

OVERSIGHT BOARD
FOR THE SUCCESSOR AGENCY TO THE
PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY

BOARD REPORT

MEETING DATE: March 3, 2015

NEW BUSINESS

TITLE: APPROVE PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS WITH RICHARD MEANEY AND YOKANG ZHOU FOR A SUCCESSOR AGENCY-OWNED PROPERTY LOCATED AT 1479 NORTH PALM CANYON DRIVE, (APN 505-182-004), IN THE AMOUNT OF \$195,561 PURSUANT TO SECTION 34191.5(C) OF THE HEALTH AND SAFETY CODE.

INITIATED: Department of Community & Economic Development

RECOMMENDATION:

1. Adopt Resolution No. _____, "A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY, APPROVING THE APPROVE PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS WITH RICHARD MEANEY AND YOKANG ZHOU FOR A SUCCESSOR AGENCY-OWNED PROPERTY LOCATED AT 1479 NORTH PALM CANYON DRIVE, (APN 505-182-004), IN THE AMOUNT OF \$195,561 PURSUANT TO SECTION 34191.5(C) OF THE HEALTH AND SAFETY CODE."

BACKGROUND AND ANALYSIS:

This is a Purchase and Sale Agreement between the City acting as the Successor Agency of the Community Redevelopment Agency ("Successor Agency") and Richard Meaney and Yokang Zhou, as individuals, for a property located at 1479 N. Palm Canyon Drive, known as the Casa Del Camino property. It is a Successor Agency property and its disposition is pursuant to the requirements of 34191.5(c) of the Health and Safety Code.

The purchasers are the owners of the adjacent property to the south, which they purchased in June, 2014. They are assembling properties for the purpose of a larger development on the site.

The City and the Oversight Board for the Successor Agency to the Palm Springs Community Redevelopment Agency have recently completed the process mandated by the State of California applicable to the disposition and use of the Successor Agency Property. Having completed the process, the Successor Agency is now capable of

ITEM NO. 3.B.

conveying the Property in accordance with Section 34191.5(c) of the Health and Safety Code.

The sale amount is \$195,561. Escrow would be handled by West Coast Escrow, a local Palm Springs escrow company participating in the City's rotation program for escrows.

Asset Transfer Report

The Dissolution Act called for the Successor Agency, under the direction of the Oversight Board, to dispose of real property it received from the Dissolved RDA either for limited public uses, or for disposition into the private market expeditiously and with a view toward maximizing value, with the disposition proceeds ultimately made available for distribution to the affected taxing entities.

One of the requirements under the Dissolution Act was the preparation and submittal to the State Controller's Office of an Asset Transfer Assessment prepared by the Successor Agency, showing the assets that were owned by the Agency and transferred to the Successor Agency upon the dissolution on February 1, 2012.

Land Disposition Process under AB 1484

In 2012, the State approved a redevelopment reform act, AB 1484, which changed a number of the processes related to the disposition of Dissolved RDA assets. AB 1484 provided certain flexibility and local benefits in connection with property disposition.

The Successor Agency holds a total of 12 properties from the Dissolved RDA. These include sites assembled for future redevelopment, public parking lots and other real property. Disposition of these properties would not be able to occur until the Department of Finance ("DOF") issued a finding of completion and approved a long-range property management plan, which included an inventory of these properties and other pertinent information. Assembly Bill 1X 26 added Health and Safety Code Sections 34191.1-34191.5 requiring that successor agencies send a long-range property management plan to their oversight board and DOF no later than six months following the issuance of the finding of completion.

The Successor Agency received its finding of completion from DOF on January 2, 2014. The Long-Range Property Management Plan ("LRPMP") was reviewed by the Oversight Board on December 12, 2013. Prepared in collaboration with a qualified dissolution and real estate consultant, the LRPMP contains detailed information on each property, such as the date and purpose of acquisition, parcel characteristics, estimate of the current value and any lease, rental or other revenues, histories of environmental contamination, and previous development proposals.

The LRPMP outlined that the Successor Agency would sell all 12 properties, including the Casa Del Camino parcel. The State-approved value in the LRPMP for this 29,152 s.f. parcel was \$195,561. The sales proceeds collected by the Successor Agency (net of transaction costs) would be transferred later to the County Auditor-Controller for

dissemination to each of the affected taxing agencies of the former redevelopment project area.

Now that the LRPMP is approved by the DOF, individual transactions are still required to go to the Oversight Board for approval.

FISCAL IMPACT

The transaction with the parties is \$195,561. The City will receive a share of 27% of the sales proceeds of the transaction from the County Auditor-Controller. The remainder of those sales proceeds will be allocated to other taxing entities, such as the school district and the County. Additional new property tax from the redevelopment of the property will be generated, which will also have a net positive effect on the City.

RESOLUTION NO. 034

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY, APPROVING THE PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS WITH RICHARD MEANEY AND YOKANG ZHOU FOR A SUCCESSOR AGENCY-OWNED PROPERTY LOCATED AT 1479 NORTH PALM CANYON DRIVE, (APN 505-182-004), IN THE AMOUNT OF \$195,561 PURSUANT TO SECTION 34191.5(C) OF THE HEALTH AND SAFETY CODE.

