1. Designated Local Authority (DLA) Meeting Agenda

   Documents: 02-17-2015 DESIGNATED LOCAL AUTHORITY (DLA) MEETING AGENDA.PDF

2. Designated Local Authority (DLA) Meeting Agenda With Reports

   Documents: 02-17-2015 DESIGNATED LOCAL AUTHORITY (DLA) MEETING AGENDA WITH REPORTS.PDF

DESIGNATED LOCAL AUTHORITY

RIVERBANK CITY HALL SOUTH
CONFERENCE ROOM
6617 THIRD STREET
RIVERBANK CA 95367-2305

SPECIAL MEETING AGENDA

TUESDAY, FEBRUARY 17, 2015 – 9:00AM

CALL TO ORDER: CHAIR WENDELL NARAGHI

ROLL CALL: **Chair Wendell Naraghi**
Vice Chair Walter Schmidt
Treasurer Paul Baxter

CONFLICT OF INTEREST

Declaration by Board Members who would have a direct Conflict of Interest on any scheduled item to be considered should be stated at this time.

1. PUBLIC BUSINESS FROM THE FLOOR (No action can be taken)

At this time, members of the public may comment on any item not appearing on the agenda, and within the subject matter jurisdiction of the Board.

2. ACTION ITEMS (Items will be individually discussed prior to Board action)

Item 2.1: **Motion** to Approve the August 12, 2014 Designated Local Authority Meeting Minutes

Recommendation: Approval by Roll Call Vote.

Item 2.2: **Resolution RVDLA 2015-001** Approving Updates to the Designated Local Authority Bylaws

Recommendation: Approval by Roll Call Vote.

Item 2.3: **Selection** of Chair and Vice Chair

Recommendation: Approval by Roll Call Vote.

Item 2.4: **Appointment** of Secretary to the Designated Local Authority

Recommendation: Approval by Roll Call Vote.

Item 2.5: **Approval** of the Recognized Payment Obligation Schedule (ROPS 15-16A)

Recommendation: Approval by Roll Call Vote for Submittal to the Oversight Board.

3. INFORMATIONAL ITEMS (No action to be taken)

Item 3.1: Changes to the Redevelopment Dissolution Law

Recommendation: Informational Item Only.

Item 3.2: California Fair Political Practices Commission Form 700 Submittal

Recommendation: Informational Item Only.

Item 3.3: Financial Status Update

Recommendation: Informational Item Only.

4. CLOSED SESSION

Item 4.1: Conference with Real Property Negotiators
Government Code Section 54956.8
Property: APN #132-009-001; 132-009-001; 132-009-023
Under Negotiation: Price, terms of payment, or both

5. REPORT FROM CLOSED SESSION

Item 5.1: Report from closed session item 4.1 Conference with Real Property Negotiators

Item 5.2 **Resolution RVDLA 2015-002** Approving a Purchase and Sale Agreement for the Sale of Real Property

Recommendation: Approval by Roll Call Vote for Submittal to the Oversight Board.

6. COMMENTS (Informational Only – No action to be taken)

Item 6.1: Consultant Comments
Item 6.2: Board Comments

ADJOURNMENT

AFFIDAVIT OF POSTING			
DATE:	February 12, 2015	**TIME:**	11:45 AM
NAME:	Marisela H. Garcia	**TITLE:**	Director of Finance

Notice Regarding Americans with Disabilities Act:

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (209) 863-7122. Notification 48-hours before the meeting will enable the Board to make reasonable arrangements to ensure accessibility to this meeting [28 CFR 35.102.35.104 ADA Title II].

Notice Regarding Non-English Speakers:

Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, and in accordance with California Code of Civil Procedures Section 185, which requires proceedings before any State Court to be in English, notice is hereby given that all proceedings before the Designated Local Authority shall be in English and anyone wishing to address the Board is required to have a translator present who will take an oath to make an accurate translation from any language not English into the English language.

Any documents, not privileged or of a closed session, produced by DLA consultants and distributed to a majority of the DLA Board regarding any item on this agenda will be made available at South City Hall, 6617 Third Street, Riverbank, CA.

DESIGNATED LOCAL AUTHORITY

RIVERBANK CITY HALL SOUTH
CONFERENCE ROOM
6617 THIRD STREET
RIVERBANK CA 95367-2305

SPECIAL MEETING AGENDA

TUESDAY, FEBRUARY 17, 2015 – 9:00AM

CALL TO ORDER: CHAIR WENDELL NARAGHI

ROLL CALL: Chair Wendell Naraghi
Vice Chair Walter Schmidt
Treasurer Paul Baxter

CONFLICT OF INTEREST

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Recommendation: Approval by Roll Call Vote.

Item 2.3: **Selection** of Chair and Vice Chair

Recommendation: Approval by Roll Call Vote.

Item 2.4: **Appointment** of Secretary to the Designated Local Authority

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Recommendation: Approval by Roll Call Vote for Submittal to the Oversight Board.

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Recommendation: Informational Item Only.

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Item 5.2 **Resolution RVDLA 2015-002** Approving a Purchase and Sale Agreement for the Sale of Real Property

Recommendation: Approval by Roll Call Vote for Submittal to the Oversight Board.

6. COMMENTS (Informational Only – No action to be taken)

Item 6.1: Consultant Comments
Item 6.2: Board Comments

ADJOURNMENT

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DATE:	February 12, 2015	**TIME:**	11:45 AM
NAME:	Marisela H. Garcia	**TITLE:**	Director of Finance

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RIVERBANK DESIGNATED LOCAL AUTHORITY
SUCCESSOR AGENCY TO THE RIVERBANK REDEVELOPMENT LOCAL AUTHORITY

MEETING MINUTES
TUESDAY, AUGUST 12, 2014

CALL TO ORDER:

The Riverbank Designated Local Authority (RDLA) met this date at 10:18 a.m., in the Riverbank City Hall South Conference Room, 6700 third Street, Riverbank, California, and was called to order by Vice Chair Walter Schmidt.

ROLL CALL:

Present:	**Vice Chair Walter Schmidt** **Treasurer Paul Baxter**
Absent:	**Chair Wendell Naraghi**
Also in Attendance:	**Chris Jicha, Kosmont Companies** **Marisela H. Garcia, Riverbank Finance Director** **Jill Anderson, Riverbank City Manager** **Luanne Bain, Riverbank Administrative Assistant**

CONFLICT OF INTEREST

Declaration by Board Members who would have a direct Conflict of Interest on any scheduled item to be considered should be stated at this time.

No conflict was declared.

1. PUBLIC BUSINESS FROM THE FLOOR (No action can be taken.)

There was no public business from the floor.

2. ACTION ITEMS
(Items will be individually discussed prior to Board action.)

Item 2.1: Approval of February 11, 2014 Meeting Minutes.

Motion by Treasurer Baxter, second by Vice Chair Schmidt, to approve the Minutes of the February 11, 2014, RDLA Agenda; passed 2-0.

Item 2.2: Approval of the June 17, 2014 Special Meeting Minutes.

Motion by Treasurer Baxter, second by Vice Chair Schmidt, to approve the Minutes of the June 17, 2014, RDLA Agenda; passed 2-0.

Item 2.3: Approval of the Recognized Payment Obligation Schedule (ROPS 14-15B).

Due to State in October 2014; Marisela Garcia to meet with Oversight members of school boards. Chris Jicha will be contacting the State regarding costs associated with consulting for last few years – agent with city in hopes to recoup costs. Chris Jicha is asking Council for document state they (Kosmont) have done their fiduciary best to do their job. Chris Jicha received several calls from bondholders who are not receiving payments.

Motion by Treasurer Baxter, second by Vice Chair Schmidt, to approve the Recognized Obligation Schedule (ROPS 14-15B); passed 2-0.

Item 2.4: Update on Property Disposition

Department of Finance might not approve the $100,000.00 price. Future item for Closed Session. Chris has parameters so no motion necessary.

Item 2.5: Update from U.S. Bank Debt Service Default.

Marisela Garcia gave a report to the Board.

Item 2.6: Financial Status of the Designated Local Authority.

Marisela Garcia gave a report to the Board.

3. COMMENTS (Informational Only – No action to be taken)

Item 3.1: Consultant Comments. ***No comments.***

Item 3.2: Board Comments. ***No comments.***

(Jill Anderson commented that Friends of Jacob Myers Park used the parking lot during 2014 Cheese and Wine Festival for a fundraiser.)

ADJOURNMENT

There being no further business, Vice Chair Schmidt adjourned the meeting at 11:07 a.m.

Respectively Submitted,

____
Luanne Bain, Administrative Assistant
City of Riverbank

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RESOLUTION NO. RVDLA 2015-001

A RESOLUTION OF THE RIVERBANK DESIGNATED LOCAL AUTHORITY, AS SUCCESSOR AGENCY TO THE RIVERBANK REDEVELOPMENT AGENCY, APPROVING AMENDED AND RESTATED BYLAWS NUNC PRO TUNC AS OF FEBRUARY 17, 2015

WHEREAS, the Riverbank Designated Local Authority, as Successor Agency to the Riverbank Redevelopment Agency ("DLA") has been established to take actions to wind down the affairs of the former Redevelopment Agency of the City of Riverbank in accordance with the California Health and Safety Code; and

WHEREAS, the DLA desires to amend and restate its bylaws and regulations nunc pro tunc as of February 17, 2015 for the general operation of the DLA.

NOW, THEREFORE, THE DLA, AS SUCCESSOR AGENCY OF THE RIVERBANK REDEVELOPMENT AGENCY, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The Amended and Restated Bylaws of the DLA, a copy of which is attached hereto and incorporated herein as Exhibit "A", are hereby approved.

SECTION 2. This Resolution shall take effect nunc pro tunc as of February 17, 2015.

PASSED, APPROVED AND ADOPTED at a special meeting of the Riverbank Designated Local Authority, as Successor Agency of the Riverbank Redevelopment Agency, held this 17th day of February, 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____

Chairperson, Riverbank Designated Local Authority, as Successor Agency of the Riverbank Redevelopment Agency

ATTEST:

____

DLA Secretary

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BYLAWS OF THE RIVERBANK DESIGNATED LOCAL AUTHORITY

Section 1.0 Name of the Designated Local Authority

The name of the Designated Local Authority shall be the "Riverbank Designated Local Authority" abbreviated as the Riverbank DLA.

Section 1.1 Governing Board

The Governing Board (the "Board") of the Riverbank DLA shall consist of three members (the "Members"), each of whom shall be residents of the County of Stanislaus and appointed by the Governor of the State of California.

Section 1.2 Mission

The mission of the Board shall be to implement the provisions of AB1X26 and AB 1484 now codified in Health and Safety Code Section 33500 *et seq*. ("Redevelopment Dissolution Law") as may be amended.

Section 1.3 Business Office

The principal business office of the Riverbank DLA shall be: The Riverbank DLA c/o Kosmont Companies, 865 South Figueroa Street, 35th Floor, Los Angeles, CA 90017, unless and until changed by a majority of the Board.

Section 1.4 Board Officers

At a minimum Board Officers shall consist of the Chairperson and the Vice Chairperson. Officers shall be elected from among the Members of the Riverbank DLA.

The Board shall also appoint a Secretary, who may be either a Board member or contractor of the Riverbank DLA. The Board may appoint such other officers (permanent, acting, or temporary) as may be appropriate.

Section 1.5 Terms of Officers

The term of Office shall be the later of two years from the date of election, or until successors are elected and assume office. Should any of the offices of the Chairperson, Vice Chairperson become vacant, the Board shall elect a successor for the unexpired term at the next available meeting. Board members shall hold such offices until successors are elected and assume office, except in the event a Board abandons office.

The Secretary shall serve until replaced by a majority of the Board. Should the Secretary position become vacant, the Board shall elect a successor at the next available meeting.

Section 1.6 Duties of Officers

The Chairperson shall preside at the Board meetings and perform such other duties as are appropriate.

The Vice Chairperson, in the absence of the Chairperson, shall perform the duties of the Chairperson. Should the office of the Chairperson become vacant, the Vice Chairperson shall perform the duties of the Chairperson until the Board Members elect a new Chairperson.

The Secretary shall keep and maintain records of the Board and minutes of the Board meetings. The Secretary shall give written notice of Board meetings whenever such notices are required by these bylaws or by State law. The Secretary shall also perform all other duties incident to the office of Secretary.

