

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 Redevelopment Agency
DATE: October 24, 2006
SUBJECT: Adopt a Resolution and Findings Authorizing the Purchase of 8797 North Lake Boulevard, Kings Beach (Assessor Parcel Numbers 090-192-041 and 090-192-055) for \$520,000 Plus Closing Costs, Initiation of Quiet Title Action and Authorize the Chief Assistant CEO-Redevelopment Director or Designee to Execute all Required Documents Subject to Agency Counsel Review.

ACTION REQUESTED

Adopt a resolution and findings authorizing the purchase of 8797 North Lake Boulevard, Kings Beach (Assessor Parcel Numbers 090-192-041 and 090-192-055) for \$520,000 plus closing costs; authorizing the Chief Assistant CEO-Redevelopment Director or designee to sign all documents subject to Agency Counsel review as well as initiate a quiet title legal action to remediate certain title irregularities.

BACKGROUND

The former Swiss Mart Station (Site) is located on the northwest corner of North Lake Boulevard and Chipmunk Street in Kings Beach (see attached map). On September 13, 2005, your Board authorized the Placer County Redevelopment Agency (Agency) to take several actions regarding cleanup of the Site using the State's Polanco Act (Polanco) which gives redevelopment agencies authority to clean up contaminated property and provides for certain immunities necessary to effectuate redevelopment. The Site has been registered under the State of California Emergency, Abandoned, and Recalcitrant (EAR) owner program due to lack of remediation activity since 2003 and is under the jurisdiction of Lahontan Water Quality Control Board (Lahontan). A letter was sent September 15, 2005 to all responsible parties notifying them of the requirements under Polanco. As of this date the Agency has not received any responses.

In November 2005, your Board authorized the Agency to enter into a contract with LFR Levine Fricke (LFR) to prepare a cleanup plan for State and Lahontan approval. Lahontan approved LFR's workplan on July 11, 2006. The Agency is currently seeking reimbursement from the EAR account for the majority of the funds expended to date on the LFR workplan.

Throughout the Polanco process, the Agency has been unsuccessful in contacting current and prior property owners. On June 30, 2006, a deed was recorded indicating the new Site owner as Andco

Farms, Inc. Shortly thereafter the Site was listed for sale. On August 3, 2006, the Agency sent Polanco notification letters to the new property owner.

Due to the multiple changes in ownership and a desire to remove the property's blighting influence, the Agency received your Board approval on September 12, 2006 to negotiate the purchase of the Site. Subject to your Board approval, a purchase and sale agreement in substantially the same form as the attached will be executed, subject to the review of Agency Counsel. After acquisition, the Agency intends to demolish the current structure on the Site and re-engage remediation activities, which include groundwater monitoring, shallow soil sampling, and installing new groundwater monitoring wells. In the Spring 2007, active Site remediation is planned to begin. Agency staff is exploring other funding sources to facilitate with the cost of Site remediation.

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 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 environmental conditions and demolish old and outdated structures to facilitate new development opportunities.

PROBLEM STATEMENT

Listed below are key elements of the acquisition:

- **Price:** The agreed upon purchase price is \$520,000 plus escrow closing costs. The Site was listed for \$649,000 in clean condition. The Agency negotiated a lower price for the property in "As-Is" condition. The Site contains land coverage, commercial floor area, and development rights which may be banked by the Agency and held for future development opportunities.
- **Environmental:** Since 2003, the Site has seen little, if any additional remediation activities. Agency staff has been working with County Environmental Health and LFR to develop a workplan to initiate cleanup activities.
- **Due Diligence:** Staff has secured a preliminary title report and an approved environmental workplan. The Agency will obtain a CLTA title insurance policy and a Phase I environmental site assessment prior to closing. Additionally, Agency staff will seek a court ordered Quiet Title Action to insure clear ownership. The purchase agreement contains a feasibility period of 21 days from the date of Board approval, to complete any remaining due diligence.
- **California Environmental Quality Act:** Agency acquisition of property is exempt from review under the California Environmental Quality Act (CEQA) guideline Section 15180 for redevelopment projects that fall under the Agency's planned activities. This action, as noted, is

consistent with the North Lake Tahoe Redevelopment Plan (Plan), which received environmental approval at the time of Plan adoption.