WHEREAS, the Community Redevelopment Agency of the City of Palm Springs ("Redevelopment Agency") was a redevelopment agency in the City of Palm Springs ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

WHEREAS, AB X1 26 and AB X1 27 were signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law, including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the California Health and Safety Code which effectively dissolves the Redevelopment Agency ("Dissolution Act"); and

WHEREAS, pursuant to Health & Safety Code Section 34191.5(b), successor agencies are required to send long-range property management plans to the oversight board and State Department of Finance no later than six months following the issuance of the finding of completion; and

WHEREAS, the Successor Agency received its finding of completion from the State Department of Finance on January 2, 2014; and

WHEREAS, the Successor Agency submitted a Long Range Property Management Plan ("LRPMP") to the State on December 16, 2013, in accordance with the provisions of Section 34191.3 of the Dissolution Act, indicating the intended disposition and use of the real property assets of the former Redevelopment Agency; and

WHEREAS, on December 3, 2014, the Successor Agency approved a Purchase and Sale Agreement and Escrow Instructions with Richard Meaney and Yokang Zhou for the Casa Del Camino Property, listed as Property Number 4 in the LRPMP.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALM SPRINGS AS FOLLOWS:

SECTION 1. The Oversight Board hereby finds and determines that the foregoing recitals are true and correct, and incorporates them herein by reference.

SECTION 2. The Oversight Board approves the Purchase and Sale Agreement and Escrow Instructions with Richard Meaney and Yokang Zhou for a property located at 1479 N. Palm Canyon Drive, known as the Casa Del Camino property, pursuant to the requirements of 34191.5(c) of the Health and Safety Code.

SECTION 3. This Resolution shall take effect five days of its adoption.

OVERSIGHT BOARD CHAIR

ATTEST:

JAMES THOMPSON,
CLERK/SECRETARY

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, James Thompson, Secretary of the Oversight Board of the Successor Agency of the Palm Springs Community Redevelopment Agency hereby certify that Resolution No. 034 was adopted by the Oversight Board at a Special Meeting held on the 3rd day of March, 2015, and that the same was adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JAMES THOMPSON,
CLERK/SECRETARY
OVERSIGHT BOARD
City of Palm Springs, California

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

THIS PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS ("Agreement") is made as of _____ (the "Effective Date"), by and between THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY ("Seller"), and RICHARD MEANEY AND YOKANG ZHOU, each as to a one-half undivided interest in the parcel (collectively, "Buyer"), as follows:

RECITALS

WHEREAS, the Community Redevelopment Agency of the City of Palm Springs (the "Agency") owned certain real properties in the City of Palm Springs (collectively, the "Properties"); and

WHEREAS, the Community Redevelopment Agency of the City of Palm Springs ("Redevelopment Agency") was a redevelopment agency in the City of Palm Springs ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

WHEREAS, the Redevelopment Agency was responsible for the administration of redevelopment activities within the City; and

WHEREAS, Agency desired to implement the Redevelopment Plan for its Merged Project Area No. 1 ("Project Area") by providing for the development of property which is within the Project Area, and which benefits the Project Area; and

WHEREAS, AB X1 26 and AB X1 27 were signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law, including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the California Health and Safety Code which effectively dissolves the Redevelopment Agency ("Dissolution Act"); and

WHEREAS, under the Dissolution Act, the term "successor agency" was defined to refer to the dissolved redevelopment agency's sponsoring community (the city, county or city and county that formed the Dissolved RDA), unless the sponsoring community adopted a resolution electing not to serve in that capacity; and

WHEREAS, Seller has recently completed the process mandated by the Dissolution Act applicable to the disposition and use of the Property by obtaining a Finding of Completion and approval of a Long Range Property Management Plan under Section 34191.5(c) of the California Health and Safety Code; and

WHEREAS, under the Dissolution Act, the term "Successor Agency" must submit all actions to its Oversight Board for review and approval, and all Oversight Board actions are reviewed and approved by the California Department of Finance ("DOF"); no action is final until DOF issues its approval.

AGREEMENT

1. Purchase and Sale. Upon all the terms and conditions contained herein, Buyer hereby agrees to purchase from Seller and Seller agrees to sell to Buyer the following:

(a) that certain unimproved real property consisting of approximately 29,185 net square feet located near the southwest corner of W. Stevens Road and N. Palm Canyon Drive, Palm Springs, CA (APN 505-182-004) and more particularly described on Exhibit A attached hereto and incorporated herein by this reference, together with any and all of Seller's right, title and interest in and to the rights and appurtenances pertaining to such property (collectively, the "Land"); and

(b) any and all of Seller's right, title and interest in and to any intangible property used in connection with the Land, including, without limitation, (i) all architectural and engineering plans, analyses and specifications relating to the Land, (ii) all existing permits, licenses, approvals and authorizations issued by any governmental authority in connection with the Land, and (iii) all guarantees and warranties relating to the Land, to the extent owned by Seller (collectively, the "Intangibles," and together with the Land, collectively, the "Property").

