City of Loma Linda Official Report

Robert Ziprick, Chairman
Stan Brauer, Vice Chairman
Robert Christman, Board Member
Floyd Petersen, Board Member
Karen Hansberger, Board Member

CRA AGENDA: September 14, 2004

TO: Agency Board Members

VIA: Dennis R. Halloway, Executive Director

FROM: Pamela Byrnes-O'Camb, Secretary

SUBJECT: CRA Bill #R-2004-17 – Repealing Resolution No. 219 and rescinding the Real Property Exchange Agreement between the Loma Linda Redevelopment Agency and Shirou Kunihira and Satsuki Kunihira, as Trustees of that certain Revocable Declaration of Trust known as The Shirou and Satsuki Kunihira Revocable Trust

RECOMMENDATION

It is recommended that the Agency Board adopt CRA Bill #R-2004-17, rescinding the Real Property Exchange Agreement due to the number of changes requested, necessitating re-drafting of the Agreement.

BACKGROUND

The Agency Board authorized acquisition of properties within the Redevelopment Project Area, with emphasis on the North Central Neighborhood in order to facilitate the Agency's affordable housing goals. Poplar Street lies within the North Central Neighborhood.

In that effort, negotiations resulted in a property exchange proposal that would not only facilitate the Agency's affordable housing goals within the North Central Neighborhood and reduce the Agency's affordable housing deficit, but would provide street frontage for the alignment of Rhonda Street in a future development.

On August 24, 2004, the Agency Board continued the item at the request of John Mirau, counsel for the Kunihiras. Since that time, Mr. Mirau has submitted several changes, which in the opinion of Agency Special Counsel would require re-drafting of the Agreement.

ANALYSIS

The Agency Board approved the Real Property Exchange Agreement on March 9, 2004 via Resolution No. 219. The transaction was to conclude by May 6, 2004. Due to the nature and complexity of the changes requested, Agency Special Counsel advises that the subject Agreement be rescinded and a new agreement be drafted.

ENVIRONMENTAL

Not applicable.

FINANCIAL IMPACT

None.

Attachments: CRA Bill #R-2004-17
Agreement
Resolution No. 219
Requested changes

CRA AGENDA ITEM 5

RESOLUTION NO._____

A RESOLUTION OF THE LOMA LINDA REDEVELOPMENT AGENCY RESCINDING AND SETTING ASIDE THE PRIOR APPROVAL OF AN AGREEMENT FOR THE EXCHANGE OF PROPERTY WITH THE KUNIHIRA GROUP

WHEREAS, the Loma Linda Redevelopment Agency (the "Agency") is engaged in activities necessary to carry out and implement the Redevelopment Plan (the "Redevelopment Plan") for the Loma Linda Redevelopment Project (the "Redevelopment Project") and the merged redevelopment project area ("Project Area") established thereby; and

WHEREAS, in connection with carrying out and implementation of such Redevelopment Plan the Agency negotiated terms for the exchange of certain property owned by the Agency for certain property owned by a private party, as more fully set forth in that certain form of "Agreement for the Exchange of Property and Joint Escrow Instructions" as submitted to the Agency and acted upon by the Agency on March 9, 2004 (the "Offer") with the private parties named therein (collectively, "The Kunihira Group"); and

WHEREAS, at the time the Agency acted on the Offer, the Offer had not been executed by The Kunihira Group; and

WHEREAS, under the Offer, by certain times set forth,: (i) The Kunihira Group was to convey certain property located at 10869 Poplar Street, APN 0283-121-06-6-000, and more particularly identified in the Offer as the "Kunihira Parcel" to the Agency, and, in consideration thereof (ii) the Agency agreed to convey certain property identified in the Offer as the "Agency Parcel" to The Kunihira Group, all as more particularly set forth in the Offer; and

WHEREAS, notwithstanding several contacts of The Kunihira Group by Agency staff, The Kunihira Group has not executed the Offer and more than a reasonable period of time has elapsed for such purpose; and

WHEREAS, the failure of The Kunihira Group to execute the Offer, which would have resulted in a binding agreement, is frustrating the implementation of the Redevelopment Plan; and

WHEREAS, Agency staff is concerned that the value of the Agency Parcel has increased greater than any increases in value of the Kunihira Parcel.