Section 1.7 Compensation of Officers

Members shall not be compensated for their service as members of the Board, however members may be reimbursed their travel expenses and out-of-pocket expenses incurred in the discharge of their duties in accordance with these bylaws. Reimbursement shall be consistent with the amounts contained in the most recent California Department of Finance Travel Policy. Furthermore, reimbursement shall only occur if the Riverbank DLA has available funds, and payment is authorized by the Oversight Board and the State Department of Finance as part of the Recognized Obligation Payment Schedule.

Section 1.8 Appointment of Agents

The Board may from time-to-time establish such positions and select and appoint such contractors and agents, permanent and temporary, as may be required. The Board shall also determine agent and contractor qualifications, duties and compensation.

Section 1.9 Compensation of Employees and Agents

The Board shall fix and determine the compensation of all Board employees, counsels and agents, in accordance with Health and Safety Code section 34177.

Section 1.10 Authority to bind the Riverbank DLA

No Member, officer, agent or employee of the Board, without specific or general authority by a vote of the Members, shall have any power or authority to bind the Board by any contract, to pledge its credits, or to render it liable for any purpose in any amount.

Section 1.11 Contracts, Deeds and Other Documents

The Board Chair shall execute on behalf of the Board all contracts, deeds and other documents and instruments as authorized by the Governing Board and as authorized by Redevelopment Dissolution Law. Nothing contained herein shall prohibit the Chair from authorizing any other officer or employee of the Board to so execute such documents and instruments.

Section 1.12 Payment of Money, Notes or Other Indebtedness

All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of or payable to the Board shall be signed or endorsed by such person or persons and in such manner as from time-to-time shall be determined by the Board.

Section 1.13 Regular Meetings

The Board shall hold regular meeting the second Tuesday of each month at 10:00 AM at Riverbank City Hall, 6617 Third Street, Riverbank, California 95367. The Board may also adjourn a Regular meeting to a stated time and place other than a regular meeting date.

Section 1.14 Special Meetings

A special meeting may be called at any time by the Chairperson. Such notice must be delivered by mail at least 24 hours before the time of such meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted. No other business shall be considered at such meetings by the Board.

Section 1.15 Closed Sessions

Noting contained in these bylaws shall prevent the Board from holding closed sessions during a regular or special meeting concerning any matter permitted by law to be legally considered in a closed session.

Section 1.16 Public Hearings

All public hearings held by the Board shall be held during regular, adjourned or special meetings of the Board.

Section 1.17 Adjourning and Continuing Meetings and Public Hearings to Other times or Places

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The Board may continue or adjourn any meeting to a time and place specified in the order of adjournment. When a regular continued, or adjourned regular meeting is continued or adjourned as provided in this section, the resulting continued or adjourned regular meeting is a regular meeting for all purposes.

Section 1.18 Meetings to be Open and Public

All meetings of the Board to take action or to deliberate matters concerning the Board's business shall be open and public. All persons shall be permitted to attend any such meetings except as otherwise provided or permitted by law and section 1.15 of these Bylaws. All meetings shall be publically noticed and conducted in compliance with the Ralph M. Brown Act (Gov't. Code §§ 5490 *et seq*.) ("the Brown Act").

Section 1.19 Quorum

Two Members of the Board shall constitute a quorum for the purpose of conducting its business, exercising its powers and for all other legal purposes. At a meeting at which there is a quorum present, a unanimous vote of the Members present is all that is required to pass a motion before the Board.

Section 1.20 Public Comment Period

All regular, adjourned and special meetings shall provide for an opportunity for the public to address the Board. The Chair shall establish rules regarding public participation.

Section 1.21 Order of Business

California State Law, these Bylaws, any rules established by the Board regarding public participation and Robert's Rules of Order, in that order of precedence, will be the authority for all questions on procedure at any meetings of the Board.

Section 1.22 Amendment of the Bylaws

The Bylaws may be amended by majority vote of the Members. The proposed amendment shall be submitted in writing to all Members at least three (3) days prior to the meeting where the vote is scheduled.

Adopted: Signed:

____________________ ____________________

Date Chairperson

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

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

Name of Successor Agency: **Riverbank**
Name of County: Stanislaus

	Current Period Requested Funding for Outstanding Debt or Obligation	Six-Month Total
A	**Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):**	**$ -**
B	Bond Proceeds Funding (ROPS Detail)	-
C	Reserve Balance Funding (ROPS Detail)	-
D	Other Funding (ROPS Detail)	-
E	**Enforceable Obligations Funded with RPTTF Funding (F+G):**	**$ 2,438,319**
F	Non-Administrative Costs (ROPS Detail)	2,438,319
G	Administrative Costs (ROPS Detail)	-
H	**Current Period Enforceable Obligations (A+E):**	**$ 2,438,319**

	Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
I	Enforceable Obligations funded with RPTTF (E):	2,438,319
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	-
K	**Adjusted Current Period RPTTF Requested Funding (I-J)**	**$ 2,438,319**

	County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
L	Enforceable Obligations funded with RPTTF (E):	2,438,319
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N	**Adjusted Current Period RPTTF Requested Funding (L-M)**	**2,438,319**

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

Name Title

/s/

Signature Date

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

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
										Funding Source					
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total
								$ 26,325,813		$ -	$ -	$ -	$ 2,438,319	$ -	$ 2,438,319
1	2007 Tax Allocation Bond Series A	Bonds Issued On or	2/1/2007	8/1/2037	US Bank	Tax Allocation Bond for Non-housing	Riverbank	19,633,181	N				545,775		$ 545,775
2	2007 Tax Allocation Bond Series B	Bonds Issued On or Before 12/31/10	2/1/2007	8/1/2037	US Bank	Tax Allocation Bond for Housing projects	Riverbank Reinvestment	4,937,131	N				137,453		$ 137,453
3	2007 Tax Allocation Bond Series A - Replenish Debt Service Reserve Account	Bonds Issued On or Before 12/31/10	2/1/2007	8/1/2037	US Bank	Payment of funds to meet bond debt service requirements	Riverbank Reinvestment	834,686	N				834,686		$ 834,686
4	2007 Tax Allocation Bond Series B - Replenish Debt Service Reserve Account	Bonds Issued On or Before 12/31/10	2/1/2007	8/1/2037	US Bank	Payment of funds to meet bond debt service requirements	Riverbank Reinvestment	166,794	N				166,794		$ 166,794
5	Bond Trustee Administrative Costs	Fees	2/1/2007	8/1/2037	US Bank	Bond administrative fee	Riverbank Reinvestment	-	N				-		$ -
10	Stanislaus Consolidated Fire Protection District	Miscellaneous	2/1/2012	4/10/2014	Stanislaus County Tax Collector	Stanislaus Consolidated Fire Protection District Assessment Fees for Properties owned by the Designated Local Authority	Riverbank Reinvestment	820	N				410		$ 410
53	ROPS 13-14A - Unfunded Obligation -2007A Bonds principal due 8/1/13	RPTTF Shortfall	2/1/2007	8/1/2037	US Bank	RPTTF distributed was insufficient to pay all enforceable obligations approved by the DOF on the ROPS	Riverbank Reinvestment	255,000	N				255,000		$ 255,000
54	ROPS 13-14A - Unfunded Obligation -2007B Bonds principal due 8/1/13	RPTTF Shortfall	2/1/2007	8/1/2037	US Bank	RPTTF distributed was insufficient to pay all enforceable obligations approved by the DOF on the ROPS	Riverbank Reinvestment	65,000	N				65,000		$ 65,000
55	ROPS 14-15A - Unfunded Obligation - 2007A bonds principal due 8/1/14 net of special tax fund	RPTTF Shortfall	2/1/2007	8/1/2037	US Bank	RPTTF distributed was insufficient to pay all enforceable obligations approved by the DOF on the ROPS	Riverbank Reinvestment	265,000	N				265,000		$ 265,000
56	ROPS 14-15A - Unfunded Obligation - 2007B bonds principal due 8/1/14 net of special tax fund	RPTTF Shortfall	2/1/2007	8/1/2037	US Bank	RPTTF distributed was insufficient to pay all enforceable obligations approved by the DOF on the ROPS	Riverbank Reinvestment	70,000	N				70,000		$ 70,000
57	SERAF/ERAF	SERAF/ERAF	2/1/2010	2/1/1937	Housing Successor/Housing Fund	Funds borrowed from housing fund to make SERAF/ERAF payments	Riverbank Reinvestment	98,201	N				98,201		$ 98,201
58									N						$ -
59									N						$ -
60									N						$ -
61									N						$ -
62									N						$ -
63									N						$ -
64									N						$ -
65									N						$ -
66									N						$ -
67									N						$ -
68									N						$ -
69									N						$ -
70									N						$ -
71									N						$ -
72									N						$ -
73									N						$ -

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

(Report Amounts in Whole Dollars)

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

A	B	C	D	E	F	G	H	I
		Fund Sources						
		Bond Proceeds		**Reserve Balance**		**Other**	**RPTTF**	
	Cash Balance Information by ROPS Period	Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, Grants, Interest, Etc.	Non-Admin and Admin	**Comments**
ROPS 14-15A Actuals (07/01/14 - 12/31/14)								
1	**Beginning Available Cash Balance (Actual 07/01/14)**			3,543			-	
2	**Revenue/Income (Actual 12/31/14)** RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014			-			267,613	
3	**Expenditures for ROPS 14-15A Enforceable Obligations (Actual 12/31/14)** RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q			-			267,613	
4	**Retention of Available Cash Balance (Actual 12/31/14)** RPTTF amount retained should only include the amounts distributed as reserve for future period(s)			-			-	
5	**ROPS 14-15A RPTTF Prior Period Adjustment** RPTTF amount should tie to the self-reported ROPS 14-15A PPA in the Report of PPA, Column S	No entry required					-	
6	**Ending Actual Available Cash Balance** **C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)**	**$ -**	**$ -**	**$ 3,543**	**$ -**	**$ -**	**$ -**	
ROPS 14-15B Estimate (01/01/15 - 06/30/15)								
7	**Beginning Available Cash Balance (Actual 01/01/15)** **(C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)**	**$ -**	**$ -**	**$ 3,543**	**$ -**	**$ -**	**$ -**	
8	**Revenue/Income (Estimate 06/30/15)** RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015			-			476,790	
9	**Expenditures for ROPS 14-15B Enforceable Obligations (Estimate 06/30/15)**			814			476,790	
10	**Retention of Available Cash Balance (Estimate 06/30/15)** RPTTF amount retained should only include the amounts distributed as reserve for future period(s)			2,729			-	
11	**Ending Estimated Available Cash Balance (7 + 8 - 9 -10)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	

AGENDA ITEM 2.5

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Recognized Obligation Payment Schedule(ROPS 15-16A) - Report of Prior Period Adjustments

Reported for the ROPS 14-15A (July 1, 2014 through December 31, 2014) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)

(Report Amounts in Whole Dollars)

ROPS 14-15A Successor Agency (SA) Self-reported Prior Period Adjustments (PPA): Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS 14-15A (July through December 2014) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 15-16A (July through December 2015) period will be offset by the SA's self-reported ROPS 14-15A prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller.