- **Operational & Maintenance Expenses:** Upon acquisition, the Agency will incorporate the Site into its fixed asset list. The Agency will be responsible for the long term maintenance of the Site.

FISCAL IMPACT

There is sufficient North Lake Tahoe Redevelopment Project Area tax increment funds allocated in the Agency's FY 2006/2007 budget for this Project. There will be no impact on the County General Fund.

ENVIRONMENTAL STATUS

Property acquisition in furtherance of the Plan is exempt from environmental review per CEQA 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 NEPA guidelines.

RECOMMENDATIONS

Adopt a resolution and findings authorizing the purchase of 8797 North Lake Boulevard, Kings Beach (Assessor Parcel Numbers 090-192-041 and 090-192-055) for \$520,000 plus closing costs, and authorize the Chief Assistant CEO–Redevelopment Director or designee to sign all documents subject to Agency Counsel review.

Attachments

Cc: Agency Counsel

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

In the matter of:

Adopt a Resolution and Findings Authorizing the Purchase of 8797 North Lake Boulevard, Kings Beach (Assessor Parcel Numbers 090-192-041 and 090-192-055) for \$520,000 Plus Closing Costs, Initiation of Quiet Title Action and Authorize the Chief Assistant CEO-Redevelopment Director or Designee to Sign all 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 24, 2006, 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 (the "Board of Supervisors") has adopted the Redevelopment Plan (the "Redevelopment Plan") for the North Lake Tahoe Project Area (the "Project Area"); and

WHEREAS, the Redevelopment Agency of the County of Placer (the "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) (the "Law") to implement the Redevelopment Plan in the Project Area; and

WHEREAS, the Agency intends to purchase certain real property within the Project Area (the "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, the Agency has determined that legal action is necessary in order to remediate certain irregularities in the property's ownership transfer history; and

