

**PLACER COUNTY**  
**REDEVELOPMENT AGENCY**  
**MEMORANDUM**

**TO:** Honorable Members of the Redevelopment Agency Board  
**FROM:** Rich Colwell, Chief Assistant CEO–Redevelopment Director  
Rae James, Deputy Director  
**DATE:** October 23, 2007  
**SUBJECT:** Adopt a Resolution and Approve Findings Authorizing the Purchase of 8788-8790 North Lake Boulevard, Kings Beach for \$975,000 Plus Related Escrow and Property Management Costs in the Amount of \$15,000, Approve a Revision to the Redevelopment Agency FY 2007-08 Budget in the Amount of \$990,000, and Authorize the Chief Assistant CEO–Redevelopment Director or Designee to Sign all Related Documents Subject to Agency Counsel Review.

---

**ACTION REQUESTED**

Adopt a resolution and approve findings authorizing the purchase of 8788-8790 North Lake Boulevard, Kings Beach for \$975,000 plus related escrow and property management costs in the amount of \$15,000, approve a revision to the Redevelopment Agency FY 2007-08 budget in the amount of \$990,000, and authorize the Chief Assistant CEO–Redevelopment Director or designee to sign all related documents subject to Agency Counsel review.

**BACKGROUND**

On May 8, 2007, your Board authorized the Redevelopment Agency (Agency) to take several actions regarding negotiating the purchase of 8788-8790 North Lake Boulevard, in Kings Beach (Site). The Site is owned by Brad and Carmen Johnson. The Site consists of two parcels, each containing one building, and is located on the south side of Highway 28/North Lake Boulevard, directly west of Chipmunk Street in Kings Beach (see Attachment: Map).

Since May 8, 2007, the Agency has conducted extensive due diligence and is satisfied that purchase of the subject property meets redevelopment goals and objectives for the area. The negotiated purchase price is supported by a formal appraisal of the property. The site has one building currently being used as a business location for the property owner, as well as one building containing two small residential units and a small commercial unit currently housing a coffee roasting operation. It is requested that the land purchase be approved and added to the Agency's Master Fixed Asset List. It is proposed that the property be acquired using the attached purchase agreement.

After acquisition, the Agency intends to fence and secure the site, temporarily maintain all remaining structures on the Site and over a period of time, in accordance with California

Community Redevelopment Law, vacate and demolish the buildings. The Agency intends to solicit developers and adjacent property owners who have an interest in owning and developing this Site and its adjoining parcels under a master design plan. The Agency will retain professional residential and commercial property management services to oversee the property while leases expire and tenants are relocated as needed over time.

California Redevelopment Law (Health and Safety Code Section 33445) requires that your Board make certain findings for the purchase of land. First, a finding must be made that the purchase of land is of benefit to the Project Area or the immediate neighborhood in which the Project is located. The purchase of the land will facilitate the removal of blighting influences and engage cleanup activities on Site to remove impediments to development. Second, a finding must be made that there are no other reasonable means of financing the acquisition. Staff has determined that there are no other sources of funding available at this time to facilitate with Site acquisition. Finally, a finding must be made that acquisition of the Site will assist in the elimination of one or more blighting conditions inside the Project Area and is consistent with the Project Area Implementation Plan adopted pursuant to Health and Safety Code Section 33490. The Site acquisition will help remove adverse conditions and demolish old and outdated structures to facilitate new development opportunities.

#### **ACQUISITION KEY ELEMENTS**

- **Price:** The agreed upon purchase price is \$975,000 plus escrow closing costs. The Agency negotiated for the property in "As-Is" condition. The Site contains land coverage, commercial floor area, and development rights which are marketable commodities and may be held by the Agency for future development opportunities.
- **Environmental:** The site is believed to be free from any environmental contaminants, and a Phase One study is being conducted to verify this information.
- **Due Diligence:** Staff has secured a preliminary title report. The Agency will obtain an ALTA title insurance policy and the appropriate environmental site assessment prior to closing. A full appraisal was conducted on the property, along with a Property Inspection to identify any building shortcomings. The purchase agreement contains a feasibility period of 45 days from the effective date, to complete any remaining due diligence prior to property transfer.
- **Operational & Maintenance Expenses:** Upon acquisition, the Agency will incorporate the Site into its fixed asset list. The Agency will be responsible for maintenance of the Site until conveyed to a third-party developer.

#### **FISCAL IMPACT**

A budget revision in the amount of \$990,000 for the purchase and related costs is attached. The action will require a budget revision in the amount of \$990,000 to the Agency's FY 2007-08 Budget (see Attachment - Budget Revision). There will be no impact to the County General Fund.

**ENVIRONMENTAL STATUS**

Property acquisition in furtherance of the Plan is exempt from environmental review per California Environmental Quality Act Guidelines, Section 15180. In addition, the proposed action to acquire land does not commit the Agency to a definite course of action. The proposed action is not a federal undertaking under National Environmental Policy Act guidelines.

**RECOMMENDATIONS**

Adopt a resolution and approve findings authorizing the purchase of 8788-8790 North Lake Boulevard, Kings Beach for \$975,000 plus related escrow and property management costs in the amount of \$15,000, approve a revision to the Agency FY 2007-08 budget in the amount of \$990,000, and authorize the Chief Assistant CEO-Redevelopment Director or designee to sign all related documents subject to Agency Counsel review.

Attachments: Resolution  
Map  
Budget Revision  
Purchase Agreement

cc: Karin Schwab, Agency Counsel

**Before the Placer County  
Redevelopment Agency Board of Directors  
State of California**

**In the matter of:**

**Adopt a resolution and approve findings authorizing the purchase of 8788-8790 North Lake Boulevard, Kings Beach for \$975,000 plus related escrow and property management costs in the amount of \$15,000, approve a budget revision to the Redevelopment Agency FY 2007-08 Budget in the amount of \$990,000, and authorize the Chief Assistant CEO-Redevelopment Director or designee to sign all related documents subject to Agency Counsel review.**

**Resol. No. ....**

**Ord. No. ....**

**First Reading.....**

**The following Resolution was duly passed by the Redevelopment Agency Board of Directors of the County of Placer at a regular meeting held October 23, 2007, by the following vote on roll call:**

**Ayes:**

**Noes:**

**Absent:**

**Signed and approved by me after its passage.**

**Attest:  
Clerk of said Board**

\_\_\_\_\_  
**Chair, Redevelopment Agency Board**

\_\_\_\_\_  
**WHEREAS, by Ordinance No. 4753-B adopted on July 16, 1996, the Board of Supervisors of the County of Placer has adopted the Redevelopment Plan for the North Lake Tahoe Project Area (Project Area); and**

WHEREAS, the Redevelopment Agency of the County of Placer (Agency) is vested with responsibility pursuant to the Community Redevelopment Law (Part I of Division 24 of the Health and Safety Code of the State of California) (Law) to implement the Redevelopment Plan in the Project Area; and

WHEREAS, the Agency intends to purchase certain real property within the Project Area (Property) to facilitate with site assemblage for new development opportunities; and

WHEREAS, Agency assistance in acquisition of the Property and in funding environmental remediation is contemplated and provided for in Section 308 of the Redevelopment Plan adopted pursuant to Section 33490 of the Law; and

WHEREAS, by staff report accompanying this Resolution and incorporated herein by this reference (Staff Report), the Agency has been provided with additional information upon which the findings and actions set forth in this Resolution are based.