ROPS 14-15A CAC PPA: To be completed by the CAC upon submittal of the ROPS 15-16A by the SA to Finance and the CAC. Note that CACs will need to enter their own formulas at the line item level pursuant to the manner in which they calculate the PPA. Also note that the Admin amounts do not need to be listed at the line item level and may be entered as a lump sum.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB
		Non-RPTTF Expenditures						RPTTF Expenditures												RPTTF Expenditures							
		Bond Proceeds		Reserve Balance		Other Funds		Non-Admin					Admin					Net SA Non-Admin and Admin PPA (Amount Used to Offset ROPS 15-16A Requested RPTTF)		Non-Admin CAC			Admin CAC			Net CAC Non-Admin and Admin PPA (Amount Used to Offset ROPS 15-16A Requested RPTTF)	
Item #	Project Name / Debt Obligation	Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Available RPTTF (ROPS 14-15A distributed + all other available as of 07/1/14)	Net Lesser of Authorized / Available	Actual	Difference (If K is less than L, the difference is zero)	Authorized	Available RPTTF (ROPS 14-15A distributed + all other available as of 07/1/14)	Net Lesser of Authorized / Available	Actual	Difference (If total actual exceeds total authorized, the total difference is zero)	Net Difference (M+R)	SA Comments	Net Lesser of Authorized / Available	Actual	Difference	Net Lesser of Authorized / Available	Actual	Difference	Net Difference	
		$ -	$ -	$ 3,543	$ -	$ -	$ -	$ 1,971,265	$ 271,157	$ 270,750	$ 271,157	$ -	$ -	$ -	$ -	$ -	$ -	$ -				$ -			$ -	$ -	
1	2007 Tax Allocation	-		3,543		-		792,698	216,820	$ 216,820	216,820	$ -						$ -									
2	2007 Tax Allocation	-		-		-		203,897	53,523	$ 53,523	53,523	$ -						$ -									
3	2007 Tax Allocation Bond Series A - Replenish Debt Service Reserve Account	-		-		-		811,056	-	$ -		$ -						$ -									
4	2007 Tax Allocation Bond Series B - Replenish Debt Service Reserve Account	-		-		-		159,007	-	$ -		$ -						$ -									
5	Bond Trustee Administrative Costs	-		-		-		4,200	-	$ -		$ -						$ -									
10	Stanislaus Consolidated Fire Protection District	-		-		-		407	814	$ 407	814	$ -						$ -									
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Local Government

This part of the Budget includes information related to the dissolution of redevelopment agencies, state mandate reimbursements, and other issues affecting local government.

Redevelopment Agencies

The Administration is continuing the ongoing workload involved with winding down the state's former redevelopment agencies (RDAs). Chapter 5, Statutes of 2011 (ABx1 26), eliminated the state's approximately 400 RDAs, replacing them with locally organized successor agencies tasked with retiring the outstanding debts and other legal obligations of the RDAs. The elimination of RDAs has allowed local governments to protect core public services by returning property tax money to cities, counties, special districts, and K-14 schools.

From 2011-12 to 2013-14, approximately $990 million in property tax revenue has been returned to cities, $1.3 billion to counties, and $430 million to special districts. The Budget anticipates that in 2014-15 and 2015-16 combined, cities will receive an additional $580 million, counties $660 million, and special districts $200 million. The Budget anticipates ongoing property tax revenues of more than $900 million annually will be distributed to cities, counties, and special districts. This is a significant amount of unrestricted funding that can be used by local governments to fund police, fire, and other critical public services.

From 2011-12 through 2013-14, approximately $3.5 billion was returned to K-14 schools. The Budget anticipates Proposition 98 General Fund savings resulting from the dissolution of RDAs will be $875 million in 2014-15. For 2015-16, Proposition 98 General Fund savings are expected to be $1 billion. On an ongoing basis, Proposition 98 General Fund savings are estimated to be over $1 billion annually. When Test 1 of the Proposition 98 calculation is operative, funds above the estimated $1 billion will increase available resources for K-14 schools.

Simplifying the Dissolution Process

While administering the orderly dissolution of almost 400 RDAs has been complex and time-consuming, it has achieved the fiscal and programmatic goals originally envisioned and, as noted above, has provided substantial funding for local governments to use on core public services.

Ongoing workload related to the winding down of redevelopment agencies involves the generation, submittal, and review of Recognized Obligation Payment Schedules (ROPS). Every six months, while operating under the supervision of a locally appointed oversight board, successor agencies submit to Finance their ROPS, which delineates their proposed payments for the upcoming payment cycle. Finance reviews each ROPS to determine whether the identified payments are required by enforceable obligations, as defined by law. Once Finance has completed its review, the county auditors-controllers provide successor agencies with property tax allocations to pay the approved enforceable obligations. This process continues into the future until all the approved enforceable obligations have been paid.

Through this biannual process, Finance has successfully reviewed the majority of all enforceable obligations listed for payment by successor agencies for compliance with the law. About 85 percent of all active successor agencies have complied with statutory audit findings and received a Finding of Completion, which is a milestone indicating compliance progress. As a result, oversight of the dissolution process has progressed to the point where legislative changes can be considered in order to add finality to the entire dissolution process and reduce the burden on all parties involved.

The Administration will introduce legislation through the budget process to gradually transition the state away from the current detailed role in the RDA dissolution process. The legislation will meet the following objectives:

- Minimize the potential erosion of property tax residuals being returned to the local affected taxing entities (both in the short and long term) while transitioning the state from detailed review of enforceable obligations to a streamlined process;
- Clarify and refine various provisions in statute to eliminate ambiguity, where appropriate, and make the statutes operate more successfully for all parties without rewarding previous questionable behavior; and
- Maintain the expeditious wind-down of former RDA activities while adding new incentives for substantial compliance with the law.

Specifically, the Administration's proposed legislation will include the following process changes:

- Transition all successor agencies from a biannual ROPS process to an annual ROPS process beginning July 1, 2016, when the successor agencies transition to a countywide oversight board. This restructured process will be more efficient and will reduce the workload on all parties.
- Establish a "Last and Final" ROPS process beginning September 2015. The Last and Final ROPS will be available only to successor agencies that have a Finding of Completion, are in agreement with Finance on what items qualify for payment, and meet other specified conditions. If approved by Finance, the Last and Final ROPS will be binding on all parties and the successor agency will no longer submit a ROPS to Finance or the oversight board. The county auditor-controller will remit the authorized funds to the successor agency in accordance with the approved Last and Final ROPS until each remaining enforceable obligation has been fully paid.

The proposed legislation will also clarify that:

- Former tax increment caps and RDA plan expirations do not apply for the purposes of paying approved enforceable obligations. One of the core principles of the dissolution process is that approved enforceable obligations will be paid. This clarification will confirm that funding will continue to flow until all approved enforceable obligations have been paid.

- Reentered agreements that are not for the purpose of providing administrative support activities are not authorized or enforceable.
- Litigation expenses associated with challenging dissolution determinations are not separate enforceable obligations, but rather are part of the administrative costs of the successor agency.
- Contractual and statutory passthrough payments end upon termination of all of a successor agency's enforceable obligations.
- Finance is exempt, as provided in existing law, from the regulatory process.
- County auditor-controllers' offices shall serve as staff for countywide oversight boards.

In recent years, the Legislature has put forth various proposals to change the dissolution process. Any such proposals would need to fit within the principles stated above. The Administration is committed to working with stakeholders to achieve common ground where possible.

~~State Mandate Reimbursements~~

~~The Commission on State Mandates is a quasi-judicial body that determines whether local agencies and school districts are entitled to reimbursement by the state for costs related to new or higher levels of service mandated by the state. With few exceptions, state reimbursable mandate claims are a General Fund expense. The Constitution requires the Legislature to either fund or suspend specified mandates in the annual Budget Act. The Budget continues the suspension of most mandates not related to law enforcement or property taxes.~~

~~Significant Adjustments:~~

- ~~Status of Trigger Mechanism—The 2014 Budget Act made a $100 million repayment on pre-2004 mandate debt owed to counties, cities, and special districts. For the remaining $800 million pre-2004 mandate debt, the 2014 Budget Act includes a trigger mechanism that will be used if, at the 2015 May Revision, estimated General Fund revenues for the 2013-14 and 2014-15 fiscal years exceed the 2014 May Revision estimate for those same revenues. After satisfying the Proposition 98 guarantee, additional revenues, up to $800 million, will pay down the remainder of the state's pre-2004 mandate debt. Current estimates indicate~~

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DESIGNATED LOCAL AUTHORITY
FINANCIAL STATUS
AS OF FEBRUARY 1, 2015

	DLA Administration	Debt Service Series A	Debt Service Series B	Total
Cash On Hand	-	-	-	-
Debt Service Reserve*	-	7,950.01	47,130.84	55,080.85
RPTTF Forwarded for Debt Service	-	384,161.50	95,357.99	479,519.49
Current Total	-	392,111.51	142,488.83	534,600.34
Revenues Received	-	-	-	-
Est. Cash Available for Enf. Obligations	-	392,111.51	142,488.83	534,600.34
Outstanding Enforceable Obligations 01/2015-06/2015	-	-	-	-
Delinquent Disbursement by US Bank (equals Aug. 2013 Int.)	-	281,468.13	70,228.75	351,696.88
Ending Reserve	**-**	**110,643.38**	**72,260.08**	**182,903.46**
Anticipated Revenue June 2015**	-	-	-	-
Delinquent Debt Service***	-	801,468.13	205,228.75	1,006,696.88
Enforceable Obligations 07/15-12/15	98,611.00	1,380,461.00	304,247.00	1,783,319.00
Surplus/(Deficit)	**(98,611.00)**	**(2,071,285.75)**	**(437,215.67)**	**(2,607,112.42)**

*Per US Bank as of August 1, 2014

**County Estimate (No Data Received)

***Delinquent Debt Service Includes:	Series A	Series B
August 2013 Principal	255,000.00	65,000.00
August 2014 Principal	265,000.00	70,000.00
February 2015 Interest	281,468.13	70,228.75
Total Currently Delinquent	**801,468.13**	**205,228.75**

RESOLUTION NO. RVDLA 2015-002

A RESOLUTION OF THE RIVERBANK DESIGNATED LOCAL AUTHORITY, AS SUCCESSOR AGENCY TO THE RIVERBANK REDEVELOPMENT AGENCY, APPROVING A PURCHASE AND SALE AGREEMENT FOR THE SALE OF REAL PROPERTY BY THE DESIGNATED LOCAL AUTHORITY IN ACCORDANCE WITH THE DESIGNATED LOCAL AUTHORITY'S APPROVED LONG RANGE PROPERTY MANAGEMENT PLAN

WHEREAS, the Riverbank Designated Local Authority, as Successor Agency to the Riverbank Redevelopment Agency ("DLA"), has been established to wind down of the affairs of the former Riverbank Redevelopment Agency ("Agency") in accordance with the California Health and Safety Code ("HSC") Section 34179; and

WHEREAS, the DLA completed the Due Diligence Reviews ("DDRs") required under HSC Section 34179.5 and submitted them for approval to the Oversight Board to the DLA ("Oversight Board") and the California Department of Finance ("DOF"); and

WHEREAS, the Oversight Board and the DOF reviewed and approved the DDRs; and

WHEREAS, as a result of the approval of the DDRs and resulting payments of excess funds to the county auditor-controller, DOF issued the DLA a "Finding of Completion" as described in HSC Section 34179.7; and

WHEREAS, as a result of its receipt of Finding of Completion, the DLA was required to (i) prepare a "Long Range Property Management Plan" ("LRPMP") meeting the requirements of HSC Section 34191.5(c), and (ii) submit the LRPMP to the Oversight Board and the DOF for approval within six months of the date of the Finding of Completion; and

WHEREAS, the DLA prepared its LRPMP in accordance with HSC Section 34191.5(c) and submitted it to the Oversight Board for approval; and

WHEREAS, on November 1, 2013, the Oversight Board approved the LRPMP and directed that it be submitted to the DOF for approval in accordance with HSC Section 34191.5(c); and

WHEREAS, on February 11, 2014, the Oversight Board approved the "Amended" LRPMP and directed that it be submitted to the DOF for approval in accordance with HSC Section 34191.5(c); and

WHEREAS, as required by HSC Section 34191.5(a), the DLA has established a "Community Redevelopment Property Trust Fund" ("CRPTF") to serve as a repository for the real property held by the DLA; and

WHEREAS, the LRPMP lists three (3) properties held by the DLA ("Disposition Parcels") that are to be sold to third parties, with the proceeds being used to pay enforceable obligations of the DLA; and

WHEREAS, the DLA received notice of DOF's approval of the LRPMP on June 9, 2014; and

WHEREAS, HSC Section 34181(a) requires the Oversight Board to direct the DLA to dispose of all the former redevelopment agency's non-housing assets and properties; and

WHEREAS, the DLA and Oversight Board previously approved execution of a contract with Lee & Associates ("Broker Listing Contract") to provide brokerage services for the sale of the Disposition Parcels; and

WHEREAS, the DLA desires to approve a Purchase and Sale Agreement to be entered into by the DLA for the sale of the Disposition Properties in accordance with the LRPMP and direct certain other actions related thereto.