NOW, THEREFORE, BE IT RESOLVED by the Loma Linda Redevelopment Agency as follows:

1. The Agency hereby rescinds, sets aside and repudiates its approval of the Offer. Effective immediately upon the adoption of this resolution by the Agency, the Offer shall have no further force or effect.

2. The Agency Secretary shall certify to the adoption of this Resolution.

2. The Agency Secretary shall certify to the adoption of this Resolution.

The foregoing Resolution is hereby approved this 14th day of September 2004 by the following vote.

Ayes:
Noes:
Abstain:
Absent:

_____
Robert H. Ziprick, Chairman

ATTEST:

_____
Pamela Byrnes-O'Camb, Secretary

REAL PROPERTY EXCHANGE AGREEMENT

THIS REAL PROPERTY EXCHANGE AGREEMENT (the "Agreement") is entered into as of March 9, 2004, by and between the **LOMA LINDA REDEVELOPMENT AGENCY**, a public body, corporate and politic (the "Agency"), and **SHIROU KUNIHIRA** and **SATSUKI KUNIHIRA**, as Trustees of that certain Revocable Declaration of Trust, known as **THE SHIROU AND SATSUKI KUNIHIRA REVOCABLE TRUST**, executed March 27, 1989; and **TERRI TSUYAKO KUNIHIRA**, a married woman (collectively, the "Kunihira Group") for the exchange of certain real property owned by the Kunihira Group for certain real property owned by the Agency, and is made on the basis of the following facts, intentions and understandings.

RECITALS

A. The Kunihira Group owns an approximately a 0.94-acre parcel of real property, APN 0283-121-06-0000, commonly known as 10806 Poplar Street in the City of Loma Linda, California (the "Kunihira Parcel"), which is improved with one single-family residence. The Kunihira Parcel is described in the "Legal Description of the Kunihira Parcel" attached hereto as Exhibit "A," which is attached hereto and incorporated herein by reference.

B. Agency owns that certain approximately 2.5-acre parcel of real property located in the City of Loma Linda, California and described in the "Legal Description of the Agency Parcel" attached hereto as Exhibit "B," which is attached hereto and incorporated herein by reference.

C. The Kunihira Group desires to exchange the Kunihira Parcel for the Agency Parcel and the Agency desires to exchange the Agency Parcel for the Kunihira Parcel.

D. Each of the parties has determined to its satisfaction that the Agency Parcel and the Kunihira Parcel are of equal value.

NOW THEREFORE, for good and valuable consideration, receipt of which is acknowledged, the parties agree as follows:

1. **Exchange of Property**. Subject to the prior satisfaction of the Conditions to Closing set forth in Section 4 hereof, the Agency shall convey the Agency Parcel to the Kunihira Group (the "Agency Conveyance"), and the Kunihira Group shall simultaneously convey the Kunihira Parcel to the Agency (the "Kunihira Conveyance"). The Agency Conveyance and the Kunihira Conveyance collectively constitute the "Exchange." The parties agree that the Agency Parcel and the Kunihira Parcel are of approximately equal value, and accordingly no cash payment shall be due upon the Exchange.

2. **Escrow**. Within ten (10) days after the execution of this Agreement by Agency, the parties shall open escrow for the Exchange (the "Escrow") with First American Title (the "Escrow Agent").

2.1. **Escrow Fees, Charges and Costs**. Agency shall pay the following costs: (i) one half of the Escrow Agent's fee, (ii) the cost of any documentary transfer taxes on the Agency's conveyance of the Agency Parcel, (iii) fees for recording and filing all documents required by this Agreement in connection with the Agency's conveyance of the Agency Parcel, and (iv) the cost of the Agency Parcel Title Policy, as provided in Section 4.2(d) hereof. The Kunihira Group shall pay the following costs: (i) one half of Escrow Agent's fee, (ii) the cost of any documentary transfer taxes on the Kunihira Group's conveyance of the Kunihira Parcel, (iii) fees for recording and filing all documents required by this Agreement in connection with the Kunihira Group's grant deed as to the Kunihira Parcel, and (iv) the cost of the Kunihira Title Policy, as provided in Section 4.1 (d) hereof. Agency and the Kunihira Group agree to pay, in accordance with the usual and customary manner in San Bernardino County, all other fees, charges, and costs not hereinabove specified which arise from Escrow.