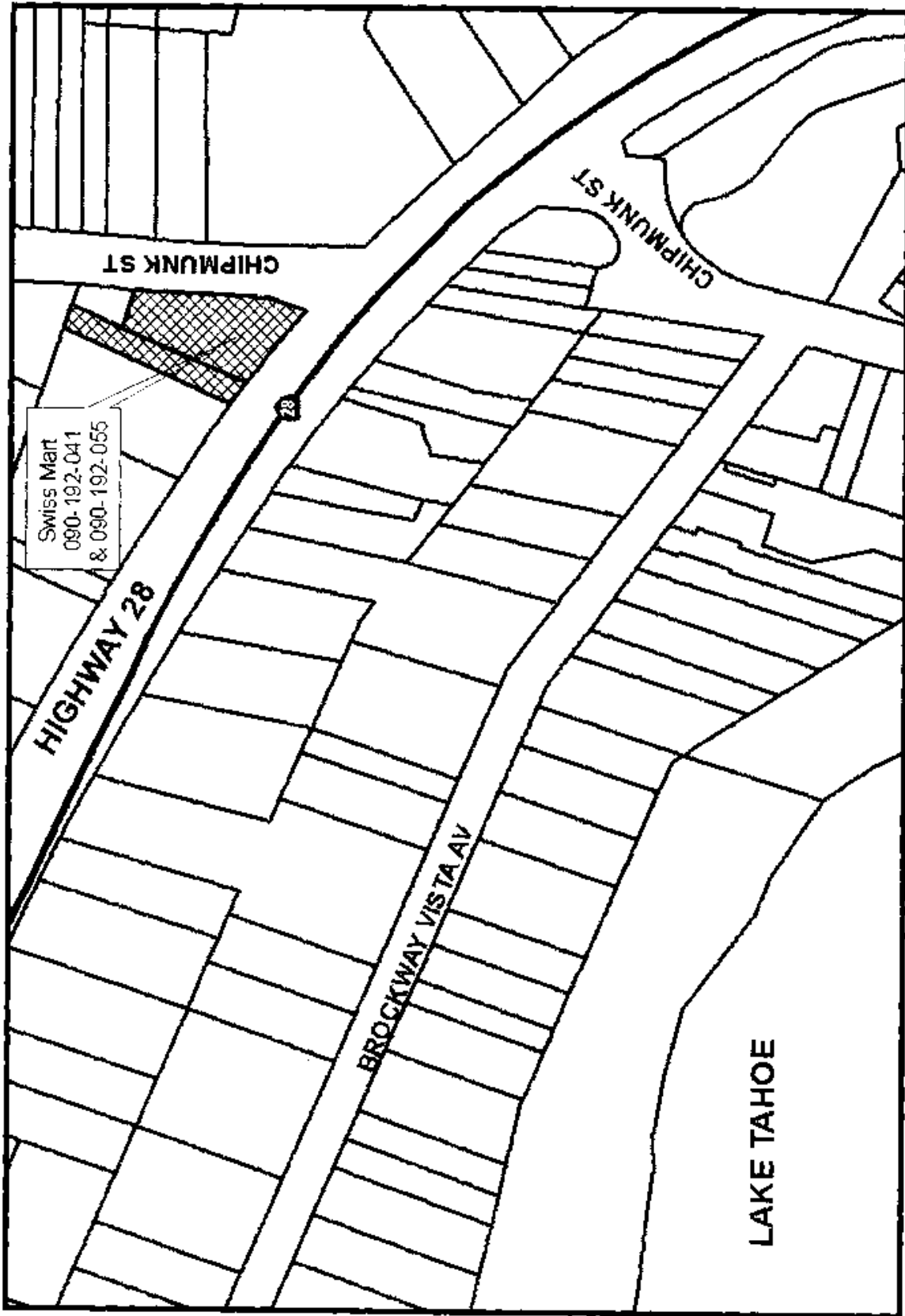
WHEREAS, by staff report accompanying this Resolution and incorporated herein by this reference (the "Staff Report"), the Agency has been provided with additional information upon which the findings and actions set forth in this Resolution are based.

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 \$520,000 plus closing costs for the cost of acquiring the Property and authorizes amendment of the Agency's fixed asset list to include the Property.
4. The Agency Board approves the filing of a Quiet Title Action on the subject property Agency or Contract Counsel, if deemed necessary by Agency in order to secure ALTA title insurance policy.
5. The Agency Board hereby authorizes the Chief Assistant CEO–Redevelopment Director or designee to sign the 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.

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



Map Drawn by J. Pope
8-25-06



CHEVRON/SWISS MART
APN: 090-192-041 & 090-192-055

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**PURCHASE AND SALE AGREEMENT
SWISS MART GASOLINE STATION**

This Purchase and Sale Agreement (the "Agreement") is entered into this _____ day of _____, 2006 (the date upon which this Agreement was approved by Buyer's Board and herein referred to as the "Effective Date") by and between the Redevelopment Agency of the County of Placer, a public body, corporate and politic (the "Buyer") and Andco Farms, Inc. a California corporation (the "Seller") for the purchase of the former Swiss Mart Gasoline Station located at 8797 North Lake Tahoe Blvd. Buyer and Seller are herein referred to as the "Parties."