NOW, THEREFORE, THE DESIGNATED LOCAL AUTHORITY, AS SUCCESSOR AGENCY OF THE RIVERBANK REDEVELOPMENT AGENCY, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. The DLA hereby approves and directs the entry by DLA staff into a Purchase and Sale Agreement for the sale of the Disposition Properties substantially in the form attached hereto. DLA staff is directed **to** utilize the proceeds of the sale of the Disposition Properties to make payments on the enforceable obligations listed on any ROPS approved by DOF, with excess proceeds (if any) to be distributed to other taxing entities in accordance with HSC Section 34179.5(c)(2)(B).

SECTION 4. The DLA is authorized to sell and transfer the Disposition Parcels as soon as reasonably practical after Oversight Board and DOF approval of the Purchase and Sale Agreement.

SECTION 5. The DLA and its staff are authorized and directed to do any and all things, and to execute any and all documents, including, without limitation, a Purchase and Sale Agreement substantially in the form attached hereto, which they may deem necessary or advisable to effectuate this Resolution. Any previously-taken acts or previously-executed documents in furtherance of the subject matter hereof are hereby ratified.

SECTION 6. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this resolution are severable. The DLA hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

SECTION 7. This Resolution shall take effect from and after the date of the Oversight Board and DOF's approval of the foregoing in accordance with HSC section 34179(h).

PASSED, APPROVED AND ADOPTED at a special meeting of the Designated Local Authority, as Successor Agency to the Riverbank Redevelopment Agency, held this 17th day of February, 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Chairperson, Riverbank Designated Local Authority, as Successor Agency to the Riverbank Redevelopment Agency

ATTEST:

____
Secretary

Attachment: Purchase and Sale Agreement

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

THIS PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (the "Agreement"), dated as of _____________ ___, 2015, is entered into by and between RIVERBANK DESIGNATED LOCAL AUTHORITY, AS SUCCESSOR AGENCY TO THE RIVERBANK REDEVELOPMENT AGENCY, a public entity organized and existing under California Health and Safety Code Section 34173(d) ("Seller"), and RETAIL CALIFORNIA, a California _____________ ("Buyer").

RECITALS

A. Seller is the owner of three parcels of real property and improvements, located in the City of Riverbank, County of Stanislaus, State of California, more particularly described in Exhibit A (collectively, the "Property") and commonly known as the Reed Garage, the Del Rio Theater and Parking Lot.

B. Buyer desires to purchase the Property from Seller and Seller desires to sell the Property to Buyer, on the terms and subject to the conditions contained in this Agreement.

In consideration of the mutual covenants, agreements and representations contained in this Agreement, Seller and Buyer agree as follows:

ARTICLE I
PURCHASE AND SALE

1.1 Purchase and Sale. Buyer agrees to purchase the Property from Seller and Seller agrees to sell the Property to Buyer, on and subject to the conditions, covenants and terms contained in this Agreement.

ARTICLE II
PURCHASE PRICE AND DEPOSITS

2.1 Escrow. Within ten (10) days after this Agreement is executed by both parties, Seller and Buyer shall open an escrow ("Escrow") with _______________Title Insurance Company, Attention:____________, Escrow Officer ("Escrow Agent"), by delivering an executed copy of this Agreement to Escrow Agent ("Opening of Escrow"). Within one (1) business day after the Opening of Escrow, Buyer shall deliver the Deposit (as defined in Section 2.2A) to Escrow Agent. The Escrow Agent shall deposit the Deposit into a federally insured interest bearing account as designated by Buyer. The closing of the Escrow ("Close of Escrow") shall be in accordance with Article IV of this Agreement. This Agreement shall constitute joint primary escrow instructions to the Escrow Agent; provided, however, that the parties shall execute such additional instructions as requested by the Escrow Holder not inconsistent with the provisions hereof. This Agreement and any such escrow instructions executed by the parties shall constitute the escrow instructions for this transaction. In the event of any inconsistency between such escrow instructions and this Agreement, this Agreement shall control the rights and obligations of the parties.

2.2 Purchase Price. The total purchase price ("Purchase Price") for the Property shall be Four Hundred Twenty Five Thousand Dollars ($425,000), which (shall be payable by Buyer to Seller in cash ("Purchase Funds") at Closing. Notwithstanding the foregoing, Buyer may elect to pay the Purchase Price in cash at any time prior to the Closing.

A. Deposit. Buyer shall deliver to Seller in accordance with Section 2.4 the amount of Twenty-Five Thousand Dollars ($25,000) (together with all interest earned in Escrow on such funds, the "Deposit").

B. Balance of Purchase Price. Upon the Close of Escrow, the amount of the Deposit shall be credited toward the Purchase Price. Buyer shall deposit with the Escrow Agent the Purchase Funds in accordance with Section 2.3, in sufficient time such that the Escrow Agent will be able to disburse the cash proceeds accruing to Seller on the Close of Escrow.

Liquidated Damages. IF THE TRANSACTION CONTEMPLATED UNDER THIS AGREEMENT IS NOT CONSUMMATED DUE TO A BREACH OR DEFAULT OF BUYER THAT IS NOT CURED IN ACCORDANCE WITH THIS AGREEMENT, THEN SELLER SHALL HAVE THE RIGHT TO RECEIVE AND RETAIN THE DEPOSIT AS LIQUIDATED DAMAGES AS SELLER'S SOLE AND EXCLUSIVE REMEDY, EXCEPT THIS SECTION SHALL NOT LIMIT SELLER'S CLAIMS FOR ATTORNEYS' FEES UNDER THIS AGREEMENT. THE RETENTION OF THE DEPOSIT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF THE CALIFORNIA CIVIL CODE, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO THE CALIFORNIA CIVIL CODE. BUYER AND SELLER AGREE THAT (I) THE AMOUNT OF LIQUIDATED DAMAGES IS REASONABLE CONSIDERING ALL OF THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS AGREEMENT, INCLUDING THAT ASCERTAINING THE AMOUNT OF SELLER'S ACTUAL DAMAGES WOULD BE COSTLY AND INCONVENIENT; AND (II) THE AMOUNT OF THE LIQUIDATED DAMAGES CONSTITUTE A REASONABLE ESTIMATE OF THE DAMAGES TO SELLER, INCLUDING THE COST OF NEGOTIATING AND DRAFTING THIS AGREEMENT, COSTS OF COOPERATING IN SATISFYING CONDITIONS TO CLOSING, COSTS OF SEEKING ANOTHER BUYER, OPPORTUNITY COSTS IN KEEPING THE PROPERTY OUT OF THE MARKETPLACE AND OTHER COSTS INCURRED IN CONNECTION WITH THIS AGREEMENT. BUYER HAS REVIEWED THE EFFECT OF THIS PROVISION WITH LEGAL COUNSEL AND HAS AGREED THAT SUCH DAMAGES ARE A REASONABLE AND FAIR ESTIMATE OF THE DAMAGES SELLER WILL SUSTAIN IF AN EVENT OF DEFAULT BY BUYER OCCURS. UPON ANY BREACH OR DEFAULT BY BUYER UNDER THIS AGREEMENT THAT HAS NOT BEEN CURED IN ACCORDANCE WITH THE TERMS HEREOF, THIS AGREEMENT SHALL BE TERMINATED AND NEITHER PARTY SHALL HAVE ANY FURTHER RIGHTS OR OBLIGATIONS HEREUNDER, EXCEPT FOR THE RIGHT OF SELLER TO RECEIVE AND RETAIN THE DEPOSIT AS LIQUIDATED DAMAGES IN ACCORDANCE WITH THIS SECTION. BY INITIALING THIS SECTION IMMEDIATELY BELOW, SELLER AND BUYER

//

ACKNOWLEDGE THEIR APPROVAL OF THIS LIQUIDATED DAMAGES PROVISION AND AFFIRM THEIR RESPECTIVE AGREEMENTS CONTAINED IN THIS SECTION.

______________________ ______________________
Buyer's Initials Seller's Initials

2.3 Form of Payment. All money payable under this Agreement, for the Deposit, the Purchase Funds or otherwise, shall be paid in cash, by wire transfer, or by a cashier's check or certified check of immediately available Federal funds of the United States.

ARTICLE III
CONDITIONS PRECEDENT

The purchase and sale under this Agreement shall be subject to the satisfaction of the conditions precedent set forth in this Article III (unless waived in writing by the party to whom the benefit of such condition runs) on or before the Closing Date or such earlier date as is specified in this Agreement, each of which conditions shall be a covenant of the party required to perform such condition.

3.1 Conditions to Buyer's Obligations and Due Diligence Period.

A. Delivery of Title Report; Seller's Cure. Seller shall cause ____________________ Title Insurance Company ("Title Insurer") to deliver to Buyer a preliminary title report for the Property ("Title Report") within ten (10) days following the date of full execution of this Agreement, together with copies of any exceptions referred to in Schedule B of the Title Report. The Title Report shall be deemed delivered to Buyer within ten (10) days following the date of full execution of this Agreement regardless of when Buyer actually receives it.

(i) Buyer's Notice of Objection. If the Title Report contains exceptions which are not acceptable to Buyer ("Unpermitted Exceptions"), Buyer shall, within ten (10) days after receipt of the Title Report, deliver to Seller written notice of Buyer's objections (a "Notice of Objection"), if any, to such exceptions. If Buyer fails to deliver a Notice of Objection in accordance with the foregoing sentence, Buyer shall be deemed to have waived its right to object to any exceptions which would otherwise be Unpermitted Exceptions, and such exceptions shall thereafter be deemed Permitted Exceptions (as defined below).

(ii) Seller's Response Notice. Within ten (10) days following the date of receipt of a Notice of Objection (the "Seller Notice Period") from Buyer, Seller shall give notice (a "Response Notice") advising Buyer whether Seller will cause any of the Unpermitted Exceptions to be removed from the Title Report at or prior to Closing. If Seller fails to give the Response Notice during the Seller Notice Period, Seller shall be deemed to have determined that it will not cause any Unpermitted Exceptions to be removed from the Title Report or otherwise addressed to the satisfaction of Buyer prior to Closing.

(iii) Title Termination Notice. Unless Seller agrees to cause all of the Unpermitted Exceptions to be removed from the Title Report or otherwise addressed to the satisfaction of Buyer, Buyer may terminate this Agreement by giving notice in writing to Seller (the "Title Termination Notice") within ten (10) business days following Buyer's receipt of the Response Notice or the date the Response Notice is deemed given. If Buyer gives a Title Termination Notice: (a) the Deposit shall be returned to Buyer and (b) this Agreement shall become null and void and of no further force or effect, except for those provisions that survive the early termination of this Agreement.

(iv) Specific Exclusions. Buyer may deliver to Seller an updated survey (the "Survey") of the Property prior to the end of the Due Diligence Period (defined below). Notwithstanding anything to the contrary set forth in this Article III, any title matter arising after the date of the Title Report and added to the Title Report after its original issuance or any survey matter arising after the Due Diligence Period may be a Permitted Exception but first shall be subject to the same procedures set forth in this Section 3.1.A. (provided, however, that Buyer agrees to deliver a Notice of Objection no later than three (3) business days following receipt of an update to the Title Report or Survey; and Seller shall have three (3) business days to deliver a Response Notice). To the extent necessary the Closing shall be extended to accommodate such matters.

B. Delivery of Title and Title Insurance. Seller shall convey title to the Property to Buyer at the Closing (defined in Section 4.1), subject only to the Permitted Exceptions. The term "Permitted Exceptions" shall mean: (i) liens for real property taxes shown as exceptions in the Title Report provided that the taxes are not delinquent; (ii) the standard exclusions to coverage under Title Insurer's ALTA Extended Coverage Owner's Policy of Title Insurance ("Title Policy"); and (iii) any other lien, encumbrance, title exception or defect that appears in the Title Report which Buyer has approved or which is caused by Buyer prior to the Closing. Notwithstanding the foregoing, in no event shall the following be considered Permitted Exceptions: deeds of trust or mortgages; judgments; mechanics' and materialmen's liens; tax liens; or liens, encumbrances or other title matters created by Seller after the date of this Agreement, other than those created with the prior written consent of Buyer. Buyer agrees that Seller's obligation to convey title to Buyer shall be deemed satisfied upon Title Insurer's willingness to issue the Title Policy subject only to the Permitted Exceptions.

C. Inspection. Buyer shall conduct or review such surveys, investigations, studies and inspections and make or review such geologic, environmental and soils tests and other studies of the Property as Buyer, in Buyer's discretion, deems necessary to determine the physical and land use characteristics of the Property (including its subsurface) and the Property's suitability for Buyer's Anticipated Use.