2. Opening of Escrow. Within five (5) business days following the mutual execution and delivery of this Agreement, Seller and Buyer shall open an escrow (the "Escrow") with West Coast Escrow, 333 N. Palm Canyon Drive, Palm Springs, CA 92262; Attn: Janet Tomassi, ("Escrow Holder") by delivering a fully executed copy of this Agreement to Escrow Holder. Escrow Holder was selected through the City's Escrow Company Rotation Program. Escrow shall be deemed open upon Escrow Holder's execution hereof. Seller and Buyer agree to execute such additional and supplementary escrow instructions as may be appropriate to enable Escrow Holder to comply with the terms of this Agreement; provided, however, that in the event of any conflict or inconsistency between the terms and provisions of this Agreement and the terms and provisions of any supplementary escrow instructions, the terms and provisions of this Agreement shall control.

3. Purchase Price. The total purchase price (the "Purchase Price") for the Property shall be One Hundred Ninety Five Thousand, Five Hundred Sixty One (\$195,561.00) Dollars. The Purchase Price shall be payable as follows:

(a) Deposit. Within two (2) business days following the opening of Escrow, Buyer shall deposit into Escrow by wire transfer or cashier's check cash in the amount of Fifty Thousand Dollars (\$50,000.00) (together with any interest earned thereon, collectively, the "Deposit"). Escrow Holder shall hold the Deposit in an interest-bearing demand account selected by Escrow Holder, with interest accruing thereon, while held by Escrow Holder, to be credited to the Purchase Price upon Closing. Provided this Agreement has not previously been terminated, upon the expiration of the Due Diligence Period, the Deposit shall be non-refundable to Buyer (except as otherwise provided in this Agreement).

(b) Cash at Closing. The remainder of the Purchase Price shall be deposited into Escrow, in cash or by wire transfer of immediately available federal funds, by Buyer no later than the Closing Date.

4. Costs and Prorations.

(a) Escrow and Title Fees. Buyer and Seller shall each pay one-half (1/2) of the Escrow fees. Seller shall bear the cost of (i) all documentary transfer taxes, and (ii) the premium which

would be required for an ALTA Standard Coverage Owner's Policy of Title Insurance With Regional Exceptions if issued by the Title Company (as defined below) insuring Buyer in the amount of the Purchase Price. Buyer shall bear the cost of (i) any increased premium attributable to endorsements and the delivery of an extended coverage ALTA Owner's Policy of Title Insurance (and any survey costs in connection therewith), and (ii) the cost of recording the Grant Deed (as defined below). All other costs or expenses not otherwise provided for in this Agreement shall be apportioned or allocated between Buyer and Seller in the manner customary in Riverside County, California. Buyer and Seller shall each pay the cost of its own legal and accounting fees.

(b) Taxes and Assessments. All current real property taxes, recurring assessments, and all payments on general and special bonds and assessments on the Property shall be prorated through Escrow between Buyer and Seller as of Closing based upon the latest available tax information, using the customary escrow procedures. Any taxes levied under the Supplemental Tax Roll and attributable to the period prior to Closing shall be paid by Seller, and any such taxes attributable to the period from and after Closing shall be paid by Buyer. To the extent that information required to compute any prorations or adjustments of real estate taxes, recurring assessments and/or payments on general and special bonds is not available at Closing, Seller and Buyer shall make all necessary adjustments by appropriate payments between themselves within thirty (30) days after such information is available to the parties, which such obligation of Buyer and Seller herein shall survive the Closing.

5. Buyer's Diligence.

(a) Title Review.

(i) Within five (5) days after the opening of Escrow, Escrow Holder shall deliver to Buyer a current preliminary title report (the "Preliminary Report") for the Property issued by Escrow Holder (in its capacity as the title company, the "Title Company"), including all schedules and exhibits thereto and together with true and correct copies of all instruments giving rise to any exceptions to title to the Property. Buyer shall have until 5:00 p.m. Local time on that date which is thirty (30) days following the opening of Escrow (the "Title Diligence Period") to review and object to any exceptions to title shown on the Preliminary Report. Buyer shall notify Seller in writing (the "Title Notice") prior to the expiration of the Title Diligence Period which exceptions to title (including survey matters), if any, are not acceptable to Buyer, in its sole discretion. If Buyer fails to notify Seller in writing of any exceptions to title prior to the expiration of the Title Diligence Period, then Buyer shall be deemed to have approved the condition of title to the Property. If Buyer timely notifies Seller in writing that Buyer objects to any exceptions to title, then Seller shall have until four (4) business days after Seller's receipt of the Title Notice to notify Buyer in writing ("Seller's Title Notice") that Seller (A) will cause such objectionable exceptions to be removed from title on or before the Closing; or (B) elects not to cause such exceptions to be removed. If Seller fails to notify Buyer in writing of its election within said four (4) business day period, then Seller shall be deemed to have elected not to cause such exceptions to be removed from title. If Seller elects (or is deemed to have elected) not to cause such exceptions to be removed from title, then Buyer shall advise Seller in writing within three (3) business days after Seller's election (or deemed election) whether Buyer will (1) nevertheless proceed with the purchase and take title to the Property subject to such exceptions, or (2) terminate this Agreement, in which event the provisions of Section 8 below shall apply. Buyer's failure to timely respond shall be deemed an election to proceed with the purchase and take title to the Property subject to such exceptions.