NOW, THEREFORE, BE IT RESOLVED THAT, based on information presented to the Board of Supervisors and the Agency and in compliance with the requirements of Section 33445 of the Law, the Agency finds and determines as follows:

1. All of the above recitals are true and correct, and the Agency has based the findings and actions set forth in this Resolution, in part, on such recitals.

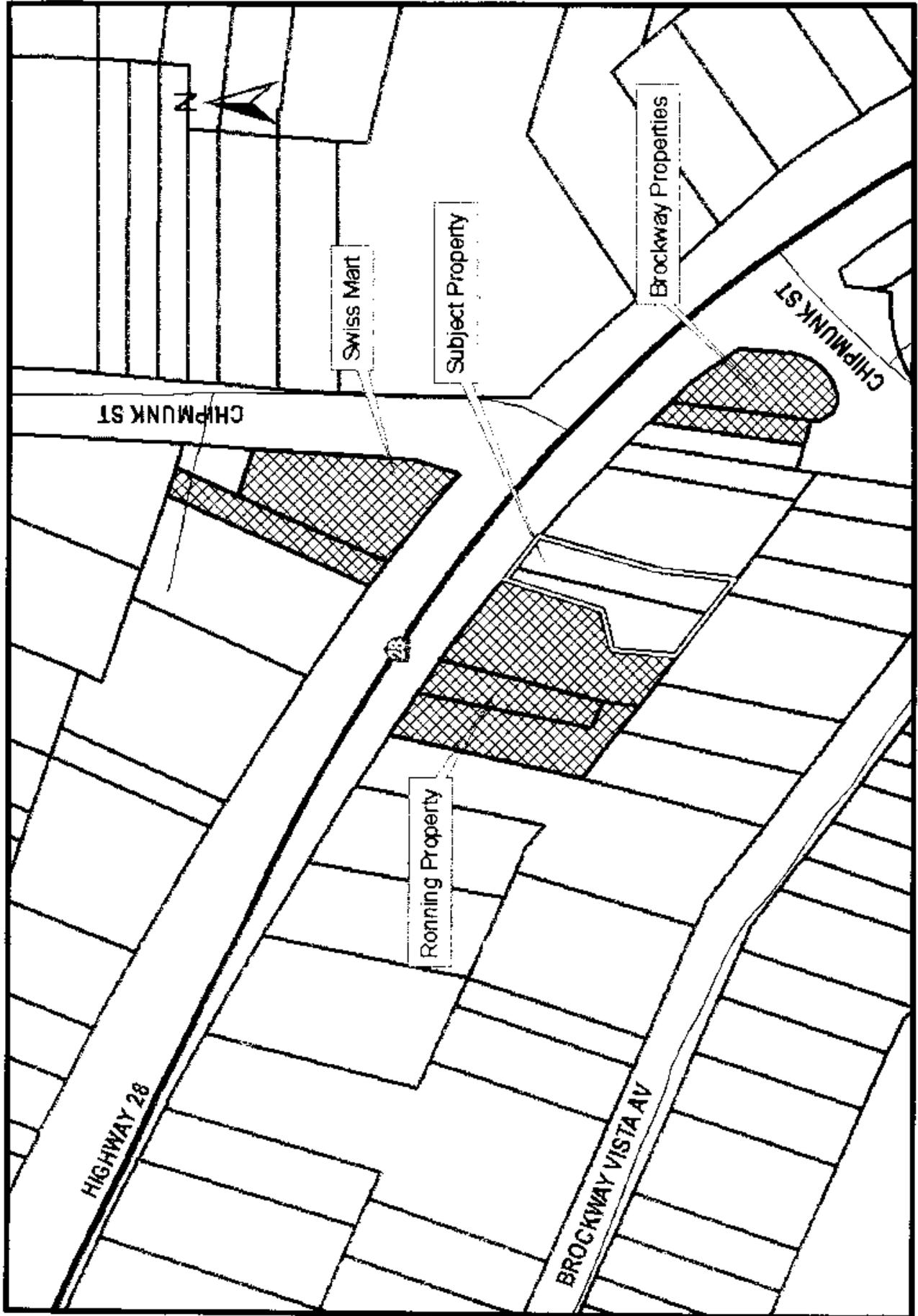
2. The Agency Board hereby finds and determines that (a) Agency assistance for acquisition of the Property for site assemblage will be of benefit to the Project Area; (b) no other reasonable means of financing the acquisition of the Property and the remediation of environmental deficiencies are available to the community; and (c) the payment of Agency funds for the acquisition of the Property (i) will assist in the elimination of one or more blighting conditions in the Project Area and (ii) is consistent with the Implementation Plan adopted by the Agency pursuant to Section 33490 of the Law. A summary of the factual and analytical basis used by the Agency in making these findings and determinations is set forth in the Staff Report.

3. The Agency Board approves the payment by the Agency of \$975,000 plus related escrow and expenses of up to \$15,000 for the cost of acquiring and managing the Property and authorizes amendment of the Agency's master fixed asset list to include the Property.

4. The Agency Board hereby authorizes the Chief Assistant CEO—Redevelopment Director or designee to sign the attached Purchase and Sale Agreement and Joint Escrow Instructions and all related escrow documents pursuant to the Purchase and Sale Agreement and Joint Escrow Instructions, and to take such actions and execute such other documents as are appropriate to effectuate the intent of this Resolution subject to review by Agency Counsel.

5. This Resolution shall take immediate effect from and after its passage and approval.

Attachment



Agency Owned Properties



Potential Acquisition  
APN #'s 090-221-018, 090-221-021

PLACER COUNTY

FAS DOCUMENT NO.