D. Review of Documents. Buyer has possession of copies of the documents and other items listed on Exhibit B, and shall review the same. Seller represents that the documents listed on Exhibit B represent all documents of which Seller has actual knowledge and which are material to Buyer's acquisition of the Property. Seller shall deliver to Buyer during the Due Diligence Period any other documents relating to the Property to the extent they are requested by Buyer and reasonably available to Seller.

E. Representations and Warranties. Each of the representations and warranties by Seller contained in Section 8.1 was true and correct in all material respects as of the date made and continues to be true and correct in all material respects as of the Closing.

F. Delivery of Closing Documents. Execution, delivery and acknowledgement as appropriate by Seller of the closing documents set forth in Section 4.1B(i) and other necessary closing documents as may be reasonably requested by Buyer or Escrow Agent.

G. Due Diligence Period. Buyer shall have one hundred eighty (180) days after the Opening of Escrow (the "Due Diligence Period") to (i) review the exceptions, legal descriptions and other matters contained in the Title Report, (ii) conduct or review such surveys, investigations, studies and inspections and make or review such geologic, environmental and soils tests and other studies of the Property, (iii) review the documents listed on Exhibit B, and (iv) review all other applicable due diligence materials respecting the Property (collectively, the "Due Diligence Items"). If Buyer, in its sole and absolute discretion, determines that the results of any information, inspection, test, examination or any investigation provided under this Agreement or performed or obtained during the Due Diligence Period fails to meet Buyer's criteria (established in Buyer's sole and absolute discretion) for the purchase and operation of the Property in the manner contemplated by Buyer, or Buyer deems the Property to be unsuitable for Buyer's purposes for any reason, then Buyer shall have the option to terminate this Agreement and shall so advise Seller by written notice (the "Disapproval Notice"), with a copy to Escrow Agent, given no later than 5:00 p.m. (Pacific Standard Time) on or before the last day of the Due Diligence Period. In the event Buyer provides the Disapproval Notice to Seller on or before the expiration of the Due Diligence Period, then this Agreement shall be deemed terminated, in which event: (i) Seller shall be entitled to keep the Deposit; (ii) Buyer shall be entitled to receive a refund of any funds placed in Escrow (excluding the Deposit); (iii) Buyer and Seller shall each pay one-half of Escrow expenses incurred to date of termination; and (iv) neither party shall have any right against the other arising out of such termination. If Buyer fails to timely deliver the Disapproval Notice on or before the expiration of the Due Diligence Period this Agreement shall remain in full force and effect.

H. Access to Property. At reasonable times during the term of the Escrow and upon reasonable prior notice to Seller, Buyer, its agents, contractors and subcontractors, shall have the right to enter upon the Property thereon to make any and all inspections and tests as Buyer deems desirable in its sole discretion. Upon Seller's written request, Buyer shall provide Seller with a copy of the results, reports or findings ("Results") from such testing within three (3) business days of Buyer's receipt of the same. Buyer further agrees to use the Results solely in connection with its review of the Property, and not to disclose, communicate or publish the nature or content of the Results to any person or entity, except to its personnel, representatives, consultants, equity partners or lenders directly involved in its review of the Property, or as otherwise required by law, regulation, legal process or regulatory authority.

I. No Material Change. No material change in the status of the use, title, occupancy or physical condition of the Property, unless caused by Buyer or its agents, shall have occurred with respect to the Property prior to Close of Escrow that has not been approved in writing by Buyer, which approval can be withheld in Buyer's sole discretion. Additionally, Seller shall (i) maintain its existing insurance policies in full force and effect (Buyer acknowledges that Seller is insured through the City of Riverbank, a self-insured public agency and may not have specific policies in place applicable to the Property); (ii) provide prompt written notice to Buyer of any casualty or condemnation affecting any portion of the Property after the date of this Agreement, or any matter relating to zoning changes, rent control or increase in tax assessments; (iii) deliver to Buyer, promptly after receipt by Seller, copies of all notices of violation issued by any governmental authority with respect to the Property received by Seller after the date of this Agreement; (iv) advise Buyer promptly of any litigation, arbitration or other judicial or administrative proceeding which concerns or affects the Property; and (v) comply in material respects with the requirements of all contracts, licenses, permits, approvals, guaranties and warranties.

J. Seller Performance. Seller shall have delivered all documents listed on Exhibit B and duly performed each and every undertaking, covenant and agreement required to be performed by Seller under this Agreement prior to or at the Close of Escrow.

3.2 Conditions to Seller's Obligations.

A. Delivery of Purchase Price. The Purchase Funds shall be delivered by or on behalf of Buyer to Escrow Agent as described in Section 2.4, in sufficient time such that the Escrow Agent will be able to disburse the cash proceeds accruing to Seller on the Close of Escrow.

B. Representations and Warranties. Each of the representations and warranties by Buyer contained in Section 7.4A and Section 8.2 below shall be determined to have been true and correct in all material respects as of the date made and shall continue to be true and correct in all material respects as of the Closing.

C. Delivery of Closing Documents. Execution, delivery and acknowledgement as appropriate by Buyer of the closing documents set forth in Section 4.1B(ii) and other necessary closing documents as may be reasonably requested by Buyer or Escrow Agent.

3.3 Failure of Conditions. If any of the conditions precedent contained in this Article III are not satisfied within the time periods specified in this Agreement (or waived or the time for satisfaction extended by the party to whose benefit the condition runs), the party to whose benefit the condition runs shall have the right to terminate this Agreement by delivering written notice to the other party and Escrow Agent within the time period specified by this Agreement. If Seller terminates this Agreement due to a failure of any condition set forth in Section 3.2, Seller shall have the right to retain the Deposit plus any accrued interest thereon, and exercise its rights under Article V. If Buyer terminates this Agreement due to a failure of the conditions set forth in Section 3.1C or G, Seller shall have the right to retain the Deposit plus any accrued interest thereon. If Buyer terminates this Agreement due to a failure of the conditions set forth in Section 3.1A, B, D, E, F, H, I or J, then Buyer shall have the right to receive a refund of the Deposit less one-half (½) of Escrow Agent's and Title Insurer's normal escrow and title insurance cancellation fees and exercise its rights under Article V. Nothing contained in this Agreement is intended nor shall permit any party in default to terminate this Agreement or the Escrow provided for in this Agreement as a result of such default.

ARTICLE IV
CLOSING

4.1 Closing. The purchase and sale of the Property shall be consummated at a closing ("Closing") in accordance with the following:

A. Closing Date. The closing date shall occur on or before 11:00 a.m. on the date which is sixty (60) days after the expiration of the Due Diligence Period (the "Closing Date"), at the office of the Escrow Agent or such other location as is acceptable to the parties to this Agreement. Except as provided otherwise in Article V, if the Escrow for the Property has not closed on or before the Closing Date, either party shall have the right to terminate the Escrow unless such party is in default of its obligations under this Agreement. Except as otherwise provided in Section 3.3, if the Escrow is so terminated as a result of a failure of a condition other than as a result of Buyer's default under this Agreement, the Deposit, less Buyer's share, if any, of the Escrow Agent's and Title Insurer's escrow and title cancellation fees and expenses, will be refunded to Buyer.

B. Closing Documents.

(i) Seller. No later than the day prior to the Closing Date, Seller shall duly execute and acknowledge as appropriate and deliver to Escrow Agent the following:

(a) A grant deed ("Deed") conveying the Property to Buyer in the form attached to this Agreement as Exhibit C;

(b) A Non-foreign Entity Affidavit ("Affidavit"), in the form attached to this Agreement as Exhibit D, pursuant to Section 10.2; and

(c) Such documents and instruments as Escrow Agent or Title Insurer may reasonably require to evidence the due authorization and execution of the documents and instruments to be delivered by Seller under this Agreement and to issue the Title Policy.

The obligations of Seller to deliver documents and instruments into Escrow in accordance with this Section 4.1B(i) are separate, independent covenants of Seller and shall not be conditioned upon Buyer's deliveries in accordance with Section 4.1B(ii).

(ii) Buyer. No later than the day prior to the Closing Date, Buyer shall duly execute and acknowledge as appropriate and deliver to the Escrow Agent the following:

(a) The amount of the Purchase Funds, along with Buyer's share of any costs and expenses to be paid to or through Escrow Agent, less the Deposit;

(b) A Change of Ownership Statement, as required by Title Insurer or Escrow Agent; and

(c) Such documents and instruments as Escrow Agent or Title Insurer may reasonably require to evidence the due authorization and execution of the documents and instruments to be delivered by Buyer under this Agreement and to issue the Title Policy.

The obligations of Buyer to deliver funds, documents and instruments into Escrow under this Section 4.1B(ii) shall be separate, independent covenants of Buyer and shall not be conditioned upon Seller's deliveries in accordance with Section 4.1B(i).

C. Closing Procedure. At such time as the Escrow Agent has received all of the items specified in Section 4.1B, and at such time as Title Insurer is prepared to issue the Title Policy in accordance with Section 3.1B, Buyer and Seller hereby authorize and instruct Escrow Agent to: (i) cause Title Insurer to record the Deed, and issue the Title Policy to Buyer; (ii) pay to the authorities lawfully entitled thereto any recordation fees and transfer taxes in connection with this Agreement; (iii) compute pro-rations relating to the Property for the accounts of Seller and Buyer; (iv) pay to Seller an amount equal to the Purchase Price (including the Deposit), less any pro-rations chargeable to Seller and any amounts payable by Seller to Escrow Agent for its services and expenditures in connection with this Agreement; (v) pay to Buyer the balance of the funds then held by Escrow Agent, less any pro-rations chargeable to Buyer and any amounts payable by Buyer to Escrow Agent for its services and expenditures in connection with this Agreement; (vi) deliver to Buyer and Seller a conformed copy of the Deed showing the recording information; and (vii) deliver to Buyer an executed original of the Affidavit.

D. New York Style Closing**.** If all funds required for the Closing are not delivered into Escrow on or before 1:00 p.m. (PST) on the date two (2) business days prior to the Closing Date, then Buyer shall deliver into Escrow all closing funds required pursuant to the terms of this Agreement and the Closing shall be conducted as a "New York style" closing with (i) the balance of the Purchase Funds, and all other applicable funds released to Seller on the Closing Date, (ii) all closing documents and other instruments delivered into Escrow by Buyer and Seller and released for recordation by Escrow Agent on the Closing Date; (iii) Seller's execution and delivery of a "GAP" indemnity agreement in favor of Title Insurer in Title Insurer's customary form, (iv) Title Insurer issuing the Title Policy to Buyer as of the Closing Date; and (v) recordation of the Deed and any other recordable closing documents on the next business day. In no event shall this Section 4.1D be construed to permit either party to extend the Closing Date.

4.2 Fees; Expenses; Prorations.

A. Fees, Expenses, Transfer Taxes.

(i) Seller. Seller shall pay or satisfy, as applicable: (a) all documentary transfer taxes imposed in connection with the recording of the Deed; (b) one-half (½) of the Escrow fees; (c) the cost of the Title Policy for Buyer in the amount of the Purchase Price; and (d) any other customary fees and charges and expenditures authorized by Seller. The parties agree that the amount of documentary transfer taxes will not be referred to in the Deed.

(ii) Buyer. Buyer shall pay: (a) one-half (½) of the Escrow fees; (b) the cost of recording the Deed and all other documents recorded at the Closing; and (c) any other customary fees and charges and expenditures authorized by Buyer. Buyer shall have the right to procure an ALTA Extended Coverage Owner's Policy of Title Insurance ("ALTA Policy") and Buyer shall pay for the increased cost of such ALTA Policy above the cost of the Title Policy, the cost of any survey that the Title Insurer requires for issuance of an ALTA Policy (other than the cost of the survey of the Property previously obtained by Seller, and a copy of which has been delivered to Buyer) and for the cost of any other increase in the amount or scope of title insurance if Buyer elects to increase the amount or scope of title insurance coverage or to obtain endorsements to the Title Policy or ALTA Policy. All other costs, if any, shall be apportioned between Buyer and Seller in the customary manner for real estate transactions in the County of Stanislaus, State of California.