RECITALS

A. Seller is a fee owner of that certain real property consisting of approximately 0.3118 acres located in the unincorporated portion of Placer County known as Kings Beach, California, at 8797 North Lake Boulevard, Kings Beach, California 96143 (APN 090-192-055 and 090-192-041), and as more particularly described in the legal description on Exhibit A (the "Property"). The Property includes all coverage rights and development rights associated with the Property under codes, procedures and policies of the Tahoe Regional Planning Agency ("TRPA") and any TRPA approvals for the Property. Such coverage rights and development rights shall be referred to in this Agreement as "Coverage Rights" and "Development Rights," respectively; and

B. Seller desires to sell the Property and Buyer desires to purchase the Property in accordance with the terms and conditions contained herein; and

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"). Buyer intends to redevelop the Property into a gateway project for the North Tahoe area (the "Project"); and

D. The Property is located in an 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 valid consideration the receipt and sufficiency of which are hereby acknowledged, the Buyer and the Seller agree as follows:

Section 1. Purchase and Sale of the Property. Subject to the terms and conditions set forth below, the Seller agrees to sell, and the Buyer agrees to purchase, the Property.

Section 2. Purchase Price. The purchase price for the Property shall be Five Hundred Twenty Thousand Dollars (\$520,000) (the "Purchase Price").

Section 3. Opening Escrow and Escrow Instructions. The parties have established an escrow, Order No. 102-27706-LO (the "Escrow") with the Auburn, California office of Placer Title Company of California (the "Escrow Holder") located at 193 Fulweiler Avenue, Auburn, California, (530) 885-7722. This Agreement shall constitute joint escrow instructions to the Escrow Holder.

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

a. Deposit. Within five (5) business days following the Effective Date, the Buyer shall deposit with the Escrow Holder Five Thousand Dollars (\$5,000) as an earnest money deposit (the "Deposit") and a copy of this Agreement. An additional Twenty Thousand Dollars (\$20,000) shall be added to Deposit (collectively the "Complete Deposit") at the end of the Feasibility Period, as defined below. The Complete Deposit shall be non-refundable to Buyer, except in the event of Seller's default and termination of this Agreement, in which case the Complete Deposit will be fully refundable. The Complete Deposit shall be credited against the Purchase Price at Closing.

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

Section 5. Feasibility Determination. Seller shall provide Buyer access to the Property for twenty-one days following the Effective Date for the purpose of conducting inspections, at Buyer's expense, that Buyer deems necessary, including but not limited to 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, and inspection of on-site drainage facilities. Seller grants Buyer the right to enter the Property for the purpose of conducting examinations. Buyer shall obtain Seller's consent, which shall not be unreasonably withheld, prior to conducting any invasive testing of the Property and Buyer shall cooperate with Seller to ensure that any such access 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 as near as possible to 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, liens, demands, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, and all costs incurred in connection therewith (including without limitation actual attorneys' fees and costs of experts and consultants) arising directly out of any investigative activities of Buyer or its agents or representatives on the Property during the first twenty-one days following the Effective Date (the "Feasibility Period"), except to the extent arising upon the discovery of any latent conditions in the Property or any Hazardous Materials in, on or under the Property.

Section 6. Seller's obligations During Feasibility Period.

a. Elimination of Encroachments. Seller shall eliminate any and all encroachments on the Property. The aforesaid encroachments shall be eliminated without the displacement of any residents who may be in occupancy on this Property or any adjacent parcels affected by this elimination. This Agreement is contingent upon the Seller satisfactorily eliminating any encroachment, if applicable, prior to close of escrow.

b. Elimination of Trash, Garbage, and Other Debris. Seller shall dispose trash, garbage, or debris on the Property at an approved site and pursuant to all local, state, and federal regulations.

c. Document Inspections. Within five (5) business days following the Effective Date of this Agreement, Seller shall make available to the Buyer for Buyer's review and approval the following documents, if any, (the "Preliminary Documents") in Seller's possession: (i) any and

all third party reports, studies and investigations related to the Property's physical condition including, soil reports, or 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) any architectural plans and drawings, record of survey, and specifications for the Property (if available); (iv) any records relating to any lawsuits pending against the Seller, its agents or employees in connection with the ownership, operation, or management of the Property; (v) any leases affecting the Property; (vi) TRPA Stream Zone Maps; and (vii) verification of TRPA excess coverage fees, Development Rights and Coverage Rights for the Project and Property. Failure to provide access as required in Section 5, above, or failure to provide the documents required herein shall relieve Buyer of its obligation to post the additional deposit required in Section 4.