**BUDGET REVISION**

**POST DATE:**

DEPT NO.	DOC TYPE	Total \$ Amount	TOTAL LINES
85 BR		990,000.00	1

Cash Transfer Required

XX

Reserve Cancellation Required 995051 2420/546000

Establish Reserve Required

Auditor-Controller

County Executive

Board of Supervisors

**ESTIMATED REVENUE ADJUSTMENT**

**APPROPRIATION ADJUSTMENT**

DEPT NO.	T/C	Rev Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT	DEPT NO.	T/C	Rev Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT
85	014	505	100	995051	NOTAH	4001			990,000.00	85	014	505	100	995051	NOTAH	4001			990,000.00
<b>TOTAL</b>										<b>0.00</b>									
<b>TOTAL</b>										<b>990,000.00</b>									

REASON FOR REVISION: The Agency is entering into an agreement to purchase land in Kings Beach that was not budgeted. In addition, the Agency will need to cancel \$990,000 from the Capital Reserve (GL 2420/546000) to cover the cost of purchase.

Prepared by Coree Roeder Ext 3161

Date: 10/4/07

Page: \_\_\_\_\_

Department Head \_\_\_\_\_

Board of Supervisors \_\_\_\_\_

Budget Revision # 08-01 FOR INDIVIDUAL DEPT USE

137

## PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this "**Agreement**") is entered into effective as of October 23, 2007 (the date upon which this Agreement is approved by Buyer's governing board, and hereafter, the "**Effective Date**") by and between the Redevelopment Agency of the County of Placer, a public body, corporate and politic (the "**Buyer**") and Bradley W. Johnson and Caren M. Johnson (collectively, the "**Seller**"). Buyer and Seller are herein collectively referred to herein as the "**Parties**."

### RECITALS

A. Seller is the fee owner of that certain real property consisting of approximately 9481 square feet located in the unincorporated portion of Placer County known as Kings Beach, California at 8788-8790 North Lake Blvd., known as Placer County Assessor's Parcel Nos. 090-221-021 and 090-221-018, and more particularly described in Exhibit A attached hereto and incorporated herein (the "**Land**").

B. In accordance with the terms and conditions set forth in this Agreement, Seller desires to sell, and Buyer wishes to purchase, the Land, together with all improvements located thereon and all easements, hereditaments, and appurtenances belonging to or inuring to the benefit of Seller and pertaining to the Land, including without limitation, all coverage rights and development rights associated with the Land under the codes, procedures and policies of the Tahoe Regional Planning Agency ("**TRPA**") including without limitation, any TRPA approvals granted for the Land (all of the foregoing, collectively, hereinafter, the "**Property**"). The foregoing coverage rights and development rights shall be referred to in this Agreement as "**Coverage Rights**" and "**Development Rights**," respectively.

C. Buyer is a redevelopment agency existing pursuant to the Community Redevelopment Law (California Health and Safety Code Section 33000, et seq.), and pursuant to the authority granted thereunder, Buyer has the responsibility to carry out the Redevelopment Plan for the North Tahoe Redevelopment Area ("**Redevelopment Plan**").

D. The Property is located in the area governed by the Redevelopment Plan, and the purchase of the Property as provided for in this Agreement is consistent with and furthers the goals and objectives of the Redevelopment Plan.

**NOW, THEREFORE**, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Purchase and Sale of the Property. Subject to the terms and conditions set forth herein, Seller agrees to sell, and Buyer agrees to purchase, the Property.
2. Purchase Price. The purchase price for the Property shall be Nine Hundred and Seventy-Five Thousand Dollars (\$975,000) (the "**Purchase Price**").

3. Opening Escrow; Escrow Instructions. The Parties have, or within five (5) business days following the Effective Date shall, establish an escrow (the "**Escrow**") with the Auburn, California office of Placer Title Company (hereafter, the "**Escrow Agent**" or "**Title Company**") whose address and telephone number are 193 Fulweiler Avenue, Auburn, CA 95603, (530) 885-7722. This Agreement, together with such supplemental instructions as the Parties may deliver to Escrow Agent, shall serve as joint escrow instructions to the Escrow Agent.

4. Payment of Purchase Price. The Purchase Price shall be paid by Buyer as follows:

4.1. Deposit. Within ten (10) business days following the Effective Date, Buyer shall deposit with the Escrow Holder the sum of Five Thousand Dollars (\$5,000) as an earnest money deposit (the "**Deposit**"). The Deposit shall be credited toward the Purchase Price at Closing. The Deposit shall be fully refundable to Buyer if Seller defaults or if Buyer terminates this Agreement prior to the end of the Due Diligence Period.

4.2. Balance of the Purchase Price. Buyer shall deposit into Escrow the balance of the Purchase Price, together with Buyer's share of closing costs, no later than one (1) business day prior to the Close of Escrow (as defined below).

5. Due Diligence; Feasibility Determination. Seller grants Buyer the right to enter the Property for a period of forty-five (45) days commencing upon the Effective Date (the "**Due Diligence Period**") for the purpose of conducting at Buyer's expense, inspections and evaluations that Buyer deems necessary to evaluate the physical condition of the Property and the suitability of the Property for Buyer's intended use, including without limitation, hazardous materials testing, hydro-geologic testing, review of TRPA Stream Zone Maps, all appropriate inquiry as that term is defined in 40 CFR Part 312, inspection of on-site drainage facilities and an evaluation of the economic and physical feasibility of the Property's development. Buyer shall obtain Seller's written consent, which shall not be unreasonably withheld, conditioned or delayed, prior to conducting any invasive testing of the Property, and Buyer shall cooperate with Seller to ensure that any such access and testing results in the least possible disruption of the Property. Buyer shall repair any damage to the Property caused by Buyer's inspections and tests and shall restore the Property to substantially the condition existing as of the Effective Date. Buyer hereby agrees to defend, indemnify and hold Seller harmless from and against any and all Claims (defined in Section 22.1) arising directly out of any investigative activities of Buyer or its agents or representatives on the Property during the Due Diligence Period, except to the extent arising upon the discovery of any latent conditions in the Property or any Hazardous Materials (defined in Section 22.1) not previously identified in, on or under the Property. If Buyer decides for any reason not to purchase the Property, then Buyer may terminate this Agreement by providing written notice to Seller by no later than 5:00 p.m. on the last day of the Due Diligence Period, and upon receipt of such notice, Escrow Agent shall be instructed to immediately return the Deposit to Buyer, this Agreement shall terminate without further action by either Party, and thereafter neither Party shall have any further duties, obligations, rights, or liabilities under this Agreement, except pursuant to those provisions which expressly survive the termination of this Agreement.