(ii) Seller shall not be obligated to cause any matters listed as exceptions on the Preliminary Report to be removed, except for (A) such matters as Seller agrees in writing to remove as set forth above and (B) any monetary encumbrances, all of which are hereby specifically disapproved by Buyer, and Seller agrees shall be paid off and removed from title by Seller prior to

Closing. If Seller fails to remove any such monetary lien prior to Closing, then Escrow Holder shall apply such portion of the Purchase Price as is necessary to cause the removal of such items at or prior to Closing, and the proceeds of Escrow to be otherwise distributed to Seller upon Closing shall be reduced by the amount so applied. In addition, during the period from the Effective Date until the Closing, Seller shall not, without Buyer's prior written approval, cause or permit any additional liens or encumbrances which would be binding on or affect the Property or any owner thereof after the Closing.

(b) Property Studies.

(i) Buyer shall have until 5:00 p.m. Local time on that date which is sixty (60) days following the opening of Escrow (the "Due Diligence Period") to enter upon the Property, at reasonable times after the giving of at least forty-eight (48) hours' notice to Seller, for the purpose of conducting soil, engineering and other tests, and to undertake any other inspections or investigations as Buyer may deem necessary and desirable to assess the development of the Property in the manner contemplated by Buyer and the cost of any such tests, inspections or investigations shall be borne solely by Buyer. Buyer hereby agrees to indemnify, defend and hold Seller harmless from any and all claims, causes of action, losses, damages, costs, liabilities and expenses, including, without limitation, reasonable attorneys' fees (and those fees incurred upon any appeals) and court costs incurred or suffered by Seller arising out of, or resulting from, the entry onto or the inspection of the Property by Buyer or its agents or consultants. The foregoing obligation of Buyer shall survive the Closing or earlier termination of this Agreement. Seller shall make available for inspection by Buyer at Seller's offices, during normal business hours after reasonable notice, all materials in Seller's possession relating to the Property (except for any confidential or proprietary materials such as Seller's financial analyses with respect to the Property) including, to the extent any, all soils reports, hazardous materials studies, hydrology studies, grading plans, compact reports, geological studies, existing access and improvement plans and existing surveys (the "Due Diligence Materials").

(ii) Buyer shall have the right to approve or disapprove of its acquisition of the Property, in its sole and absolute discretion, prior to the expiration of the Due Diligence Period. In the event Buyer approves of the Property, Buyer shall have the right, at any time prior to the expiration of the Due Diligence Period, to give written notice to Seller and Escrow Holder of Buyer's approval of the Property and election to proceed with the Closing (the "Approval Notice"). If Buyer disapproves of the Property or fails to timely provide an Approval Notice prior to the expiration of the Due Diligence Period (which such failure shall be deemed an election by Buyer to disapprove the purchase of the Property), this Agreement shall automatically terminate and the provisions of Section 8 below shall apply.

6. Intentionally Omitted.

7. Conditions to Closing.

(a) Conditions in Favor of Buyer. The Closing is conditioned upon the satisfaction, or waiver in writing by Buyer, of the conditions set forth below in this Section 7(a), which such conditions are for the benefit of Buyer. If any of such conditions are not satisfied (and are not waived in writing by Buyer), Buyer shall have the right to terminate this Agreement, in which event the provisions of Section 8 below shall apply.

(i) All representations and warranties of Seller shall be true and correct in all material respects as of the Close of Escrow;

(ii) Seller shall have performed all of the obligations required to be performed by Seller under this Agreement;

(iii) No material change shall have occurred with respect to the Property since the expiration of the Due Diligence Period; and

(iv) Title Company is prepared or committed to deliver to Buyer an ALTA Standard Coverage Owner's Policy of Title Insurance dated as of Closing, subject to only the matters set forth below. If Buyer requires an extended coverage ALTA Owner's Policy of Title Insurance or endorsements, Buyer shall notify Escrow Holder of such requirement and deliver to Escrow Holder, at Buyer's sole cost and expense and in a timely manner so as to not delay the Closing, an ALTA survey adequate for the issuance of such ALTA extended coverage policy. The title policy shall insure Buyer in an amount equal to the Purchase Price, and show title vested in Buyer subject only to:

(A) The usual printed title company exceptions;

(B) All exceptions shown on the Preliminary Report, other than those exceptions, if any, which Seller has agreed or is required to eliminate or cure on or prior to the Closing Date pursuant to Section 5(a) above (including, all monetary encumbrances);

(C) Any exceptions resulting from Buyer's entry upon the Property or otherwise created by Buyer; and

(D) All other exceptions approved in writing by Buyer.

(b) Conditions in Favor of Seller. The Closing is conditioned upon the satisfaction, or waiver in writing by Seller, of the conditions set forth below in this Section 7(b), which such conditions are for the benefit of Seller. If any of such conditions are not satisfied (and are not waived in writing by Seller), Seller shall have the right to terminate this Agreement, in which event the provisions of Section 8 below shall apply.