B. Real Property Taxes, Assessments and Rents. All real property taxes and assessments for the fiscal years of the taxing and assessing authorities in which the Closing occurs shall be prorated on the basis of a three hundred sixty-five (365) day year at the Closing with appropriate debits and credits to the accounts of Buyer and Seller so that Seller shall be responsible for paying all of the same, to the extent duly allocable to the period ending on the day immediately prior to the Closing Date and Buyer shall be responsible for paying all of the same (if any shall be due), to the extent duly allocable to the period commencing upon the Closing Date. At the Closing, Buyer shall reimburse Seller for any taxes and assessments which are allocable to the period commencing upon the Closing Date and which Seller has already paid. In addition, all rents, incomes and profits, if any, derived from the Property or attributable to the Property shall be prorated at the Closing with appropriate debits and credits to the accounts of Buyer and Seller so that Seller shall pay and receive, as appropriate, all of the same to the extent duly allocable to the period ending on the day prior to the Closing Date and Buyer shall pay and receive, as appropriate, all of the same to the extent duly allocable to the period commencing upon the Closing Date.

C. Commissions. Seller represents and warrants that Lee & Associates – Central Valley, Inc. may claim or is entitled to a real estate commission, finder's fees or any similar payments with respect to this Agreement or the sale of the Property. Buyer represents and warrants that it has not engaged a broker with respect to its purchase of the Property. Buyer shall protect, defend, indemnify and hold the Seller harmless from and against all such claims for real estate commissions, finder's fees or any similar payments with respect to the purchase of the Property in accordance with this Agreement.

ARTICLE V
BREACH

5.1 General. If either party breaches its obligations under this Agreement prior to the Closing, then the other party may, without terminating this Agreement, suspend performance by giving written notice to the other party until such breach is cured by the other party. Except for Seller's and Buyer's respective delivery obligations under Article IV, including, without limitation, Buyer's delivery to the Escrow Agent of any portion of the Deposit or the Purchase Funds, neither party shall be in default under this Agreement unless it fails to cure a breach of such party's obligations under this Agreement within twenty-four (24) hours after receipt of written notice of such breach from the non-breaching party. Nothing contained in this Agreement is intended nor shall permit any party in default to terminate this Agreement or the Escrow provided for in this Agreement as a result of such default.

5.2 Buyer's Breach.

A. Buyer's Pre-Closing Breach. Except as expressly provided otherwise in Section 5.1, if Buyer breaches any of its obligations under this Agreement prior to the Closing and

Buyer fails to cure such breach within twenty-four (24) hours after Buyer's receipt of written notice from Seller, then Seller may terminate this Agreement and retain the Deposit as liquidated damages in accordance with Section 2.3 as Seller's sole remedy. Notwithstanding the foregoing, Seller's right to recover attorneys' fees pursuant to Section 10.3 shall survive any termination of this Agreement pursuant to this Section. Buyer hereby acknowledges and agrees that in no event shall the notice and cure rights set forth in Section 5.1 apply to Buyer's failure to deliver any of the items into Escrow in accordance with Section 2.2 and Article IV, including, without limitation, any portion of the Deposit or the Purchase Funds.

B. Buyer's Post-Closing Breach. If after the Closing, Buyer breaches any of its post-Closing obligations under this Agreement and Buyer fails to cure such breach within twenty-four (24) hours after Buyer's receipt of written notice from Seller, then Seller shall have the right to pursue any and all remedies available to Seller at law or in equity, including the specific performance of this Agreement. Buyer hereby acknowledges that Seller's right to recover attorneys' fees pursuant to Section 10.3 shall survive the Close of Escrow and the recordation of the Deed.

5.3 Seller's Breach.

A. Seller's Pre-Closing Breach. Except as expressly provided otherwise in Sections 3.3 and 5.1, if Seller breaches its obligations under this Agreement and Seller fails to cure such breach within twenty-four (24) hours after Seller's receipt of written notice from Buyer or such other time before Closing if the cure cannot reasonably be obtained within such twenty-four hour period, Buyer shall have the right to elect one, but not both, of the remedies set forth in this Section 5.3.

(i) Termination. Buyer shall have the right to terminate this Agreement and receive a refund of the Deposit.

(ii) Specific Performance. Buyer shall have the right to obtain specific performance by Seller provided Buyer is not in breach of its obligations under this Agreement.

B. Seller's Post-Closing Breach; Buyer's Post-Closing Claims. Except as otherwise provided herein, Buyer waives, releases and agrees not to sue Seller after the Closing, as further provided in Section 10.11, on any claim under or in connection with this Agreement, for damages or otherwise.

ARTICLE VI
DEMOLITION, REHABILITATION AND SITE CLEARANCE

6.1 Buyer's Obligations. After the Closing Date, Buyer, at Buyer's sole cost and expense, shall be responsible for and Seller shall have no liability for or obligation related to any of the following: (i) any grading and removal or re-compaction of soil on the Property; (ii) obtaining utilities to serve the Property; (iii) any rehabilitation or reconfiguration of the improvements currently located on the Property; (iv) paying any and all fees with respect to the Property incurred after the Closing Date and the construction of any improvements on the Property; (v) any lot line or boundary adjustment with respect to the Property; (vi) satisfying any and all on-site and off-site (i.e. inside and outside of the perimeter boundary of the Property) conditions of approval, construction and other obligations with respect to Buyer's anticipated use of the Property; and (vii) removal of any and all personal property located on the Property at the Close of Escrow. Seller hereby waives any interest in all such personal property located on the Property and releases Buyer from any liability as a result of Buyer's disposition thereof.

ARTICLE VII
CONDITION OF PROPERTY

7.1 Condition of Property.

A. General. Buyer, as specified in Section 3.1C, has or shall have inspected and conducted tests, inspections, investigations and studies of the Property as Buyer, in Buyer's discretion, deems necessary. Buyer understands and acknowledges that the Property may be subject to earthquake, fire, floods, erosion, high water table, dangerous underground soil conditions, unavailability or shortages of water and other utilities and similar occurrences that may alter its condition or affect its suitability for any proposed use, including Buyer's anticipated use, if any. Except to the extent expressly represented by Seller in this Agreement, Seller shall have no responsibility or liability with respect to any such condition or occurrence. Buyer represents that it is acting and will act only upon information obtained by it from its own inspection and investigation of the Property and upon the express representations of Seller contained in this Agreement. Except as provided otherwise in this Agreement, the suitability or lack of suitability of the Property for any proposed use, or availability or lack of availability of permits or approvals of governmental or regulatory authorities with respect to any proposed or intended use of the Property, shall not affect the rights or obligations of the Seller under this Agreement.

B. Environmental Condition. In connection with or on account of the construction, operation, maintenance and demolition of the buildings, fixtures, machinery and equipment located on the Property, certain substances classified as hazardous (collectively, "Hazardous Substances") may have been released or may be present on the Property. For these purposes, "Hazardous Substances" includes "hazardous substances" as defined in CERCLA (defined below); "pollutants", "contaminants" and "Toxic Substances" as defined in the Toxic Substances Control Act; "Hazardous Materials" as defined in the Hazardous Materials Transportation Act; and other substances deemed or determined to be harmful, injurious, noxious, hazardous, nuisance causing or toxic under any Environmental Law (defined below), and including "Petroleum" as defined in RCRA (defined below). The documents listed on Exhibit B set forth in more detail the environmental condition of theProperty. Buyer acknowledges receipt of the documents listed on Exhibit B relating to the environmental condition of the Property.

7.2 No Warranties. Except as represented and warranted by Seller in this Agreement, the Property is purchased and sold in "AS IS" condition. The Purchase Price and the terms and conditions set forth in this Agreement are the result of arm's-length bargaining between entities familiar with transactions of this kind and the price, terms and conditions reflect the fact that Buyer shall not have the benefit of, and, except as represented and warranted by Seller in this Agreement, is not relying upon, any statements, representations or warranties whatsoever made by or enforceable against Seller relating to the condition, operations, dimensions, descriptions, soil condition, other environmental condition, suitability, availability of utilities, compliance or lack of compliance with any Environmental Law (defined in Section 7.4) or other state, federal, county or local law, ordinance, order, permit or regulation or any other attribute or matter of or relating to the Property. Buyer represents, warrants and covenants to Seller that, except for Seller's express representations and warranties specified in Section 8.1, Buyer is relying solely upon its own inspection and investigation of the Property. If Seller obtains or has obtained in connection with this Agreement the services, opinions or work product of surveyors, architects, engineers, attorneys, Escrow Agent, Title Insurer, governmental authorities or any other person or entity with respect to the Property, Buyer and Seller agree that Seller shall do so only for the convenience of both parties and the reliance by Buyer upon any such services, opinions or work product shall not create or give rise to any liability of or against Seller.

7.3 Governmental Approvals. Buyer shall have the right to initiate the process to obtain approval of any redevelopment plan, if necessary, with respect to the Property prior to the Close of Escrow and Seller, solely in its capacity as Seller hereunder and not as in its municipal regulation capacity, agrees to cooperate with Buyer in such process. Buyer agrees not to submit any reports, studies or other documents, including, without limitation, plans and specifications, impact statements for water, sewage, drainage or traffic, environmental review forms or energy conservation checklists to any governmental agency or any amendment or modification to any such instruments or documents prior to the Close of Escrow unless first approved by Seller, which approval shall not be unreasonably withheld or delayed.

7.4 Environmental Matters.

A. Buyer's Representations and Release of Seller. Except for the express representations and warranties of Seller set forth in this Agreement, Buyer shall rely solely upon its own inspection of the Property in determining the Property's physical and environmental condition and shall have the right to review all reports, documents and studies described in Sections 3.1C and 3.1D. Except for damages arising from the express representations and warranties of Seller set forth in this Agreement, Buyer waives its right to recover, and hereby releases, Seller, its general and limited partners and the shareholders, officers, employees, agents and affiliates of any of them (collectively, "Seller's Related Parties") from any and all damages, losses, liabilities, costs or expenses whatsoever (including reasonable attorneys' fees and costs) and claims therefor, whether direct or indirect, known or unknown or foreseen or unforeseen, which may arise from or be related to (i) the physical condition of the Property and (ii) the Property's compliance or lack of compliance with and remediation or "clean-up" liabilities arising under any law including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601 et seq.), ("CERCLA") the Resources Conservation and Recovery Act of 1976 (42 U.S.C. Sections 6901 et seq.), ("RCRA") the Clean Water Act (33 U.S.C. Sections 466 et seq.), the Safe Drinking Water Act (14 U.S.C. Sections 1401-1450), the Hazardous Materials Transportation Act (49 U.S.C. Sections 1801 et seq.), the Toxic Substance Control Act (15 U.S.C. Sections 2601-2629), the California Hazardous Substances Act (Health & Safety Code Sections 25100-25600), the California Porter-Cologne Water Quality Control Act (Water Code Sections 13000 et seq.) and all regulations, rulings and orders promulgated or adopted pursuant thereto (collectively, "Environmental Laws"). Buyer expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

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

____
BUYER'S INITIALS

B. Drainage, Erosion Control and Storm Water Pollution Prevention Plans. Buyer shall be responsible for compliance with all state, local and federal governmental and regulatory requirements with respect to drainage, erosion control, the National Pollution Discharge Elimination System ("NPDES") or Storm Water Pollution Prevention Plans ("SWPPP's") on or relating to the Property to the extent such compliance requirements arise after the Close of Escrow.

ARTICLE VIII
REPRESENTATIONS AND WARRANTIES

8.1 Seller's Representations and Warranties. In consideration of Buyer's entering into this Agreement and as an inducement to Buyer to purchase the Property, Seller makes the following covenants, representations and warranties, each of which is material and is being relied upon by Buyer (and the continued truth and accuracy of which shall constitute a condition precedent to Buyer's obligations hereunder):

A. Authority. Seller has the full power and authority to sell the Property, and this Agreement has been duly and validly authorized, executed and delivered by Seller and no other authorization or third party consent is requisite to the valid and binding execution, delivery and performance of this Agreement by Seller.

B. Encumbrances. Seller is the owner of the fee interest in the Property free and clear of all liens, encumbrances and other matters other than those set forth in the Title Policy and the Property is not subject to any outstanding contract of sale, right of first refusal or purchase option, in favor of any person or entity, except Buyer. Seller will not sell, lease, sublease, assign, mortgage or otherwise encumber the Property without Buyer's prior written approval, which may be withheld in Buyer's sole discretion.

C. Representations. All representations and warranties of Seller set forth in this Agreement shall be true on and as of the Close of Escrow as if those representations and warranties were made on and as of such time.