6. Document Inspections. By no later than five (5) business days following the Effective Date, Seller shall make available to Buyer for Buyer's review all of the following documents in Seller's possession or control: (i) reports, studies and investigations related to the Property's physical condition including, soils reports and inspection reports; (ii) a disclosure statement regarding known conditions that may affect the value of the Property, including prior uses of the Property, environmental conditions, water rights and easements; (iii) architectural plans and drawings, surveys and specifications for the Property; (iv) records relating to any lawsuits pending against Seller, its agents or employees in connection with the ownership, operation, or management of the Property; (v) all leases, rental agreements, service, maintenance and all other agreements that will survive the Close of Escrow; (vi) TRPA Stream Zone Maps; and (vii) verification of TRPA excess coverage fees, Development Rights and Coverage Rights for the Property. If Buyer does not approve any of the foregoing, then Buyer may terminate this Agreement by providing written notice to Seller by no later than 5:00 p.m. on the last day of the Due Diligence Period, and upon receipt of such notice, Escrow Agent shall be instructed to immediately return the Deposit to Buyer, this Agreement shall terminate without further action by either Party, and thereafter neither Party shall have any further duties, obligations, rights, or liabilities under this Agreement, except pursuant to those provisions which expressly survive the termination of this Agreement.

6.1 Rent Roll; Tenant Leases. Within five (5) business days following the Effective Date, Seller shall deliver to Buyer a current rent roll, certified by Seller, listing for each tenant of any part of the Property, all of the following: tenant name, premises occupied, monthly rent, amount of deposit, amount of prepaid rent, and term of lease. Within five (5) business days following the Effective Date, Seller shall deliver to Buyer certified copies of all tenant leases, including any amendments and modifications. On or before the Close of Escrow, Seller shall assign all of Seller's rights and remedies under the tenant leases, including the right to any security deposits and prepaid rent, to Buyer pursuant to an assignment of leases and security deposits in form and substance satisfactory to Buyer (the "**Assignment of Leases**").

6.2 Estoppel Certificates. No later than ten (10) business days after the Effective Date, Seller shall deliver to Buyer an estoppel certificate in form satisfactory to Buyer executed by each Tenant of the Property. Seller shall deliver updated estoppel certificates executed by each Tenant of the Property not less than five (5) days prior to Close of Escrow.

6.3 Assignment of Contracts. At Close of Escrow, Seller shall deliver to Buyer an assignment of contracts in form and substance satisfactory to Buyer pursuant to which Seller shall assign to Buyer those contracts affecting the Property that Buyer elects to assume.

7. Coverage Rights and Tree Preservation Requirements. Buyer shall have until the expiration of the Due Diligence Period to (i) verify the coverage as determined by TRPA, and (ii) determine the tree preservation requirements, if any, related to the Property and the development thereof. If Buyer determines that either there is insufficient coverage to construct the project Buyer intends to develop on the Property or that the applicable tree preservation requirements render such development infeasible, Buyer may terminate this Agreement by providing written notice to Seller by no later than 5:00 p.m. on the last day of the Due Diligence Period, and upon receipt of such notice, Escrow Agent shall be instructed to immediately return

the Deposit to Buyer, this Agreement shall terminate without further action by either Party, and thereafter neither Party shall have any further duties, obligations, rights, or liabilities under this Agreement, except pursuant to those provisions which expressly survive the termination of this Agreement.

8. Elimination of Encroachments. It shall be a condition to Close of Escrow that Seller shall have eliminated all encroachments on the Property. Seller shall remove such encroachments without causing the displacement of any occupants of the Property or any adjacent parcels. Seller's failure to satisfy the foregoing requirement shall constitute a default on the part of Seller hereunder, and shall entitle Buyer to terminate this Agreement and to receive the entire Deposit.

9. Seller's Leaseback of Property; Seller's Relocation of Manhole Cover.

9.1 Leaseback. Buyer agrees that commencing on the Close of Escrow and continuing through May 15, 2008 (the "**Rental Period**"), Buyer will lease back to Seller Placer County APN 090-221-021 and the improvements located thereon (collectively, the "**Leasehold Premises**"). Rent for the Rental Period shall be One Dollar (\$1.00). Seller acknowledges that following Close of Escrow, it is Buyer's intent to demolish the improvements, commencing in July 2008, and that the Rental Period will not be extended. Seller's use and occupancy of the Leasehold Premises will be subject to all of the following conditions, all of which shall survive the Close of Escrow:

- a. Seller will vacate the Leasehold Premises by no later than May 15, 2008.
- b. Seller will pay all costs and expenses related to Seller's use of the Leasehold Premises which accrue prior to or during the Rental Period. Such costs and expenses shall include, without limitation, all costs and expenses attributable to, paid, or incurred in connection with the operation, repair, and maintenance of the Leasehold Premises, all water, sewer and utility charges, insurance premiums, and all charges for refuse disposal, janitorial, landscape maintenance and other services provided to the Leasehold Premises.
- c. Seller will pay, prior to delinquency, all real property taxes, possessory interest taxes, license and permit fees, sales, use or occupancy taxes, general and special assessments pertaining to the Leasehold Premises which accrue prior to or during the Rental Period.
- d. Seller will lease the Leasehold Premises in its as-is condition as of the commencement of the Rental Period. Seller acknowledges that Buyer shall have no responsibility for the repair or maintenance of the Leasehold Premises, and Buyer releases Seller from all Claims related in whole or in part, directly or indirectly, to the condition of the Leasehold Premises.
- e. Seller will not use or permit Hazardous Materials to be used in, on or under the Leasehold Premises except for cleaning and maintenance supplies used in the

ordinary course of Seller's business and used and disposed of in compliance with all state, federal and local laws, rules and regulations.

f. Seller shall comply with all state, federal and local laws, rules and regulations in connection with its use and occupancy of the Leasehold Premises.

g. Seller shall indemnify, defend (with counsel approved by Buyer) and hold harmless, the Indemnitees from and against all Claims arising in connection with (i) Seller's use and occupancy of the Leasehold Premises, or (ii) any negligence of Seller or its agents, contractors, employees or invitees.

h. Throughout the Rental Period, Seller shall maintain, at Seller's expense: (i) Comprehensive General Liability insurance issued by a carrier authorized to sell insurance in the State of California, written on an occurrence basis, and providing coverage for bodily injury, death and property damage caused by or occurring in connection with Seller's use and occupancy of the Leasehold Premises with a policy limit of at least \$2,000,000 per occurrence, (ii) Worker's Compensation insurance in compliance with the requirements of law, and (iii) property insurance providing coverage against fire, casualty loss and damage to the Leasehold Premises. Seller shall provide Buyer with evidence of the foregoing insurance coverage prior to the commencement of the Rental Period. The foregoing insurance policies shall be primary and noncontributing with respect to any policies carried by Buyer.