2.2. **Escrow Instructions**. This Agreement constitutes the joint Escrow instructions of Agency and the Kunihira Group, and Escrow Agent to whom these instructions are delivered is hereby empowered to act under this Agreement. The parties hereto agree to do all acts necessary to close this Escrow for the Exchange (the "Closing") in the shortest possible time. By noon, the last business day before Closing, the Kunihira Group and Agency shall deposit the documents as required by Sections 5 and 6 hereof, respectively, with Escrow Agent. Agency and the Kunihira Group agree to deposit with Escrow Agent any additional instruments as may be reasonably necessary to complete the Exchange. Insurance policies for fire or casualty are not to be transferred, and each party will cancel its own policies after the Closing. All funds received in this Escrow shall be deposited with other Escrow funds in a general Escrow account(s) and may be transferred to any other such Escrow trust account in any state or national bank doing business in the State of California. All disbursements shall be made by check from such account. However, if Escrow does not close within two (2) business days from deposit of any funds, the funds shall be deposited into an interest bearing account with such interest accruing to the benefit of the Agency.

If in the opinion of either party it is necessary or convenient in order to accomplish the Closing, the parties shall sign supplemental Escrow instructions as may be required; provided that if there is any inconsistency between this Agreement and the supplemental Escrow instructions, then the provisions of this Agreement shall control. The parties agree to execute such other and further documents as may be necessary, helpful or appropriate to effectuate the provisions of this Agreement. The Closing shall take place when the conditions of Closing as set forth in Sections 4.1 and 4.2 have been satisfied.

2.3. **Tax Adjustment Procedure**. Escrow Agent is authorized and is instructed to comply with the following:

(a) Pay and charge Agency for any unpaid delinquent taxes and/or penalties and interest thereon, and for any delinquent or non-delinquent assessments or bonds against the Agency Parcel; and

(b) Pay and charge the Kunihira Group any unpaid delinquent taxes and/or penalties and interest thereon, and for any delinquent or nondelinquent assessments or bonds against the Kunihira Parcel; and

(c) Agency shall be charged for all taxes against the Agency Parcel which will be due at the Closing and Escrow shall prorate taxes consistent with the requirements of the San Bernardino County Tax Collector's office; and

(d) The Kunihira Group shall be charged for all taxes against the Kunihira Parcel which will be due at the Closing and Escrow shall prorate taxes consistent with the requirements of the San Bernardino County Tax Collector's office; and

2.4. **Authority of Escrow Agent**. Escrow Agent is authorized to, and shall:

(a) Pay and charge the Kunihira Group for any amount necessary to place title of the Kunihira Parcel in the condition necessary to satisfy Section 4.1 of this Agreement; and

(b) Pay and charge Agency for any amount necessary to place title of the Agency Parcel in the condition necessary to satisfy Section 4.2 of this Agreement; and

(c) Pay and charge the Kunihira Group and Agency for any Escrow fees, charges, and costs payable under this Section 2 of this Agreement; and

(d) Disburse funds and deliver and record the Agency's grant deed as to the Agency Parcel and the Kunihira Group's grant deed as to the Kunihira Parcel when conditions of this Escrow have been fulfilled by Agency and the Kunihira Group; and

(e) Do such other actions as necessary, including obtaining policies of title insurance, to fulfill its obligations under this Agreement; and

(f) If the provisions of FIRPTA apply to the Exchange, and unless Agency or the Kunihira Group are not "foreign persons" or an exemption applies, the Escrow Agent shall deduct and withhold from Agency's proceeds in connection with the Agency's grant deed as to the Agency Parcel, or the Kunihira Group's proceeds in connection with the Kunihira Group's grant deed as to the Kunihira Parcel, ten percent (10%) of the gross sales price and shall otherwise comply with all applicable provisions of FIRPTA. Agency and the Kunihira Group agree to execute and deliver the FIRPTA Certificates which are attached hereto as Exhibit E; and

(g) Prepare and file with all appropriate governmental or taxing authorities a uniform settlement statement, closing statement, tax withholding forms including an IRS 1099-S form, and be responsible for withholding taxes, if any such forms are provided for or required by law.