D. Legal Power. The individuals executing this Agreement and the instruments referenced herein on behalf of Seller, have the legal power, right and actual authority to bind Seller to the terms and conditions hereof and thereof.

E. No Breach. There are no contracts or agreements relating to the leasing, operation and maintenance of the Property which will be effective as to the Property following the

Closing. There are no agreements, rights or agreements under which any third person or party has any right or option to purchase the Property. This Agreement and all documents required hereby to be executed by Seller are and shall be valid, legally binding obligations of and enforceable against Seller in accordance with their terms, subject only to the applicable bankruptcy, insolvency, reorganization, moratorium laws or similar laws or equitable principles effecting or limiting the rights of contracting parties generally. To Seller's knowledge, neither the execution and delivery of this Agreement and the documents referenced herein, nor the incurrence of the obligations set forth herein, nor the consummation of the transactions herein contemplated, nor compliance with the terms of this Agreement and the documents reference herein, result in the breach of any terms, conditions or provisions of, or constitute a default under, any bond, note, or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease, or other agreements or instruments to which Seller is a party or effecting the Property.

F. Litigation. There are no suits, claims, foreclosure proceedings, property tax protests, zoning or other administrative proceedings that are pending or, to the best of Seller's knowledge, threatened with respect to or in any manner affecting the Property.

G. Condemnation; Eminent Domain. Seller has neither received any written notice from a governmental authority, nor has any knowledge of any action regarding eminent domain proceedings for the condemnation of all or any portion of the Property. To Seller's knowledge, Seller has not received any written notices of violations, including, without limitation, any environmental law violations, that still exist from any municipal or governmental bodies regarding the Property.

H. Due Diligence. Seller has delivered to Buyer complete legible copies of the items listed on Exhibit B attached hereto. The documents delivered by Seller to Buyer are all the material documents concerning the Property in Seller's possession or under its control.

I. Environmental Laws. Except as disclosed on Exhibit B, to Seller's knowledge, Seller has not received written notice from any governmental authority that the Property or the use or operation thereof are in violation of any Environmental Laws, and to Seller's knowledge, no such written notice has been issued and, to Seller's knowledge, no violation of any Environmental Laws has occurred. Except as disclosed on Exhibit B, to Seller's knowledge, no part of the Property has ever been used by any person or entity to refine, produce, use, store, handle, transfer, process, transport or dispose of any Hazardous Substances.

J. Zoning. The Property is zoned Commercial-Industrial(C-M) and must be used in accordance with Chapter 153 of the City of Riverbank Zoning Ordinance.

8.2 Buyer's Representations, Warranties and Covenants. In consideration of Seller entering into this Agreement and as an inducement to Seller to sell the Property to Buyer, Buyer makes the following representations, warranties and covenants, each of which is material and is being relied upon by Seller (the continued truth and accuracy of which shall constitute a condition precedent to Seller's obligations hereunder and in the case of C. and D., below, ongoing obligations of Buyer which shall survive the Close of Escrow):

A. Authority. Buyer has the full power and authority to buy the Property, and this Agreement has been duly and validly authorized, executed and delivered by Buyer and no other authorization or third party consent is requisite to the valid and binding execution, delivery and performance of this Agreement by Buyer.

B. Representations. All representations and warranties of Buyer set forth in this Agreement shall be true on and as of the Close of Escrow as if those representations and warranties were made on and as of such time.

C. Historic Façade Restoration. Buyer acknowledges that portions of the Building, including without limitation the façade, may be of historical significance and may be protected by local regulations or requirements. It is Buyer's responsibility to determine any requirements to rehabilitate the Building and otherwise develop the Property in compliance with all applicable historic regulations and requirements.

D. Development Requirements. Buyer acknowledges and agrees that Seller executes this Agreement solely in its capacity as property owner, and not in its capacity as municipal body. Nothing contained herein is intended to grant Buyer any entitlements, development approvals, or permits. Buyer shall comply with all applicable building, rehabilitation and development processes and conditions, including without limitation certain obligations to construct and pay for certain public improvements on property located adjacent to the Property.

ARTICLE IX
CONDEMNATION, DAMAGE AND DESTRUCTION

9.1 Condemnation. If, between the date of this Agreement and the Closing Date, condemnation or eminent domain proceedings affecting any portions of the Property are initiated or are threatened to be initiated by any entity other than Buyer to such extent that it would prevent Buyer's anticipated use of the Property, then, Buyer shall have the right to either: (i) affirm this Agreement, which shall remain in full force and effect without any diminution of the Purchase Price and Seller shall assign to Buyer upon the Closing Date all of Seller's rights to any condemnation awards by depositing an assignment of said award with the Escrow Agent; or (ii) subject to and conditioned on Buyer's compliance with the remaining provisions of this Section 9.1, terminate this Agreement and Escrow Agent or Seller, as applicable, shall return the Deposit to Buyer, less one-half (½) of Escrow Agent's and Title Insurer's normal escrow and title insurance cancellation fees; and neither party shall have any further obligations or liabilities to each other, except that Buyer's indemnity obligations under this Agreement shall survive any such termination. Buyer shall not propose, institute, cooperate with or permit any condemnation of all or any part of the Property prior to the Close of Escrow.

9.2 Damage and Destruction. If, between the date of this Agreement and the Closing Date, any portion of the Property is materially damaged or destroyed to such an extent that it would prevent Buyer's anticipated use of the Property, then Buyer shall have the option by written notice to Seller to: (i) terminate this Agreement and Buyer shall have no obligation to purchase the Property and Seller shall have no obligation to sell the Property to Buyer and Escrow Agent or Seller, as applicable, shall return to Buyer the Deposit, less one-half (½) of Escrow Agent's and Title Insurer's normal escrow and title insurance cancellation fees; or (ii) affirm this Agreement, which shall remain in full force and effect without delaying the Closing and without diminution of the Purchase Price.

ARTICLE X
MISCELLANEOUS

10.1 Assignment. Buyer shall neither assign its rights nor delegate its obligations under this Agreement without obtaining Seller's prior written consent, which consent may be withheld in Seller's sole and absolute discretion. Upon the receipt of Seller's written consent, Buyer, Seller and Buyer's proposed assignee shall execute a written assignment and assumption agreement in a form reasonably acceptable to Seller, in which such assignee assumes of all of Buyer's obligations under this Agreement. In no event shall any such assignment release Buyer from any obligations or liability under this Agreement or delay the Close of Escrow. Prior to the delivery of any such assignment executed by Seller, Buyer shall reimburse Seller for Seller's reasonable attorneys' fees and costs incurred by Seller in connection with facilitating any such assignment. Notwithstanding the foregoing, Buyer shall have the right to assign its rights or obligations under this Agreement to any affiliate, parent or subsidiary entity without Seller's prior consent.

10.2 No Foreign Investors. Seller warrants and represents to Buyer that Seller is not a foreign individual, foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations). Seller shall execute and deliver to Buyer at the Closing the Affidavit substantially in the form of Exhibit D, certifying the representations and warranties made pursuant to this Section.

10.3 Attorneys' Fees. If any action, proceeding or arbitration is brought to interpret or enforce the terms of this Agreement, the prevailing party shall be entitled to recover from the other party, in addition to all other damages, all costs and expenses of such action, proceeding or arbitration, including but not limited to actual attorneys' fees (including the allocated costs of in-house counsel), witness fees' and court costs. The phrase "prevailing party" as used in this Section shall mean the party who receives substantially the relief desired whether by dismissal, summary judgment or otherwise. The terms of this Section shall survive the Close of Escrow and shall not be merged with the Deed.

10.4 Notices. All notices and requests under this Agreement shall be in writing and shall be sent by personal delivery, facsimile or e-mail (with hard copy to follow the next business day by overnight mail), by nationally recognized overnight mail carrier such as FedEx or delivered in person to the following street addresses:

SELLER:	Riverbank Designated Local Authority c/o Kosmont Companies 865 S. Figueroa Street, Suite 3500 Los Angeles, CA 90017 Attn: Christopher Jicha

BUYER: Retail California
7480 N. Pal Ave., Suite 101
Fresno, CA 93720
Attn: Nick Frechou

With a copy to:

Title Insurer:

Escrow Agent:

All notices shall be effective upon the earlier of personal delivery or receipt of a facsimile confirmation statement, if sent by facsimile, or receipt of confirmation of delivery, if delivered by e-mail or a nationally recognized overnight mail carrier; provided, however, receipt of the Purchase Price shall only be effective upon actual receipt in the form required under Section 2.4. Either party may change its address or designate a new street address for notices under this Agreement by notice complying with the terms of this Section.

10.5 Cooperation. Buyer and Seller acknowledge that it may be necessary to execute documents other than those specifically referred to in this Agreement to complete the acquisition of the Property. Each party shall reasonably cooperate with the other in connection with the requirements imposed by this Agreement upon the other, to the end that neither party shall act in any manner to impede the other in performing its obligations under this Agreement. Buyer and Seller hereby agree to cooperate with each other by executing such other documents or taking such other action as may be reasonably necessary in accordance with the intent of the parties as evidenced by this Agreement, provided such documents do not create any additional liability or expense for such party not contemplated by this Agreement.

10.6 Survival. Buyer's and Seller's representations, warranties and obligations under this Agreement shall survive the Close of Escrow and shall not be merged into or defeated by the execution, delivery or recordation of the Deed given in connection with this Agreement. By consummating the transaction contemplated by this Agreement, Buyer waives its rights under any written disclosures made to Buyer by Seller or any other entity prior to the Closing. If prior to the Closing, Buyer receives notice of any information which indicates that any of Seller's representations and warranties are untrue, Buyer shall promptly notify Seller in writing of such information. If Buyer fails to promptly notify Seller prior to the Closing, Buyer shall be deemed to have waived its rights with respect to any such representation and warranty. If Buyer waives any representation or warranty, then Seller shall have no liability under this Agreement for such representation or warranty to the extent waived. If this Agreement is terminated because of a failure of conditions in Article III or pursuant to Article IX, then neither Buyer nor Seller shall have any liability if any of Buyer's or Seller's representations or warranties are inaccurate, except as set forth in Article V. Notwithstanding anything to the contrary in this Agreement, Buyer's obligations under Section 10.3 (Attorneys' Fees) and Section 10.10 (Confidentiality) of this Agreement shall survive any early termination of this Agreement or the recordation of the Deed.

10.7 Interpretation. This Agreement shall be construed and enforced in accordance with the laws of the State of California as applicable to contracts entered into in California among parties doing business therein. This Agreement contains the entire agreement between the parties respecting the purchase and sale of the Property and supersedes all prior negotiations, discussions, understandings and agreements, both oral and written, between the parties with respect to such matters. This Agreement shall not be effective between the parties until the date this Agreement is executed and delivered into Escrow by both Seller and Buyer. This Agreement may not be modified or amended in any way except by a writing executed by both Buyer and Seller. Exhibits A through D, as attached to this Agreement, are incorporated by this reference in this Agreement. The section headings of this Agreement are for convenience only and are not to be construed as part of this Agreement and do not in any way amplify or define the terms, conditions, and covenants of this Agreement and shall not be used in construction or interpretation of this Agreement. There are no third-party beneficiaries to this Agreement. Unless the context otherwise indicates, whenever used in this Agreement, the word "party" or "parties" means Buyer or Seller or both, as the context may require. Time is of the essence in the performance of each term of this Agreement.

10.8 Successors and Assigns. Subject to the restrictions set forth in Section 10.1, this Agreement shall be binding upon and inure to the benefits of the successors and assigns of the parties to this Agreement. In no event shall Buyer have any right to delay or postpone the Closing to create a partnership, corporation or other form of business association or to obtain financing to acquire title to the Property or to coordinate with any other sale, transfer, exchange or conveyance.

10.9 Severability. If any term or provision of this Agreement is determined to be invalid or unenforceable, the remaining terms and provisions shall not be affected thereby and shall remain in full force and effect to the maximum extent permitted by law.

10.10 Duty of Confidentiality. Buyer and Seller each represents and warrants to the other that they shall keep all information related to or connected with this Agreement and this transaction, confidential and, to the extent not already within the public domain, will not disclose any such information to any person or entity without obtaining the prior written consent of the other party, except that each shall have the right to disclose to: (i) attorneys, consultants, accountants, lenders and other professionals required to perform obligations or exercise rights under the Agreement; and (ii) if required by applicable law or court order.