Section 7. Title. Buyer shall be satisfied with the condition of title to the Property. Buyer approves those exceptions appearing on the Preliminary Title Report dated _____ and issued by Escrow Holder in connection with the Escrow (the "Report"). Seller shall notify Buyer immediately regarding any change to the condition of title to the Property prior to the Closing Date. Should any new facts or circumstances related to title of the Property be discovered after the Effective Date, Buyer shall have the right to object to such fact or circumstance or terminate this Agreement. If Buyer makes an objection pursuant to this subsection, Seller, within five (5) 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 Holder for an appropriate endorsement to the policy of title insurance to be issued to the Buyer, reasonably acceptable to Buyer, insuring against the objectionable exception, or (iii) terminate this Agreement unless the 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. Seller's failure to remove such exception or Seller's failure to notify Buyer of any changes to the condition of title after the Effective Date shall be considered a default on behalf of Seller.

Section 8. LIQUIDATED DAMAGES. In the event that 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 in the event that 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 the Deposit as liquidated damages and as consideration for entering into this Agreement. Failure of the Redevelopment Agency of the County of Placer's Board to approve this Agreement shall not be considered a default of Buyer that would entitle Seller to the Liquidated Damages described herein. The parties acknowledge that the resulting damages will be impractical or extremely difficult to ascertain, and, therefore, the parties agree after negotiation between them that retention of the Deposit as liquidated damages will be an appropriate form of compensation to the Seller and shall be Seller's exclusive remedy. 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 Holder 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 8, and by their initials immediately below agree to be bound by its terms.

SELLER'S INITIALS:

BUYER'S INITIALS

Section 9. Representations and Warranties of Seller. Seller hereby represents and warrants the matters set forth below to be true to the best of Seller's knowledge as of the Effective Date and 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 any employee, agent, board member or officer 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 transaction contemplated hereby. The individuals executing this Agreement and the instruments referenced herein on behalf of the Seller have the power, right and authority to bind Seller.

b. Neither the execution of this Agreement nor the consummation of the transaction contemplated hereby shall 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 transaction 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 the Buyer, other than as disclosed to Buyer pursuant to Section 5.c and specifically approved by Buyer in writing.

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 pursuant to this Agreement. 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 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. The 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.

i. Seller is selling the Property "as is," where is and with all faults.

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, in the event that Buyer discovers at any time prior to the Closing Date that any of the representations or warranties set forth in subsections 9 (a)-(i) above are false, Buyer's sole remedy shall be the right to terminate this Agreement and recover the total amount of Complete Deposit.

Section 10. 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. Prior to the Closing Date, Buyer shall deliver to Seller a certificate dated as of the Closing Date, signed by Buyer, certifying that the representations and warranty are true to the best of Buyer's knowledge as of the Closing Date.

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 transaction contemplated hereby. The individuals executing this Agreement and the instruments referenced herein on behalf of the 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 transaction 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.

Section 11. Close of Escrow.

a. Subject to the other provisions of this Agreement, escrow shall close within thirty (30) days following the date of the Effective Date, provided that the Buyer's Board has approved the Agreement by October 31, 2006. Upon Close of Escrow, Seller shall convey the Property to Buyer by grant deed in form attached hereto as Exhibit B (the "Grant Deed"). The "Closing Date" or "Close of Escrow" hereunder shall be the date that the Grant Deed is recorded with the office of the County Recorder.

b. Conditions to Buyer's Obligations. The Close of Escrow and Buyer's obligation to purchase the Property are subject to the satisfaction of the following conditions or Buyer's written waiver of such conditions 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) Pursuant to Section 14, the Title Company shall be irrevocably committed to issue a CLTA title policy to Buyer, as of the Closing Date.