(i) All representations and warranties of Buyer shall be true and correct in all material respects as of the Close of Escrow; and

(ii) Buyer shall have performed all of the obligations required to be performed by Buyer under this Agreement.

8. Effect of Termination. In the event Buyer or Seller shall elect to terminate (or shall be deemed to have elected to terminate) this Agreement in accordance with the terms and provisions hereof where this Section 8 is specifically referred to, the electing party shall send written notice thereof to the other party and Escrow Holder. Upon receipt of such notice, then except as otherwise expressly provided herein (including, without limitation, pursuant to Section 13 below), (i) Seller shall return any disbursed portion of the Deposit to Buyer, (ii) Escrow Holder shall return any undisbursed portion of the Deposit to Buyer and any documents held by Escrow Holder to the parties depositing the same, (iii) all title and Escrow cancellation charges, if any, shall be paid equally by Buyer and Seller, and (iv) upon return of such funds and documents by Escrow Holder and the applicable party, except for such obligations of the parties which expressly survive the termination of this Agreement, the parties hereto shall have no further rights or obligations under this Agreement, which shall be deemed cancelled for all purposes.

9. Closing of Escrow.

(a) The closing (the "Closing" or "Close of Escrow") of the purchase and sale of the Property shall take place through Escrow within sixty (60) days following the expiration of the Due Diligence Period, on a date mutually acceptable to Buyer and Seller (subject to satisfaction or written waiver by the applicable party of the conditions set forth in Sections 7(a) and 7(b) above) (the "Closing Date"). Notwithstanding the foregoing, Buyer shall have two (2) options to extend the Closing Date for a period of thirty (30) days each, by providing Seller with written notice thereof not less than two (2) business days prior to the then-scheduled Closing Date and depositing with Escrow Holder the additional amount of Fifty Thousand Dollars (\$50,000.00) for each option (together with interest earned thereon, collectively, the "Closing Extension Deposits" and each a "Closing Extension Deposit"), which such Closing Extension Deposit(s), when made, shall be non-refundable, except in the event of a default by Seller hereunder or the failure of one or more conditions to Closing, but shall be applied against the Purchase Price at the Closing.

(b) At Closing, Seller and Buyer shall each perform the obligations set forth in, respectively, Sections 10(a) and 10(b) below, the performance of which obligations shall be concurrent conditions. When all required funds and instruments have been deposited into Escrow by the appropriate parties and when all other conditions to Closing have been satisfied (or waived in writing), Escrow Holder shall record the Grant Deed. Immediately after the Closing, Escrow Holder shall (i) deliver to Seller the Purchase Price (less all other sums and charges to be paid by Seller hereunder and the previously released Deposit), and (ii) deliver to Seller and to Buyer conformed copies of the Grant Deed.

10. Documents and Sums Required at Closing.

(a) Seller's Obligations. At or prior to Closing, Seller shall deliver, or cause to be delivered, to Buyer through Escrow:

(i) a duly executed and notarized grant deed (the "Grant Deed") in the form attached hereto as Exhibit B, conveying the Property to Buyer;

(ii) a duly executed Assignment of Intangibles (the "Assignment") in the form attached hereto as Exhibit C;

(iii) if applicable, a FIRPTA certificate along with any applicable State or local law equivalent in the forms customarily used by the Title Company duly executed by Seller;

(iv) an executed closing statement reasonably acceptable to Seller; and

(v) such additional documents as shall be reasonably required by Escrow Holder to consummate the transaction contemplated by this Agreement.

(b) Buyer's Obligations. At or prior to Closing, Buyer shall deliver to Seller through Escrow:

(i) by wire transfer or a cashier's check, funds equal to all sums to be paid by Buyer and delivered to Escrow Holder under this Agreement, including the balance of the Purchase Price and Buyer's share of costs and prorations;

(ii) a duly executed Assignment;

(iii) an executed closing statement reasonably acceptable to Buyer; and
(iv) such additional documents as shall be reasonably required by Escrow Holder to consummate the transaction contemplated by this Agreement.

11. [Intentionally Omitted].
12. [Intentionally Omitted].
13. Remedies.