10.11 Buyer's Post-Closing Claims; Nonrecourse to Partners. Except as otherwise provided herein, prior to the Closing, if Seller breaches this Agreement, Buyer's sole recourse shall be limited to Seller's interest in the Property and the profits and proceeds therefrom. After the Closing Date, the recourse of Buyer for any obligation of the Seller under this Agreement shall be an action for specific performance of Seller's obligations unless such action shall not be available to cure the default, in which case Buyer may seek damages from Seller by action at law. Except for any such action for specific performance, and except as otherwise provided herein, after the Closing, Buyer hereby waives, releases and agrees not to sue Seller on any claim for damages or otherwise.

10.12 Dates. Whenever any determination is to be made or action is to be taken on a date specified in this Agreement, if such date shall fall on Saturday, Sunday or legal holiday under the laws of the State of California, then in such event said date shall be extended to the next day which is not a Saturday, Sunday or legal holiday.

10.13 Counterparts; Telefacsimile Execution. This Agreement may be executed in counterparts, all of which shall constitute the same Agreement, notwithstanding that all parties to this Agreement are not signatory to the same or original counterpart. Delivery of an executed counterpart of this Agreement by telefacsimile shall be equally as effective as delivery of an original executed counterpart. Any party delivering an executed counterpart of this Agreement by telefacsimile also shall deliver an original executed counterpart of this Agreement, but the failure to deliver an original executed counterpart shall not affect the validity, enforceability and binding effect of this Agreement. Signature and acknowledgement pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one (1) document.

10.14 No Assumption of Seller's Liabilities. Buyer is acquiring only the Property from Seller and is not the successor of Seller. Except only for the obligations accruing after the Closing Date or assumed in writing by Buyer, Buyer does not assume or agree to pay, or indemnify Seller or any person or entity against any liability, obligation or expense of Seller or relating to the Property.

10.15 Limitation of Liability. No advisor, trustee, director, officer, partner, member, employee, beneficiary, shareholder, participant or agent of or in Seller or Buyer shall have any personal liability, directly or indirectly, under or in connection with this Agreement or any agreement made or entered into under or pursuant to the provisions of this Agreement, or any amendment or amendments to any of the foregoing made at any time or times, heretofore or hereafter. The terms of this Section survive the Closing or termination of this Agreement.

(Signature Page Follows Immediately)

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

"BUYER":

RETAIL CALIFORNIA, a
_____________________company

By:___________________________________

Name: _______________________________

Its: ___________________________

Dated: ____________ ___, 2015

"SELLER":

RIVERBANK DESIGNATED LOCAL AUTHORITY, AS SUCCESSOR AGENCY TO THE RIVERBANK REDEVELOPMENT AGENCY, A PUBLIC ENTITY ORGANIZED AND EXISTING UNDER CALIFORNIA HEALTH AND SAFETY CODE SECTION 34173(D) ,
a municipal corporation

By: ______________________________

Dated: ____________ __, 2015

EXHIBIT A

(Legal Description of the Property)

The real property is located in the State of California, County of Stanislaus and is described as follows:

Del Rio Theater Building and Parking Lot

Parcel One:

Lot 1, 2, 3, 4, 5, 6, 7 and 8 in Block 21 of the REVISED MAP OF THE TOWN OF RIVERBANK, as per Map thereof recorded October 11, 1910 in Book 5 of Maps, page 16, Stanislaus County Records.

TOGETHER with all that portion of the Westerly 12.5 feet of an alley lying adjacent to Lots 1-5 in Block 21 as vacated and abandoned by the City of Riverbank recorded July 7, 1993 as Document No. 93-0068542-00, Official Records.

Parcel Two:

Lot 25, 26, 27, 28, 29 and 30 in Block 21 of the REVISED MAP OF THE TOWN OF RIVERBANK, as per Map thereof recorded October 11, 1910 in Book 5 of Maps, page 16, Stanislaus County Records.

TOGETHER with all that portion of the Easterly 12.5 feet of an alley lying adjacent to Lots 30 in Block 21 as vacated and abandoned by the City of Riverbank recorded July 7, 1993 as Document No. 93-0068542-00, Official Records.

APN: 132-009-001, 132-009-002

Reed Garage

Lots 9 and 10 in Block 21 of the REVISED MAP OF THE TOWN OF RIVERBANK, as per map filed October 11, 1910 in Vol. 5 of Maps, page 16, Stanislaus County Records.

APN: 132-009-023

EXHIBIT B

(List of Due Diligence Items)

1. Phase I Environmental Assessment Report prepared by M.J. Kloberdanz & Associates dated April 18, 2007 – 6800 3rd Street

2. Appraisal by Cogdill & Giomi, Inc. dated November 29, 2010 – 3300 Atchison Street

3. Phase II Soil Sampling Report prepared by M.J. Kloberdanz & Associates dated May 31, 2007 – 6800 Third Street

4. Appraisal by Cogdill & Giomi, Inc. dated November 29, 2010 – 6800 Third Street

5. Uniform Hazardous Waste Manifest dated October 28, 2008 – 3300 Atchison Street

6. Microbial Inspection Report prepared by Bovee Environmental Management, Inc. dated April 29, 2008 – 3300 Atchison Street

7. Microbial Clearance Inspection Report prepared by Bovee Environmental Management, Inc. dated July 30, 2008 – 3300 Atchison Street

8. Asbestos Inspection Report prepared by Bovee Environmental Management, Inc. dated May 3, 2007 – 3300 Atchison Street

9. Structural Evaluation Report prepared by Casey Lubawy dated February, 2009 – 3300 Atchison Street

10. Letter to Ken Yamauchi dated March 30, 2009 from Buehler & Buehler Structural Engineers, Inc.

11. Agreement for Purchase and Sale of Real Property dated September 26, 2006 – 3300 Atchison Street

12. Visual Investigation Report prepared by R&S Tavares Associates dated August 10, 2006 – Corner of 3rd Street and SR-108– 3300 Atchison Street

EXHIBIT C

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:
____
____
____
Attention: ________________

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Documentary Transfer Tax is set forth in a separate statement that is not part of the public record.

GRANT DEED

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the RIVERBANK DESIGNATED LOCAL AUTHORITY, AS SUCCESSOR AGENCY TO THE RIVERBANK REDEVELOPMENT AGENCY, a public entity organized and existing under California Health and Safety Code Section 34173(d) ("Grantor"), hereby grants to ____ ("Grantee"), all that certain real property located in the County of Stanislaus, State of California, more particularly described on Exhibit A, attached hereto and incorporated herein by this reference.

This grant and conveyance is made and accepted subject to:

1. All general and special real property taxes and assessments that are not delinquent, including supplemental taxes assessed as a result of this conveyance; and

2. The Permitted Exceptions described on Exhibit B attached hereto and incorporated by reference.

3. Grantee herein covenants by and for itself and all 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 any basis listed in subdivision (a) or (d) of Section 12955 of the 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 Government Code, 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 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 premises herein conveyed. The foregoing covenants shall run with the land.

4. Grantee covenants by and for itself and its successors and assigns, and all persons claiming under or through it that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall Grantee itself or any person claiming under or through them, 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.

Grantee and its successors and assigns covenant and agree 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 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 Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of any Unit or the Project nor shall the Grantee establish or permit any such practice or practices of discrimination or segregation with reference to the location, subtenants, or vendees of the Property or in connection with the employment of persons for the construction, operation and management of the Property.

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

All deeds, rental agreements, leases, or contracts made or entered into by the Grantee as to the Property or any portion thereof, shall contain and be subject to the following nondiscrimination and nonsegregation clauses:

a. In deeds: "The grantee herein 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 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 Government Code, 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 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 premises herein conveyed. The foregoing covenants shall run with the land."

Notwithstanding the foregoing paragraph, with respect to familial status, the foregoing paragraph shall not be construed to apply to housing for older persons, as defined in

Section 12955.9 of the Government Code. With respect to familial status, nothing in the foregoing paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to the foregoing paragraph.

b. In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, 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 any basis listed in subdivision (a) or (d) of Section 12955 of the 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 Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, 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 in the premises herein leased."

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

c. In contracts: "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 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 Government Code, in connection with the performance of this contract nor shall the contracting party himself or herself, or any person claiming under or through him or her, 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, contractors, subcontractors or vendees with respect to the premises."

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

The covenants established herein shall, without regard to technical classification and designation, be binding on Grantee and any successors in interest to the Project, or any part thereof, for the benefit and in favor of the Riverbanks Designated Local Authority, the

City of Riverbank and their respective successors and assigns. The covenants against discrimination shall run with the land and remain in effect in perpetuity.

IN WITNESS WHEREOF, this Grant Deed has been executed this __ day of __________, 2015.

GRANTOR:

RIVERBANK DESIGNATED LOCAL AUTHORITY, AS SUCCESSOR AGENCY TO THE RIVERBANK REDEVELOPMENT AGENCY, a public entity organized and existing under California Health and Safety Code Section 34173(d)

By: ________________________________
Name ________________________________
Its: ________________________________

EXHIBIT A TO EXHIBIT C

(Legal Description of the Property)

The real property is located in the City of Riverbank, State of California, County of Stanislaus and is described as follows:

Del Rio Theater Building and Parking Lot

Parcel One:

Lot 1, 2, 3, 4, 5, 6, 7 and 8 in Block 21 of the REVISED MAP OF THE TOWN OF RIVERBANK, as per Map thereof recorded October 11, 1910 in Book 5 of Maps, page 16, Stanislaus County Records.

TOGETHER with all that portion of the Westerly 12.5 feet of an alley lying adjacent to Lots 1-5 in Block 21 as vacated and abandoned by the City of Riverbank recorded July 7, 1993 as Document No. 93-0068542-00, Official Records.

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Lot 25, 26, 27, 28, 29 and 30 in Block 21 of the REVISED MAP OF THE TOWN OF RIVERBANK, as per Map thereof recorded October 11, 1910 in Book 5 of Maps, page 16, Stanislaus County Records.

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APN: 132-009-001, 132-009-002

Reed Garage

Lots 9 and 10 in Block 21 of the REVISED MAP OF THE TOWN OF RIVERBANK, as per map filed October 11, 1910 in Vol. 5 of Maps, page 16, Stanislaus County Records.

APN: 132-009-023

EXHIBIT D

AFFIDAVIT

The RIVERBANK DESIGNATED LOCAL AUTHORITY, AS SUCCESSOR AGENCY TO THE RIVERBANK REDEVELOPMENT AGENCY, a public entity organized and existing under California Health and Safety Code Section 34173(D) ("Seller") hereby certifies to ______________________________ ("Buyer"), as follows:

1. Seller understands and acknowledges that this Affidavit may be disclosed to the Internal Revenue Service by Buyer in connection with that certain Purchase and Sale Agreement and Escrow Instructions dated as of ________________________, 2015 (collectively, with any and all amendments thereto, the "Purchase Agreement"), between Buyer and Seller, as evidence of Buyer's compliance with Section 1445 of the Internal Revenue Code;

2. Seller is not a foreign individual, foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

3. Seller's U.S. Employer Identification Number is __________________;

4. Seller's office address is ____;

5. Seller further understands and acknowledges that this Affidavit may be disclosed to the Franchise Tax Board of California by Buyer in connection with the Purchase Agreement;

6. Section 18662 of the California Revenue and Taxation Code provides that a buyer may be required to withhold 3 1/3% of the sales price of the California property sold by a non-resident seller, unless the sales price of the property is less than $100,000.00;

7. Seller is not subject to any withholding pursuant to Section 18662 of the California Revenue and Taxation Code; and

8. Seller's California residence address is __________________________________.

The undersigned understands that any false statements contained in this Affidavit could be punished by fine or imprisonment or both. The undersigned certifies on behalf of Seller under penalty of perjury that the foregoing is true and correct, and that the undersigned is duly authorized to execute this Affidavit on behalf of Seller.

Dated as of this ____ day of ___________, 2015, at _______________, California.

RIVERBANK DESIGNATED LOCAL AUTHORITY, AS SUCCESSOR AGENCY TO THE RIVERBANK REDEVELOPMENT AGENCY, a public entity organized and existing under California Health and Safety Code Section 34173(D)

By: ________________________________
Name ______________________________
Its: ________________________________