(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 Feasibility Period and the effect of which would be to preclude any inspections, or the issuance of any building or other permits, or construction, of the Project on the Property as contemplated by the Buyer; provided however that the occurrence of any of the restrictions set forth in this subsection shall not be deemed to be a Seller default and the Deposit shall not be returned to Buyer.

(v) The Buyer has had an opportunity to inspect the Property during the Feasibility Period.

(vi) The Seller has not sold or transferred any Development Rights or Coverage Rights to any party other than Buyer and pursuant to this Agreement.

Buyer may waive, in writing, any or all such conditions in its sole and absolute discretion.

c. Conditions to Seller's Obligations. The Close of Escrow and Seller's obligations to sell and convey the Property are subject to the satisfaction of the following conditions or Seller's written waiver 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 and covenants set forth herein shall be true and correct in all material respects as of the Closing Date.

Seller may waive, in writing, any or all such conditions in its sole and absolute discretion.

Section 12. Condition of Title. At the Close of Escrow, the 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; and

b. Any lien for current taxes and assessment not yet delinquent, or taxes and assessment accruing subsequent to recordation of the Grant Deed; and

c. Any liens, encumbrances, clouds, conditions, or exceptions arising due in whole or in part to the actions of Buyer; and

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

Section 13. Costs of Escrow and Closing. Seller shall pay all costs and expenses of preparing, executing, acknowledging and delivering the grant deed and all transfer taxes. Buyer shall pay the costs of any title insurance policy and all recording fees. All other closing costs, including the escrow fee, shall be paid equally by Buyer and Seller.

Section 14. Title Insurance. As a condition to the Close of Escrow, Placer Title Company shall be ready to issue a California Land Title Association (CLTA) Owner's Policy of Title Insurance to the Buyer in the insurable amount of the Purchase Price and showing only those exceptions to title described in Section 7 or elsewhere in this Agreement.

Section 15. No Changes. Seller shall not enter into amendments to any existing, nor enter into any new, leases, rental agreements or other third party contracts which shall be binding on the Property or the owner thereof after the Closing Date, without the written consent of the Buyer, which consent may be withheld in Buyer's sole discretion. Seller shall maintain the Property prior to the Closing Date in a condition consistent with its current condition and shall make at its own expense, all repairs necessary to maintain the Property in such condition; provided, however, that Seller shall make no material alterations in the Property without Buyer's prior written consent, which may be withheld in Buyer's sole discretion.

Section 16. 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.

Section 17. Prorations and Adjustments. General and special real estate and personal property taxes and assessments payable for the tax year in which the Closing Date occurs shall be prorated by Seller and Buyer as of the Closing Date. Unless otherwise provided in this Agreement, all prorations shall be made on the basis of the actual days in a month and a three hundred sixty-five (365)-day year.

Section 18. Broker's Commission. Buyer represents and warrants that it has dealt with no broker, real estate agent or finder in connection with this transaction. Seller has worked with David P. Bruening doing business as Bruening Associates Real Estate. Seller shall be responsible for paying any and all broker commissions relating to this transaction. Buyer and Seller (each, reciprocally, as an "Indemnitor") agree to indemnify and hold the other (as "Indemnitee") harmless from all expense, loss, damage and claims, including the Indemnitee's attorneys' fees, if necessary, arising out the Indemnitor's breach of the foregoing representation. The terms of this Section shall survive the expiration or earlier termination of this Agreement.

Section 19. 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, by delivery via an overnight courier which guarantees next day delivery or by facsimile. 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. Facsimiled notices shall be deemed to be given on the date shown on the confirmation receipt. Mailed notices shall be addressed as set forth below, but each party may change its address by written notice in accordance with this Section, on not less than ten (10) days prior written notice.