9.2 Relocation. Buyer acknowledges and agrees that the Purchase Price includes the sum of Twenty-Five Thousand Dollars (\$25,000) as payment for all relocation benefits and moving expenses to which Seller may be entitled under state, federal or local law, rule or regulation, and Seller hereby accepts such sum as payment in full for all such benefits. Seller hereby knowingly waives any and all other benefits, monetary or otherwise, under the California Relocation Assistance Law (Government Code Section 7260 *et seq.*) and the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Title 42, U.S. Code Section 4601 *et seq.*) as such laws may be amended.

9.3 Manhole. Buyer agrees to cause to be moved or relocated, the sewer manhole and connecting sewer line from its current location at the northeast corner of parcel 090-221-008, to a location on parcel 090-221-021 as soon as reasonably practical, and prior to the redevelopment of parcel 090-221-021. Seller will use best efforts to accomplish this in the summer of 2008 when building demolition is taking place on the Property. Any new development on the Property will be connected to the new manhole located on Parcel 090-221-021.

#### 10. Review of Title; Title Insurance.

10.1 Review of Title. Buyer acknowledges receipt of a Preliminary Title Report for the Property issued by Escrow Agent and dated as of \_\_\_\_\_, 2007 (the "**Preliminary Report**"). Seller shall notify Buyer immediately regarding any change to the condition of title to the Property. Should any new facts or circumstances related to title of the Property be discovered after the Effective Date pursuant to an updated title report or otherwise, Buyer shall have the right to object to such fact or circumstance or terminate this Agreement. If Buyer

makes an objection pursuant to this Section, Seller, within five (5) business days after receipt of Buyer's objection, shall notify Buyer in writing whether Seller elects to (i) cause the exception to be removed from title, (ii) obtain a commitment from Escrow Agent for an appropriate endorsement to the policy of title insurance to be issued to Buyer, reasonably acceptable to Buyer, insuring against the objectionable exception, or (iii) terminate this Agreement unless Buyer elects to take title subject to such exception. Seller's failure to so notify Buyer of its election shall be deemed to be Seller's election to cause the exception to be removed from title. If Seller fails to remove or satisfy any title exception to the satisfaction of Buyer, Buyer shall have the option, in Buyer's sole discretion, to terminate this Agreement or to accept title subject to such exception. If Buyer or Seller elects to terminate this Agreement pursuant to this Section, Escrow Agent shall be instructed to immediately return the Deposit to Buyer, and all rights and obligations of the Parties hereunder shall terminate except those rights and obligations that expressly survive termination of this Agreement.

10.2 Title Insurance. It shall be a condition to the Close of Escrow, that Title Company shall be committed to issue to Buyer an ALTA Owner's Policy of Title Insurance in the amount of the Purchase Price for the benefit and protection of Buyer, showing title to the Property vested in Buyer subject only to exceptions to title approved by Buyer as described in Section 10.1 and Section 18 and with such endorsements reasonably requested by Buyer (the "**Title Policy**"). Failure of such condition shall entitle Buyer to terminate this Agreement and receive the entire Deposit. Upon such termination and the return of the Deposit, all rights and obligations of the Parties hereunder shall terminate except those rights and obligations that expressly survive termination of this Agreement.

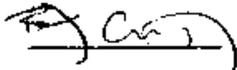
11. Agency Board Approval. If the governing board of Buyer has not approved this Agreement prior to the termination of the Due Diligence Period, Buyer may terminate this Agreement by providing written notice to Seller by no later than 5:00 p.m. on the last day of the Due Diligence Period, and upon receipt of such notice, Escrow Agent shall be instructed to immediately return the Deposit to Buyer, this Agreement shall terminate without further action by either Party, and thereafter neither Party shall have any further duties, obligations, rights, or liabilities under this Agreement, except pursuant to those provisions which expressly survive the termination of this Agreement.

12. **LIQUIDATED DAMAGES**. **If the escrow and this transaction fail to close as a result of the default of Buyer in the performance of its obligations under this Agreement, Buyer and Seller agree that seller will sustain damages, and that Seller's actual damages would be impracticable or extremely difficult to determine. The Parties therefore agree that if escrow and this transaction fail to close as a result of default of Buyer, and Seller is ready, willing and able to perform its obligations hereunder, Seller, as Seller's sole and exclusive remedy, shall be entitled to retain the Deposit as liquidated damages and as consideration for entering into this Agreement. By placing their initials in the spaces below, both Parties agree to the liquidated damages as set forth above. In the event escrow fails to close as a result of Buyer's default and Seller is ready, willing and able to perform its obligations hereunder, then (a) following Seller's receipt of the Deposit, this Agreement and the rights and obligations of Buyer and Seller hereunder and the escrow created hereby shall terminate (except those provisions specified to survive the termination of this**

Agreement), and (b) Escrow Agent shall, and is hereby authorized and instructed to, return promptly to Buyer and Seller all documents and instruments to the Parties who deposited the same. The payment of such amount as liquidated damages is not intended as a forfeiture or penalty within the meaning of California Civil Code Sections 3275 or 3369, but is intended to constitute liquidated damages to Seller pursuant to California Civil Code Sections 1671, 1676 and 1677. Seller hereby waives the provisions of California Civil Code Section 3389. Seller and Buyer acknowledge that they have read and understand the provisions of this Section 12, and by their initials immediately below agree to be bound by its terms.