All time limits within which any matter herein specified is to be performed may be extended, but only by mutual agreement of the parties hereto, and by amendment of this Agreement. Any amendment of, or supplement to, this Agreement must be in writing, and signed by both parties hereto.

2.5. **Termination of Escrow**. If Escrow is not in condition to close by May 6, 2004, (the "Outside Date"), then either party which has fully performed under this Agreement may, in writing, demand the return of money or property and terminate this Agreement. If neither party has fully complied with the provisions of Escrow, no demand for return of documents shall be recognized and this Agreement shall not terminate until five (5)

days after Escrow Agent shall have delivered copies of such demand to all other parties at the respective addresses shown in this Agreement. If any objections are raised within said five (5) day period, Escrow Agent is authorized to hold all papers and documents until instructed by a court of competent jurisdiction or by mutual written instructions of the parties. Termination of this Agreement shall be without prejudice as to whatever legal rights either party may have against the other arising from this Agreement. If no demands are made, the Escrow Agent shall proceed with the Closing as soon as possible.

3. **Closing**. The Exchange shall close as soon as possible after the satisfaction of the Conditions to Closing set forth in Section 4, but in any event not later than the Outside Date. The Closing shall occur at the office of the Escrow Agent (as hereinafter defined) within San Bernardino County at a time and place reasonably agreed on by the parties. The Closing shall mean the time and day the Agency's grant deed as to the Agency Parcel and the Kunihira Group's grant deed as to the Kunihira Parcel are filed for record with the San Bernardino County Recorder. The "Closing Date" shall mean the day on which the Closing occurs.

4. **Conditions to Closing**.

4.1. **Agency's Conditions of Closing**. Agency's obligation to proceed with the Exchange is subject to the fulfillment or waiver by Agency of the conditions precedent (a) through (f), inclusive, described below ("Agency's Conditions Precedent"), which are solely for the benefit of Agency, which shall be fulfilled or waived prior to the Closing or by such other time periods provided for therein:

(a) **Grant Deed**. The Kunihira Group shall convey to Agency the Kunihira Parcel upon the Closing by execution, acknowledgement and delivery into Escrow of the Kunihira Parcel Grant Deed in the form attached hereto as Exhibit "C" and incorporated herein.

(b) **Condition of Title**. Agency shall review and approve the condition of title of the Kunihira Parcel, as hereinafter provided.

(i) **Report**. Within fifteen (15) days after the date of this Agreement, the Kunihira Group shall cause First American Title, or another title company mutually agreeable to both parties (the "Title Company"), to deliver to Agency a standard CLTA preliminary title report (the "Title Report") with respect to the title to the Kunihira Parcel, or an updated report as to title to the Kunihira Parcel, together with legible copies of the exceptions ("Exceptions") set forth in the Title Report.

(ii) **Written Notice**. Agency shall have ten (10) days from its receipt of the Title Report to give written notice to the Kunihira Group and Escrow Holder of Agency's approval or disapproval of any of such Exceptions which relate to the Kunihira Parcel; provided that the Agency hereby approves that the Kunihira Parcel is subject to the Redevelopment Plan for the Loma Linda Redevelopment Project, and the lien of nondelinquent property taxes and assessments. Agency's failure to give written disapproval of the Title Report within such time limit shall be deemed disapproval of the Title Report.