7 200

To Buyer: Redevelopment Agency of the County of Placer
3091 County Center Drive, Suite 260
Auburn, CA 95603
Attn: Program Manager
Facsimile: 530-745-3152

To Sellers: Andco Farms, Inc.
c/o Larry Odbert
3732 T Street
Sacramento, CA 95816
Facsimile: _____

To Escrow Holder: Placer Title Company
193 Fulweiler Avenue
Auburn, CA 95603
Attn: Leslie Ory, Title Officer
Escrow No. 102-27706-LO
Facsimile: (530) 885-1592

Section 20. General Provisions.

a. Construction. The title and headings of the various sections in this Agreement are intended as a means of reference and are not intended to place any construction on the provisions in 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. Invalidity. If any provision of this Agreement shall be found 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 hereto to enforce or interpret any of the provisions of this Agreement, the prevailing party therein 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 supersedes all prior negotiations and agreements between the Parties, and is intended by the Parties as a final expression of their agreement 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. No provision of this Agreement may be amended except by an agreement in writing signed by the Parties hereto or their respective successors in interest.

e. Provisions Not Merged with Deeds. 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.

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

g. Time of the Essence. Time is of the essence in this Agreement.

h. Performance Days. If the day for performance under any time period specified in this Agreement shall fall on a Saturday, Sunday or holiday observed by the federal government or the State of California, then the time for performance under such time period shall automatically be extended to the next business day; provided, however, that the term "days" as used to compute time periods in this Agreement shall not be construed to mean "business days."

i. Cooperation of Parties. The Buyer and the Seller shall, during the Escrow period, 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.

j. 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.

k. 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.

l. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California and any claim or law suit in relationship to this Agreement shall be brought in Placer County, California or the nearest Federal District Court.

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

n. Exhibits. All Exhibits attached hereto are incorporated in this Agreement by this reference.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates shown below.

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

By: _____

Name: _____

Its: _____

Date: _____

SELLERS:

ANDCO FARMS, INC., A CALIFORNIA CORPORATION

By: _____

Name: _____

Its: _____

Date: _____

By: _____

Name: _____

Its: _____

Date: _____

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: Lots 63, 64, 65 and 66 in Block BD, Brockway Vista Subdivision, according to the map thereto filed April 16, 1926 in the office of the recorder of Placer County in Block D of Maps, at Page 16, Et Seq.

Excepting there from the north 50 feet of Lots 64 and 65 granted to DFX Oil Corporation Recorded October 28, 1969 in Book 1267 at Page 117.

APN 090-192-041 and 090-192-055

EXHIBIT B
(Grant Deed)

RECORDING REQUESTED BY:
Redevelopment Agency of the County of Placer

AND WHEN RECORDED MAIL TO:
Redevelopment Agency of the County of Placer
3091 County Center Drive, Suite 260
Auburn, CA 95603
ATTN: Loan Portfolio Administration

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

GRANT DEED

For valuable consideration, receipt which is hereby acknowledged, Andco Farms, Inc., a California corporation, hereby grants to the Redevelopment Agency of the County of Placer, a public body corporate and politic, hereinafter referred to as GRANTEE, its successors and assigns, the fee simple title in and to all that real property located in County of Placer, State of California described in Exhibit A attached hereto and incorporated herein.

This Grant Deed may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of _____,
2006.

GRANTOR:

Andco Farms, Inc.

By: _____

Name: _____

Its: _____

EXHIBIT A

The land described herein is situated in the State of California, County of Placer, unincorporated area, and is described as follows: Lots 63, 64, 65 and 66 in Block BD, Brockway Vista Subdivision, according to the map thereto filed April 16, 1926 in the office of the recorder of Placer County in Block D of Maps, at Page 16, Et Seq.

Excepting there from the north 50 feet of Lots 64 and 65 granted to DFX Oil Corporation Recorded October 28, 1969 in Book 1267 at Page 117.

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