(a) BUYER'S FAILURE. IF ESCROW DOES NOT CLOSE DUE TO BUYER'S FAILURE TO DEPOSIT ANY REQUIRED SUMS BY THE PRESCRIBED TIME OR TO PERFORM ANY OTHER ACT WHEN DUE HEREUNDER, WHICH FAILURE SHALL BE DEEMED A MATERIAL BREACH OF A CONDITION PRECEDENT, AND PROVIDED SELLER IS NOT IN DEFAULT UNDER THIS AGREEMENT, THEN SELLER, AS ITS SOLE AND EXCLUSIVE REMEDY, SHALL HAVE THE RIGHT TO TERMINATE THIS AGREEMENT AND RETAIN THE DEPOSIT THEN HELD BY ESCROW HOLDER OR SELLER PURSUANT TO THE TERMS OF THIS AGREEMENT AS LIQUIDATED DAMAGES, WHICH AMOUNT IS THE BEST ESTIMATE BY THE PARTIES OF THE DAMAGES SELLER WOULD SUFFER FROM SUCH BREACH, IT BEING AGREED THAT IT IS EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE AND IMPRACTICABLE, TO FIX THE EXACT AMOUNT OF DAMAGE WHICH WOULD BE INCURRED BY SELLER AS A RESULT OF SUCH DEFAULT BY BUYER. THEREUPON ESCROW SHALL BE CANCELED AS PROVIDED ABOVE, THIS AGREEMENT SHALL TERMINATE, AND THE PROVISIONS OF SECTION 8 SHALL APPLY; PROVIDED, HOWEVER, BUYER SHALL PAY ALL TITLE AND ESCROW CANCELLATION CHARGES.

Buyer's Initials

Seller's Initials

(b) Seller's Failure. In the event of a breach by Seller of this Agreement, then, provided Buyer is not in default under this Agreement, Buyer may, as its sole and exclusive remedy, either (i) terminate this Agreement by giving Seller and Escrow Holder written notice of such election at any time prior to Closing and seek reimbursement from Seller of Buyer's actual, out-of-pocket costs and expenses in connection with the transaction contemplated by this Agreement, or (ii) enforce specific performance of this Agreement. In the event Buyer elects to terminate this Agreement, then the provisions of Section 8 shall apply, except that all title and Escrow cancellation charges, if any, shall be paid by Seller.

14. Further Documents and Acts. Each of the parties hereto agrees to cooperate in good faith with each other, and to execute and deliver such further documents and perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement.

15. Representations, Warranties and Covenants of Buyer.

(a) Organization and Authority. Buyer has been duly organized and is validly existing under the laws of the State of Delaware. Buyer has the full right and authority to enter into this Agreement, and to consummate or cause to be consummated the transaction contemplated by this

Agreement. The persons signing this Agreement on behalf of Buyer are authorized to do so.

(b) Authorization. This Agreement has been, and on the Closing Date, all documents to be executed by Buyer hereunder will have been, duly authorized, executed and delivered by Buyer, and constitute and will constitute the valid and binding obligations of Buyer enforceable against it in accordance with their respective terms.

(c) No Consents Required. No consent, approval or other authorization of, or registration, declaration or filing with, any governmental authority or other third party is required for the due execution and delivery of this Agreement, and/or any of the documents to be executed by Buyer hereunder, or for the performance by or the validity or enforceability thereof against Buyer.

(d) As Is, Where Is. Buyer represents and warrants that it is acquiring the Property "AS IS, WHERE IS" and "WITH ALL FAULTS" without representation or warranty of any kind by Seller (except as expressly set forth in Section 16 below), expressed or implied by Seller, by operation of law, or otherwise, as to the physical, environmental or other condition of the Property.

16. Representations, Warranties and Covenants of Seller.

(a) Organization and Authority. Seller has the full right and authority to enter into this Agreement, and to consummate or cause to be consummated the transaction contemplated by this Agreement. The persons signing this Agreement on behalf of Seller are authorized to do so.

(b) Authorization. This Agreement has been, and on the Closing Date, all documents to be executed by Seller hereunder will have been, duly authorized, executed and delivered by Seller, and constitute and will constitute the valid and binding obligations of Seller enforceable against it in accordance with their respective terms.

(c) No Consents Required. Seller is the fee simple owner of the Property and has the full right and authority to enter into this Agreement, and to consummate or cause to be consummated the transaction contemplated by this Agreement. No consent, approval or other authorization of, or registration, declaration or filing with, any governmental authority or other third party is required for the due execution and delivery of this Agreement, and/or any of the documents to be executed by Seller hereunder, or for the performance by or the validity or enforceability thereof against Seller.

17. Condemnation.

If at any time prior to Closing all or any substantial portion of the Land is condemned or legal proceedings are commenced under the power of eminent domain, Seller shall promptly give Buyer written notice of the same ("Condemnation Notice"). In the event of the foregoing, Buyer shall have the right to terminate this Agreement by written notice to Seller and Escrow Holder given no later than five (5) days after Buyer's receipt of such Condemnation Notice (and, if applicable, the Closing Date shall be extended to the extent necessary to provide Buyer with the full five (5) day period to make such election), in which event the provisions of Section 8 shall apply. If Buyer fails to timely terminate this Agreement within such five (5) day period, Buyer shall be deemed to have elected to proceed with the purchase of the Property, in which event the parties shall proceed to Closing and Seller shall assign and turn over and Buyer shall be entitled to receive and keep all of Seller's right, title and interest in and to any proceeds in connection with such condemnation or other legal proceedings to the extent relating to the Land.

18. Broker's Commission Seller represents and warrants to Buyer and Buyer represents and warrants to Seller that no broker or finder has been engaged by Seller or Buyer, respectively, in connection with any of the transactions contemplated by this Agreement, and that no broker or finder is in any way connected with any of such transactions.