(iii) **Disapproval**. If Agency notifies the Kunihira Group of its disapproval of any Exceptions in the Title Report, the Kunihira Group shall have the right, but not the obligation, to remove any disapproved Exceptions within ten (10) business days after receiving written notice of Agency's disapproval or provide assurances satisfactory

to Agency that such Exception(s) will be removed on or before the Closing. If the Kunihira Group cannot or does not elect to remove any of the disapproved Exceptions within that period, Agency shall have ten (10) business days after the expiration of such ten (10) business day period to either give the Kunihira Group written notice that Agency elects to proceed with the Exchange subject to the disapproved Exceptions or to give the Kunihira Group written notice that the Agency elects to terminate this Agreement.

(iv) **Condition of Title**. The Exceptions to title approved by Agency as provided herein shall hereinafter be referred to as the "Condition of Title."

(v) **Later Changes to Condition of Title**. Agency shall have the right to approve or disapprove any Exceptions reported by the Title Company after Agency has approved the Condition of Title for the Kunihira Parcel (which are not created by Agency). The Kunihira Group shall not voluntarily create any new exceptions to title following the date of this Agreement.

(c) **Inspections and Studies**. The Agency shall be entitled to conduct whatever inspections, investigations, tests and studies concerning the Kunihira Parcel which it deems necessary or appropriate, in its sole and absolute discretion, to evaluate the condition of the Kunihira Parcel (the "Studies"). The cost of such Studies shall be borne by the Agency. Prior to the Closing Date, Agency, and its representatives, agents, employees, contractors and designees shall have the right of access to the Kunihira Parcel at all reasonable times for the purpose of making necessary and appropriate inspections, tests, borings, samplings, surveys, and exercising Agency's other rights under this Agreement. Agency shall save and protect the Kunihira Group against any claims resulting from such access or use of the Kunihira Parcel undertaken pursuant to this Section, and such indemnity shall survive the Closing or termination of this Agreement. Prior to Closing, Agency shall have approved or disapproved, in Agency's sole discretion, the results of any and all Studies concerning the development, construction, alteration, rehabilitation, maintenance, use, operation or lease of the Kunihira Parcel along with any architectural inspections, engineering tests, certificates of occupancy, economic feasibility studies, development restrictions, environmental impact studies, traffic and utilities circulation and mitigation studies and reports, and soils, hazardous materials, seismic and geologic reports with respect to the Kunihira Parcel as Agency may elect to make or obtain.

(d) **Title Policy**. The Title Company shall, upon payment of Title Company's regularly scheduled premium, have agreed to issue a title insurance policy ("Agency Title Policy") showing title to the Kunihira Parcel vested of record in the name of the Agency, in fee simple, subject only to the Conditions of Title, any changes to the Condition of Title that Agency has approved or created and the standard printed exceptions of the Agency Title Policy. The Kunihira Group shall be responsible for the cost of the Agency Title Policy. The Agency Title Policy shall be a CLTA policy, to be provided by and at the cost of the Kunihira Group; provided that, at its election, the Agency may obtain an ALTA owner's extended coverage policy (in which event Agency shall be responsible for the difference in premium above that for a CLTA policy and any additional costs, such as surveying costs, required in connection with the issuance of an ALTA policy).

(e) **FIRPTA Compliance**. Prior to the Closing, the Kunihira Group shall have executed and delivered to Escrow an affidavit of exemption from the Foreign Investment in Real Property Tax Act ("FIRPTA"), and any similar state act, in the form attached hereto as Exhibit "E-1" and incorporated herein.

(f) **No Default**. As of the Closing, the Kunihira Group shall not be in default in any of its obligations under the terms of this Agreement and all representations and warranties of the Kunihira Group contained herein shall be true and correct in all material respects.

4.2. **The Kunihira Group's Conditions of Closing**. The Kunihira Group's obligation to proceed with the Exchange is subject to the fulfillment or waiver by the Kunihira Group of the conditions precedent (a) through (f), inclusive, described below ("the Kunihira Group's Conditions Precedent"), which are solely for the benefit of the Kunihira Group and which shall be fulfilled or waived prior to the Closing or by such other time periods provided for therein:

(a) **Grant Deed**. The Agency shall convey to the Kunihira Group the Agency Parcel upon the Closing by execution, acknowledgement and delivery into Escrow of the Agency Parcel Grant Deed in the form attached hereto as Exhibit "D" and incorporated herein.