SELLER'S INITIALS:

BUYER'S INITIALS



\_\_\_\_\_

13. Representations and Warranties of Seller. Seller hereby represents and warrants the matters set forth in this Section 13 to be true to the best of Seller's knowledge as of the Effective Date and as of the Closing Date. Prior to the Closing Date, upon request of Buyer, Seller shall deliver to Buyer a certificate dated as of the Closing Date, signed by Seller, certifying that the representations and warranties are true to the best of Seller's knowledge as of the Closing Date. Such representations shall survive the closing and conveyance of title to the Property. For purposes of this Agreement, "Seller's knowledge" shall mean the actual present knowledge of Seller and the employees and agents of Seller.

a. Seller has the legal power, right and authority to enter into this Agreement and the instruments and documents referenced herein, and to consummate the transactions contemplated hereby. The individuals executing this Agreement and the instruments referenced herein on behalf of Seller have the power, right and authority to bind Seller.

b. Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will result in a breach of or constitute a default under any agreement, instrument, or other obligation to which Seller is a party or by which Seller or the Property may be bound.

c. There is no claim, action, litigation, arbitration or other proceeding pending or, to the best of Seller's knowledge, threatened against Seller which relates to the Property or the transactions contemplated hereby or which could result in the imposition of a lien against the Property or have an adverse effect on the Property or its operation. If Seller receives notice of any such claim, litigation, arbitration or proceeding prior to the Closing Date, Seller shall promptly notify Buyer of the same in writing.

d. There will be no leases, management agreements, contracts, warranties, guaranties, bonds or other agreements which will affect the Property or which will be obligations of Buyer, other than as disclosed in writing to Buyer or as specifically approved by Buyer.

e. To the best of Seller's knowledge, neither the Property nor Seller is in violation

of, and Seller has not received any written notice of any violation of, any law, ordinance, regulation, order or requirement applicable to the Property including without limitation, requirements imposed under any recorded covenants, conditions, restrictions, easements or other rights affecting the Property, other than as disclosed to Buyer in writing. If Seller receives such a notice prior to the Closing Date, Seller shall immediately notify Buyer.

f. Seller has no knowledge, except as otherwise disclosed in writing or in any of the documents delivered to Buyer pursuant to this Agreement, of the existence or prior existence in, on or under the Property of any Hazardous Materials.

g. Seller is not a "foreign person" under Section 1445 of the Internal Revenue Code.

h. Seller shall not sell any Coverage Rights or Development Rights associated with the Property to any party other than Buyer prior to the termination of this Agreement or the Close of Escrow.

During the term of this Agreement, Seller shall have a continuing duty to notify Buyer of any material facts that would render any of the representations set forth above false. Except in the case of Seller's willful or knowing misrepresentation, if Buyer discovers at any time prior to the Closing Date that any of the representations or warranties set forth in this Section 13 are false, Buyer's sole remedy shall be the right to terminate this Agreement and to recover the total amount of Deposit.

14. Representations and Warranties of Buyer. Buyer hereby represents and warrants the matters set forth below to be true to the best of Buyer's knowledge as of the Closing Date. Such representations shall survive the closing and conveyance of title to the Property.

a. Buyer has the legal power, right and authority to enter into this Agreement and the instruments and documents referenced herein, and to consummate the transactions contemplated hereby. The individuals executing this Agreement and the instruments referenced herein on behalf of Buyer hereby represent and warrant that they have the power, right and authority to bind Buyer.

b. Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby shall result in a breach of or constitute a default under any agreement, instrument, or other obligation to which Buyer is a party or by which Buyer may be bound.

15. Close of Escrow.

15.1 Closing Date. Unless this Agreement is terminated pursuant to the terms hereof or extended by mutual consent of the Parties, escrow shall close within sixty (60) days following the Effective Date. Upon Close of Escrow, Seller shall convey the Property to Buyer by grant deed in form approved by Buyer (the "**Grant Deed**"). The "**Closing Date**" or "**Close of Escrow**" hereunder shall be the date that the Grant Deed is recorded in the Official Records of Placer County.

15.2 Seller Deposits into Escrow. No later than three (3) business days prior to Close of Escrow, Seller shall deposit into escrow all of the following: (i) the Grant Deed, duly executed and acknowledged by Seller; (ii) Seller's affidavit that Seller is not a "foreign person" as defined in the federal Foreign Investment in Real Property Tax Act of 1980 and the 1984 Tax Reform Act; (iii) Seller's California Form 593-W; (iv) [Assignment of Leases (as described in Section 6.1) executed by Seller]; (v) [Assignment of Contracts (as described in Section 6.4) executed by Seller]; (vi) [Tenant Estoppels (as described in Section 6.2)]; (vii) all original leases, rental agreements and contracts to be assumed by Buyer; (viii); and (ix) such other documents and instruments as the Escrow Agent may reasonably require to consummate the transactions contemplated by this Agreement.

15.3 Buyer Deposits into Escrow. No later than three (3) business days prior to Close of Escrow, Buyer shall deposit into escrow all of the following: (i) Certificate of Acceptance, duly executed and acknowledged by Buyer; (ii) [Assignment of Leases (as described in Section 6.1) executed by Buyer]; (iii) [Assignment of Contracts (as described in Section 6.4) executed by Buyer]; and (iv) such other documents and instruments as the Escrow Agent may reasonably require to consummate the transactions contemplated by this Agreement. No later than one (1) business day prior to Close of Escrow, Buyer shall deposit into escrow, funds in the amount which together with the Deposit is equal to: the Purchase Price, the cost of the Title Policy, and the cost of escrow and recording fees, less any prorations, taxes or fees payable by Seller.

15.4 Costs of Escrow and Closing. Buyer shall pay all closing costs and expenses of escrow.

15.5 Prorations and Adjustments. General and special real estate and personal property taxes and assessments and utility and service charges (including any that may be assessed after Close of Escrow but which pertain to the period prior to the transfer of title to the Property to Buyer, regardless of when or to whom notice thereof is delivered) shall be prorated as of the Closing Date except as adjustment is required pursuant to Section 9.1. All prorations shall be made on the basis of the actual days in a month and a three hundred sixty-five (365) day year.

15.6 Closing. The Escrow Agent shall close escrow by (i) causing the Grant Deed to be recorded in the Official Records of Placer County, (ii) issuing the Title Policy and delivering the same to Buyer, (iii) delivering to Seller the monies constituting the Purchase Price less prorated amounts and charges to be paid by or on behalf of Seller, (iv) delivering to Buyer a conformed copy of the Grant Deed indicating recording information thereon, and (v) delivering to Buyer the Bill of Sale, Assignment of Leases, Assignment of Contracts, and the Tenant Estoppels, together with the original leases, contracts and agreements to be assumed by Buyer. Possession of the Property shall be delivered to Buyer at Close of Escrow (subject to Section 9.1).