19. Waiver, Consent and Remedies. Each provision of this Agreement to be performed by either party shall be deemed both a covenant and a condition and shall be a material consideration for the other party's performance hereunder, and any breach of this Agreement by either party shall be deemed a material default hereunder. Either party may specifically and expressly waive in writing any portion of this Agreement or any breach thereof, but no such waiver shall constitute a further or continuing waiver of any preceding or succeeding breach of the same or any other provision. A waiving party may at any time thereafter require further compliance by the other party with any breach or provision so waived. The consent by one party to any act by the other for which such consent was required shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or any similar acts in the future. No waiver or consent shall be implied from silence or any failure of a party to act, except as otherwise specified in this Agreement. All rights, remedies, undertakings, obligations, options, covenants, conditions and agreements contained in this Agreement shall be cumulative and no one of them shall be exclusive of any other. Except as otherwise specified herein, either party may pursue any one or more of its rights, options or remedies hereunder or may seek damages or specific performance in the event of the other party's breach hereunder, or may pursue any other remedy at law or equity, whether or not stated in this Agreement.

20. Attorneys' Fees. In the event of any action or proceeding instituted between Seller, Buyer and/or Escrow Holder in connection with this Agreement, then as between Buyer and Seller the prevailing party shall be entitled to recover from the losing party all of its costs and expenses, including, without limitation, court costs, all costs of appeals and reasonable attorneys' fees.

21. Notices. Any notice, request, demand, consent, approval or other communication (collectively, "Notice") required or permitted hereunder or by law shall be validly given or made only if in writing and delivered in person to an officer or duly authorized representative of the other party or deposited in the United States mail, duly certified or registered (return receipt requested), postage prepaid, or delivered by Express Mail or the U.S. Postal Service or Federal Express or any other courier guaranteeing overnight delivery, charges prepaid. Any Notice may also be transmitted by telecopy (provided such notice is also delivered by one of the other methods provided herein). All Notices shall be addressed to the party for whom intended, as follows:

If to Seller:	CITY OF PALM SPRINGS 3200 E. Tahquitz Canyon Way Palm Springs, CA 92263-2743 Attention: City Manager
With a Copy to:	WOODRUFF, SPRADLIN & SMART, APC 555 Anton Boulevard, Suite 1200 Costa Mesa, California 92626 Attention: Douglas C. Holland, Esq.

If to Buyer: Richard Meaney and Yokang Zhou
700 E. Tahquitz Canyon Way
Palm Springs, CA 92263-2743
Fax No.: _____

If to Escrow Holder: West Coast Escrow
333 N. Palm Canyon Drive
Palm Springs, CA 92262
Attn: Janet Tomassi

Any party may from time to time, by written notice to the other, designate a different address which shall be substituted for that specified above. If any notice or other document is sent by mail as aforesaid, the same shall be deemed fully delivered and received forty-eight (48) hours after mailing as provided above. Any notice or other document sent by overnight service shall be deemed delivered one (1) business day after delivery of the same, charges prepaid, to the U.S. Postal Service or private courier. If any notice is sent by telecopy, the same shall be deemed served or delivered upon confirmation of transmission thereof. Any notice or other document sent by any other manner shall be effective only upon actual receipt thereof.

22. Entire Agreement. This Agreement and its exhibits constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations and understandings of the parties hereto, oral or written, express or implied, are hereby superseded and merged herein.

23. Captions. The captions used herein are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms and provisions hereof.

24. Incorporation. The Recitals and Exhibits attached hereto are hereby incorporated in this Agreement.

25. Governing Law. This Agreement and the exhibits attached hereto have been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California.

26. Invalidity of Provision. If any provision of this Agreement as applied to either party or to any circumstance shall be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the same shall in no way affect (to the maximum extent permissible by law) any other provision of this Agreement, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of this Agreement as a whole; provided that the invalidity or unenforceability of such provision does not materially adversely affect the benefits accruing to any party hereunder.

27. Amendments. No addition to or modification of any provision contained in this Agreement shall be effective unless fully set forth in writing by both Buyer and Seller.

28. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

29. Binding Agreement. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

30. Business Days. As used herein, the term "business day" shall mean any day other than a Saturday, Sunday, or any federal or State of California holiday. If any period expires on a day which is not a business day or any event or condition is required by the terms of this Agreement to occur or be fulfilled on a day which is not a business day, such period shall expire or such event or condition shall occur or be fulfilled, as the case may be, on the next succeeding business day.

31. Construction. The parties acknowledge that each party and its counsel have reviewed and approved this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto.

32. IRS Form 1099-S. For purposes of complying with Section 6045 of the Internal Revenue Code of 1986 ("Code"), as amended, Escrow Holder shall be deemed the "person responsible for closing the transaction," and shall be responsible for obtaining the information necessary to file with the Internal Revenue Service Form 1099-S, "Statement for Recipients of Proceeds From Real Estate, Broker and Barter Exchange Transactions."

33. No Third Party Beneficiary. The provisions of this Agreement and of the documents to be executed and delivered at Closing are and will be for the benefit of Seller and Buyer only and are not for the benefit of any third party; and, accordingly, no third party shall have the right to enforce the provisions of this Agreement or of the documents to be executed and delivered at Closing.