(b) **Condition of Title**. The Kunihira Group shall review and approve the condition of title of the Agency Parcel, as hereinafter provided.

(i) **Report**. Within fifteen (15) days after the date of this Agreement, the Agency shall cause the Title Company to deliver to the Kunihira Group a standard CLTA preliminary Title Report with respect to the title to the Agency Parcel, or an updated report as to title to the Agency Parcel, together with legible copies of the Exceptions set forth in the Title Report.

(ii) **Written Notice**. The Kunihira Group shall have until the expiration of the Conditions Precedent Period within which to give written notice to the Agency and Escrow Holder of the Kunihira Group's approval or disapproval of any of such Exceptions which relate to the Agency Parcel; provided that the Kunihira Group hereby approves that the Agency Parcel is subject to the Redevelopment Plan for the Loma Linda Redevelopment Project, and the lien of nondelinquent property taxes and assessments. The Kunihira Group's failure to give written disapproval of the Title Report within such time limit shall be deemed disapproval of the Title Report.

(iii) **Disapproval**. If the Kunihira Group notifies the Agency of its disapproval of any Exceptions in the Title Report, the Agency shall have the right, but not the obligation, to remove any disapproved Exceptions within ten (10) business days after receiving written notice of the Kunihira Group's disapproval or provide assurances satisfactory to the Kunihira Group that such Exception(s) will be removed on or before the Closing. If the Agency cannot or does not elect to remove any of the disapproved Exceptions within that period, the Kunihira Group shall have ten (10) business days after the expiration of such ten (10) business day period to either give the Agency written notice that the Kunihira Group elects to proceed with the Exchange subject to the disapproved Exceptions or to give the Agency written notice that the Kunihira Group elects to terminate this Agreement.

(iv) **Condition of Title**. The Exceptions to title approved by the Kunihira Group as provided herein shall hereinafter be referred to as the "Condition of Title."

(v) **Later Changes to Condition of Title**. The Kunihira Group shall have the right to approve or disapprove any Exceptions reported by the Title Company after the Kunihira Group has approved the Condition of Title for the Agency Parcel

(which are not created by the Kunihira Group). The Agency shall not voluntarily create any new exceptions to title following the date of this Agreement.

(c) **Inspections and Studies**. The Kunihira Group shall be entitled to conduct whatever inspections, investigations, tests and studies concerning the Agency Parcel which it deems necessary or appropriate, in its sole and absolute discretion, to evaluate the condition of the Agency Parcel (the "Studies"). The cost of such Studies shall be borne by the Kunihira Group. Prior to the Closing Date, the Kunihira Group, and its representatives, agents, employees, contractors and designees shall have the right of access to the Agency Parcel at all reasonable times for the purpose of making necessary and appropriate inspections, tests, borings, samplings, surveys, and exercising Agency's other rights under this Agreement. The Kunihira Group shall save and protect the Agency against any claims resulting from such access or use of the Agency Parcel undertaken pursuant to this Section, and such indemnity shall survive the Closing or termination of this Agreement. Prior to Closing, the Kunihira Group shall have approved or disapproved, in the Kunihira Group's sole discretion, the results of any and all Studies concerning the development, construction, alteration, rehabilitation, maintenance, use, operation or lease of the Agency Parcel along with any architectural inspections, engineering tests, certificates of occupancy, economic feasibility studies, development restrictions, environmental impact studies, traffic and utilities circulation and mitigation studies and reports, and soils, hazardous materials, seismic and geologic reports with respect to the Agency Parcel as the Kunihira Group may elect to make or obtain.