16. Buyer's Conditions to Closing. Buyer's obligation to purchase the Property is expressly contingent upon Buyer's approval of the condition of the property pursuant to Sections 5, 6, and 7 (Due Diligence; Document Inspection; Coverage Rights), and the approval of this Agreement by Buyer's governing board. In addition, the Close of Escrow and Buyer's

obligation to purchase the Property are subject to the satisfaction of all of the following conditions or Buyer's written waiver thereof (in Buyer's sole discretion) on or before the Closing Date:

(i) Seller shall have performed all obligations to be performed by Seller pursuant to this Agreement.

(ii) Seller's representations and warranties herein shall be true and correct in all material respects as of the Closing Date.

(iii) The Title Company shall be irrevocably committed to issue the Title Policy to Buyer, effective as of the Closing Date in accordance with Section 10.2.

(iv) There shall be no moratorium, prohibition or any other measure, rule, regulation or restriction, including, without limitation, any moratorium on the provision of or hook-up to public utilities, which was not in force as of the end of the Due Diligence Period and the effect of which would be to preclude any inspections, or the issuance of any building or other permits, or construction on or development of the Property as contemplated by Buyer. The occurrence of any of the foregoing shall entitle Buyer to terminate this Agreement, but shall not be deemed to be a Seller default hereunder and shall not entitle Buyer to the return of the Deposit.

(v) Seller shall have removed all encroachments to the satisfaction of Buyer in accordance with Section 8.

(vi) Seller shall not have sold, assigned, conveyed or otherwise transferred any Development Rights or Coverage Rights to any party other than Buyer.

17. Seller's Conditions to Closing. The Close of Escrow and Seller's obligation to sell and convey the Property to Buyer are subject to the satisfaction of the following conditions or Seller's written waiver (in Seller's sole discretion) of such conditions on or before the Closing Date:

(i) Buyer shall have performed all obligations to be performed by Buyer pursuant to this Agreement before Closing Date.

(ii) Buyer's representations and warranties set forth herein shall be true and correct in all material respects as of the Closing Date.

18. Condition of Title. At the Close of Escrow, Seller shall deliver insurable title to the Property, free and clear of all liens, encumbrances, clouds and conditions, rights of occupancy or possession except:

- a. applicable building and zoning laws and regulations;
- b. any lien for current taxes and assessment not yet delinquent;
- c. any liens, encumbrances, clouds, conditions, or exceptions arising due to the

actions of Buyer; and

d. any title exceptions Buyer has approved pursuant to Section 7 or exceptions for which Seller has obtained an appropriate endorsement pursuant to Section 7.

19. Seller's Covenants. Seller covenants that (i) absent the written consent of Buyer, Seller shall not enter into or renew, replace or modify any agreement regarding the sale, rental management, repair, improvement, or any other matter affecting the Property that will be binding on Buyer or the Property after the Closing Date; (ii) Seller shall not permit any act of waste or act that would tend to diminish the value of the Property for any reason, except that caused by ordinary wear and tear; (iii) until the Close of Escrow, Seller shall maintain the Property in accordance with Seller's established practices, and in a condition as of the Effective Date, ordinary wear and tear excepted, and shall, at Seller's expense, make all repairs necessary to maintain the Property in such condition; and (iv) Seller shall make no material alteration to the Property or the improvements located thereon without Buyer's prior written consent.

20. Loss, Destruction and Condemnation. The parties agree that the Uniform Vendor and Purchaser Risk Act, set forth in Civil Code Section 1662, and its provisions governing the allocation of risk of loss, shall govern this transaction.

21. Notices. All notices required or permitted hereunder shall be in writing. Any notice, tender or delivery to be given pursuant to this Agreement by either party may be accomplished by personal delivery, by first class certified mail, return receipt requested, or by delivery via an overnight courier which guarantees next day delivery. Any notice delivered by certified mail, return receipt requested shall be deemed received on the date of delivery reflected on the return receipt. Any notice delivered by overnight shall be deemed received one (1) business day after deposit thereof with the overnight courier. Mailed notices shall be addressed as set forth below, but each party may change its address by written notice in accordance with this Section 21, on not less than ten (10) days prior written notice.

To Buyer:                   Redevelopment Agency of the County of Placer  
3091 County Center Drive  
Auburn, CA 95603  
Attn: Deputy Director

To Sellers:                 Caren M. Johnson and Bradley W. Johnson  
P.O. Box 1026  
Kings Beach, CA 96143  
(530) 546-0242

To Escrow Holder:       Placer Title Company  
193 Fulweiler Avenue  
Auburn, CA 95603  
Attn: Escrow Officer  
Escrow No. \_\_\_\_\_

22. Indemnification.

22.1 Seller's Indemnity. Seller agrees to defend, indemnify and hold Buyer and Buyer's elected and appointed officers, officials, employees, agents, and representatives (collectively, "**Indemnitees**") harmless from and against any and all claims, liens, demands, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, and all costs incurred in connection therewith (including without limitation, attorneys' fees including the allocated costs of Buyer's in-house counsel and costs of experts and consultants) (all of the foregoing, collectively "**Claims**") arising from (i) any obligation of Seller not expressly assumed by Buyer related to the ownership or operation of the Property prior to the Close of Escrow; (ii) personal injury or property damage relating to the Property which occurs prior to the Close of Escrow and not caused by the acts or omissions of Buyer or Buyer's agents, employees, or invitees; and (iii) the breach of any of Seller's representations made under this Agreement. The indemnity contained in this Section shall survive the termination of this Agreement and the Close of Escrow.

22.2 Buyer's Indemnity. Buyer agrees to defend, indemnify and hold Seller harmless from and against any and all Claims arising from (i) any obligation of Buyer related to the ownership or operation of the Property after the Close of Escrow which has not been expressly assumed by Seller or retained by Seller pursuant to any lease-back of the Property; (ii) personal injury or property damage relating to the Property which occurs after the Close of Escrow and not expressly assumed by Seller or retained by Seller pursuant to any lease-back of the Property or caused by the acts or omissions of Seller or Seller's employees, agents, or invitees; and (iii) the breach of any of Buyer's representations made under this Agreement. The indemnity contained in this Section shall survive the termination of this Agreement and the Close of Escrow. Notwithstanding anything to the contrary set forth in this Agreement, Buyer is not obligated to defend, indemnify, or hold Seller harmless from Claims related to Hazardous Materials in, on or under the Property or any portion thereof, or Claims arising from the violation of federal, state, or local laws, ordinances, regulations, orders and directives pertaining to Hazardous Materials.

