exhibit "D"). In Section 3.11(d) of the land swap agreement, the RDA agreed to certain concessions regarding offsite improvements and site preparation. Such items have yet to be completed by the RDA as they will be required when the Space Center project moves forward.

2) On November 7, 2006, the RDA entered into a purchase and sale agreement with the Victor Valley Transit Authority (VVTA) for the purchase of approximately 13.95 acres (APN 3090-401-05,06; 3090-411-04 and 05) for \$1,520,000 (Exhibit "E"). The purchase was completed on January 3, 2007 (Exhibit "F").

With the RDA transactions complete, the RDA and Space Center Mira Loma, Inc., began drafting a Disposition and Development Agreement (DDA) in 2007 and throughout 2008 to move forward with the sale of the properties to Space Center. Space Center worked with City staff to have a portion of unincorporated San Bernardino County north of the site annexed to the City of Victorville. The developer also received site plan approval in November 2007 for a 1 million square foot distribution center (Exhibit "G"). However, given the poor state of the economy, the DDA discussions and timelines were challenging to complete given the unknown time frame in which the economy would rebound, which was necessary to substantiate the construction of such industrial space. Such discussions and drafts of the DDA included the purchase terms for the properties, a provision wherein Space Center would assume the obligations of the RDA under the WBW Inc. land swap agreement, and provided for a reimbursement to the development for the construction of public improvements, including street, drainage, rail, and utilities. Due to the national recession, the finalization of the DDA had not occurred prior to the passage of the RDA dissolution law on June 29, 2012.

POTENTIAL FOR TRANSIT-ORIENTED DEVELOPMENT

As this property is located in a primarily industrial area, the potential for transit-oriented development is low.

ADVANCEMENT OF PLANNING OBJECTIVES OF THE SUCCESSOR AGENCY

The Successor Agency proposed to negotiate a sale of the properties to Space Center Mira Loma, Inc., for the completion of their project. Such a sale advances several planning objectives of the Successor Agency as demonstrated in the most current Five-year Implementation Plan for the Bear Valley Road Redevelopment Project Area. Specifically, the goals to "Assemble and Reparcel Property" "Expand Resources for Land Development" "Encourage Private Sector Investment" and "Expand Economic Base and Employment Opportunities" will be met (Exhibit "H").

USE OR DISPOSITION OF PROPERTY

Property Option Selected: The sale of the property

The Successor Agency proposes to sell the property. The recommendation from Successor Agency staff is to offer the Right of First Refusal for a purchase agreement to Space Center Mira Loma, Inc. The written record clearly demonstrates the intent of the former RDA to sell the property to the developer in support of its 1 million square foot warehouse/manufacturing facility. The developer has invested significant time and money in the preliminary planning of the project, so the Right of First Refusal would demonstrate good faith efforts to complete the former RDA's plans. The sales price would be established based on the fair market value from an appraisal to be coordinated and conducted on behalf of the Successor Agency. A proposed deal point for the sale would be to have Space Center Mira Loma, Inc. agree to assume the obligations of the former RDA outlined in the WBW Land Swap Agreement. Because these improvements are outstanding obligations of the former RDA, the assumption by Space Center would be aligned with the RDA dissolution process. The specific sales terms and documents will be taken to the Oversight Board for final approval.

If Space Center Mira Loma, Inc. does not wish to purchase the property at such appraised value, the property would then be listed on the open market for sale. The proceeds (net of any expenses associated with the sale) from the sale of the property will be used to fulfill enforceable obligations.