34. Independent Contract Consideration. Notwithstanding anything in this Agreement to the contrary, One Hundred and No/100 Dollars (\$100.00) of the Deposit is delivered to the Escrow Holder for delivery to Seller as "Independent Contract Consideration", and the Deposit is reduced by the amount of the Independent Contract Consideration so delivered to Seller, which amount has been bargained for and agreed to as consideration for Seller's execution and delivery of this Agreement. Escrow Holder is hereby instructed to release the Independent Contract Consideration to Seller promptly following the opening of Escrow.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

SELLER:

CITY OF PALM SPRINGS,
a California charter city

By: _____

Name: _____

Its: _____

Approved as to form:

City Attorney

BUYER:

RICHARD MEANEY AND YOKANG ZHOU,
each as to a one-half undivided interest

By: _____

Name: _____

Its: _____

Escrow Holder hereby certifies that Escrow opened as of the ____ day of _____, 2012 as
Escrow Number # _____.

COACHELLA VALLEY ESCROW COMPANY

By: _____

Its: _____

LIST OF EXHIBITS

EXHIBIT A LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT B FORM OF GRANT DEED

EXHIBIT A

LEGAL DESCRIPTION OF LAND

The Land is that certain real property located in the City of Palm Springs, County of Riverside, State of California, described as follows:

CASA DEL CAMINO PARCEL. PARCEL 1: LOT 12 IN BLOCK "A" OF LAS PALMAS ESTATES, AS SHOWN BY MAP ON FILE IN BOOK 15 AND 16 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL 2: ALL THAT PORTION OF LOTS 5 AND 6 IN BLOCK "A" OF LAS PALMAS ESTATES, AS SHOWN BY MAP ON FILE IN BOOK 15 PAGES 15 AND 16 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF SAID LOT 5; BEGINNING ALSO AT THE MOST NORTHERLY CORNER OF SAID LOT 6; THENCE SOUTH 89° 50' WEST, ALONG THE BOUNDARY LINE OF SAID LOT 5, 35.77 FEET; THENCE IN THE SOUTHWESTERLY DIRECTION, TO A POINT ON THE NORTHERLY LINE OF CAMINO DEL NORTE, 5 FEET SOUTHEASTERLY FROM THE NORTHWESTERLY CORNER OF SAID LOT 6; TO THE SOUTHWESTERLY CORNER OF SAID LOT 6; THENCE EASTERLY, ALONG THE SOUTHERLY LINE OF SAID LOT 6, TO THE SOUTHEASTERLY CORNER OF SAID LOT; THENCE NORTHERLY, ALONG THE EASTERLY LINE OF SAID LOT 6, TO THE POINT OF BEGINNING.

EXHIBIT B
FORM OF GRANT DEED

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO,
AND MAIL TAX STATEMENTS TO:

(Space Above Line for Recorder's Use Only)

The undersigned grantor declares:
Documentary Transfer Tax not shown
pursuant to Section 11932 of the
California Revenue and Taxation Code

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, THE CITY OF PALM SPRINGS, a California charter city ("Grantor"), hereby GRANTS to RICHARD MEANEY AND YOKANG ZHOU, each as to a one-half undivided interest, the following described real property (the "Property") in the City of Palm Springs, County of Riverside, State of California:

See legal description attached hereto at Exhibit A.

SUBJECT TO:

1. Non-delinquent real property taxes and all unpaid, non-delinquent general and special bonds or assessments.
2. All covenants, conditions, restrictions, reservations, rights, rights of way, easements, encumbrances, liens and title matters of record or which would be discovered by an accurate survey or physical inspection of the Property as of the date hereof.

[Signatures on Following Page]

EXHIBIT A TO GRANT DEED

LEGAL DESCRIPTION

The Land is that certain real property located in the City of Palm Springs, County of Riverside, State of California, described as follows:

CASA DEL CAMINO PARCEL. PARCEL 1: LOT 12 IN BLOCK "A" OF LAS PALMAS ESTATES, AS SHOWN BY MAP ON FILE IN BOOK 15 AND 16 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

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BEGINNING AT THE MOST EASTERLY CORNER OF SAID LOT 5; BEGINNING ALSO AT THE MOST NORTHERLY CORNER OF SAID LOT 6; THENCE SOUTH 89° 50' WEST, ALONG THE BOUNDARY LINE OF SAID LOT 5, 35.77 FEET; THENCE IN THE SOUTHWESTERLY DIRECTION, TO A POINT ON THE NORTHERLY LINE OF CAMINO DEL NORTE, 5 FEET SOUTHEASTERLY FROM THE NORTHWESTERLY CORNER OF SAID LOT 6; TO THE SOUTHWESTERLY CORNER OF SAID LOT 6; THENCE EASTERLY, ALONG THE SOUTHERLY LINE OF SAID LOT 6, TO THE SOUTHEASTERLY CORNER OF SAID LOT; THENCE NORTHERLY, ALONG THE EASTERLY LINE OF SAID LOT 6, TO THE POINT OF BEGINNING.