22.3 Definitions. For purposes of this Agreement, "**Hazardous Materials**" means the following: hazardous substance, hazardous waste, infectious waste, or hazardous material as defined in any federal, state or local statute, ordinance, regulation, or rule applicable to the Property, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 9601 et seq.) or Sections 25280 et seq., 25310 et seq., 25110 et seq., or 25500 et seq., of the California Health and Safety Code at such time; any other waste, substance or material designated or regulated in any way as "toxic" or "hazardous" in the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), Safe Drinking Water Act (42 U.S.C. Section 300f et seq.), Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), Clean Air Act (42 U.S.C. Section 7401 et seq.), California Health and Safety Code (Section 25100 et seq.), or California Water Code (Section 13000 et seq.) at such time; and any additional wastes, substances or material which at such time are classified, considered or regulated as hazardous or toxic under any other present or future environmental or other similar laws relating to the Property, including asbestos, asbestos-containing materials, radon gas, oil or any fraction thereof

of petroleum products, but excluding any substances or materials used in the construction, development, maintenance or operation of the improvements on the Property, so long as the same are used in accordance with all applicable laws.

23. General Provisions.

a. Headings; Construction. The section headings used herein are solely for convenience and shall not be used to interpret this Agreement. The Parties acknowledge that this Agreement is the product of negotiation and compromise on the part of both Parties, and the Parties agree that this Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole.

b. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions shall not be affected thereby, and every provision hereof shall be valid and enforceable to the fullest extent permitted by law.

c. Attorneys' Fees. In the event of any litigation between the Parties to enforce or interpret any of the provisions of this Agreement, the prevailing party shall be entitled to recover from the unsuccessful party all costs and expenses, including reasonable attorneys' fees, all of which may be included as part of the judgment rendered in such litigation.

d. Entire Agreement. This Agreement together with Exhibit A, attached hereto and incorporated herein by reference, supersedes all prior negotiations and agreements between the Parties, is intended to be the final expression of the agreement between the Parties, and may not be contradicted by evidence of any prior or contemporaneous agreement. The Parties further intend that this Agreement constitutes the final and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial proceedings involving this Agreement.

e. Waivers; Modification. No waiver of any breach of any covenant or provision of this Agreement shall be deemed a waiver of any other covenant or provision hereof, and no waiver shall be valid unless in writing and executed by the waiving party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act, and no extension shall be valid unless in writing and executed by the waiving party. This Agreement may be amended or modified only by a written instrument executed by the Parties.

f. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principle of conflict of law. Any claim or action relating to this Agreement shall be brought in Superior Court in Placer County California or the nearest federal district court.

g. Successors. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.

h. Time of the Essence. Time is of the essence for each condition, term, obligation and provision of this Agreement.

i. Performance Days. If the last day of any time period specified in this Agreement falls on a Saturday, Sunday or holiday observed by the federal government or the State of California, then the deadline for performance of the obligation that must be performed within such time period shall automatically be extended to the next day which is not a Saturday, Sunday or federal or state holiday.

j. Cooperation of Parties. Buyer and Seller shall execute such further escrow instructions and any and all other documents reasonably necessary or appropriate to close the purchase and sale pursuant to the terms of this Agreement.

k. Parties Not Co-Venturers. Nothing in this Agreement is intended to or shall establish the Parties as partners, co-venturers, or principal and agent with one another.

l. No Third Party Beneficiaries. Nothing in this Agreement is intended to or shall confer upon any person, other than the Parties and their respective successors and assigns, any rights or remedies hereunder.

m. Provisions Not Merged With Deeds; Survival. None of the provisions, terms, representations, warranties and covenants of this Agreement are intended to or shall be merged by the Grant Deed, and neither the Grant Deed nor any other document shall affect or impair the provisions, terms, representations, warranties and covenants contained herein. Without limiting the generality of the foregoing, Seller's representations, warranties and covenants contained herein shall survive the close of escrow. Notwithstanding any other provision of this Agreement to the contrary, if this Agreement terminates, such termination shall not release Seller and Buyer from any obligations under this Agreement that are specifically stated herein to survive the termination of this Agreement.

n. No Brokers. Each Party represents and warrants to the other that no person or entity can properly claim a right to a real estate commission, brokerage fee, finder's fee, or other compensation in connection with the transactions contemplated by this Agreement, and Buyer and Seller (each an "**Indemnitor**") agrees to indemnify and hold harmless the other Party from all claims, expenses, losses, costs or liabilities arising in connection with the Indemnitor's breach of this warranty and representation. The terms of this Section shall survive the Close of Escrow and the termination of this Agreement.

o. Escrow Cancellation Charges. If the escrow fails to close by reason of a default by Buyer or Seller hereunder, such defaulting party shall pay all escrow or other Title Company charges.

p. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which taken together shall constitute the same instrument.

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

BUYER:

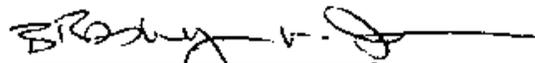
REDEVELOPMENT AGENCY OF THE COUNTY OF  
PLACER, A PUBLIC BODY, CORPORATE AND POLITIC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

SELLER:



Bradley W. Johnson



Caren M. Johnson



Exhibit A

**LEGAL DESCRIPTION**

The land described herein is situated in the State of California, County of Placer, unincorporated area, and is described as follows:

Parcel One

**A PARCEL OF LAND LOCATED IN THE STATE OF CALIFORNIA, COUNTY OF PLACER, WITH A SITUS ADDRESS OF 8788 N LAKE BLVD, KINGS BEACH CA 96143 CURRENTLY OWNED BY JOHNSON BRADLEY W HAVING A TAX ASSESSOR NUMBER OF 090-221-021-000 AND BEING THE SAME PROPERTY MORE FULLY DESCRIBED AS POR LOTS 66 & 67 BE BROCKWAY VISTA .**

Parcel Two

**A PARCEL OF LAND LOCATED IN THE STATE OF CALIFORNIA, COUNTY OF PLACER, WITH A SITUS ADDRESS OF 8790 N LAKE BLVD, KINGS BEACH CA 96143 CURRENTLY OWNED BY JOHNSON BRADLEY W & CAREN M HAVING A TAX ASSESSOR NUMBER OF 090-221-018-000 AND BEING THE SAME PROPERTY MORE FULLY DESCRIBED AS POR LOTS 68 & 67 BLK BE BROCKWAY VISTA D-16 AND DESCRIBED IN DOCUMENT NUMBER 25127 DATED 02/16/2005 AND RECORDED 03/02/2005.**

APN's 090-221-021, 090-221-018