(d) **Title Policy**. The Title Company shall, upon payment of Title Company's regularly scheduled premium, have agreed to issue a modification to the existing owner's title insurance policy ("the Kunihira Group Title Policy") showing title to the Agency Parcel vested of record in the name of the Kunihira Group in fee simple subject only to the Conditions of Title, any changes to the Condition of Title that the Kunihira Group has approved or created and the standard printed exceptions of the Kunihira Group Title Policy. The Agency shall be responsible for the cost of the Kunihira Group Title Policy (in which event the Kunihira Group shall be responsible for the difference in premium above that for a CLTA policy and any additional costs, such as surveying costs, required in connection with the issuance of an ALTA policy).

(e) **FIRPTA Compliance**. Prior to the Closing, the Agency shall have executed and delivered to Escrow an affidavit of exemption from FIRPTA, and any similar state act, in the form attached hereto as Exhibit "E-2" and incorporated herein.

(f) **No Default**. As of the Closing, the Agency shall not be in default in any of its obligations under the terms of this Agreement and all representations and warranties of the Agency contained herein shall be true and correct in all material respects.

5. **The Kunihira Group's Obligations**. The Kunihira Group shall deliver to Escrow no later than one (1) business day before the anticipated Closing an executed and acknowledged Kunihira Parcel Grant Deed, any fees to be paid by the Kunihira Group, any deposits and a pro rata portion of monthly rent paid under the "Rental Agreement" (as described in subsection (b) of Section 7.2 hereof, a statement signed by Shirou Kunihira affirming that he releases and assigns to Agency (effective as of the Closing) any and all interest he holds under such Rental Agreement, and an executed FIRPTA Certificate.

6. **Agency's Obligations**. Agency shall deliver to Escrow no later than one (1) business day before the anticipated Closing the certificate of acceptance to the Kunihira

Parcel Grant Deed (Attachment "2" to Exhibit "C") signed by Agency's authorized representative, an executed and acknowledged Agency Parcel Grant Deed, any fees to be paid by the Agency, and an executed FIRPTA Certificate.

7. **Representations and Warranties**.

7.1. **Agency Representations**. Agency represents and warrants to the Kunihira Group as follows:

(a) Agency has full right, power and lawful authority to convey its the Agency Parcel as provided herein; and

(b) There are no tenants or other persons who have a lawful interest in the Agency Parcel; and

(c) There are no actions, suits, material claims, legal proceedings, or any other proceedings affecting the Agency Parcel or any portion thereof, at law, or in equity before any court or governmental agency, domestic or foreign; and

(d) There are no service contracts or other contracts affecting the Agency Parcel; and

(e) Until the Closing, Agency will not do anything which would impair Agency's title to the Agency Parcel; and

(f) Neither the execution of this Agreement nor the performance of the obligations herein will conflict with, or breach any of the provisions of any bond, note, evidence of indebtedness, contract, lease, or other agreement or instrument which affects the Agency Parcel; and

(g) Agency is not a "foreign person" within the parameters of FIRPTA, or is exempt from the provisions of FIRPTA; and

(h) Until the Closing, Agency shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 7.1 not to be true as of closing, immediately give written notice of such fact or condition to the Kunihira Group.

7.2. **Kunihira Group Representations**. The Kunihira Group represents and warrants to Agency as follows:

(a) The Kunihira Group has full right, power and lawful authority to convey the Kunihira Parcel as provided herein; and

(b) There are no other persons who have a lawful interest in the Kunihira Parcel, and no tenants or occupants other than Yesenia Ramirez, Maria Tappolla and their immediate family under that certain "Rental Agreement" by and between Shirou Kunihira (as "Lessor") and Yesenia Ramirez and Maria Tappolla (as "Lessee"), dated as of January 1, 2004, a copy of which has been delivered by the Kunihira Group to the agency, which Rental Agreement has not been amended, assigned or pledged; and

(c) There are no actions, suits, material claims, legal proceedings, or any other proceedings affecting the Kunihira Parcel or any portion thereof, at law, or in equity before any court or governmental agency, domestic or foreign; and

(d) There are no service contracts or other contracts affecting the Kunihira Parcel; and

(e) Until the Closing, the Kunihira Group will not do anything which would impair the Kunihira Group's title to the Kunihira Parcel; and

(f) Neither the execution of this Agreement nor the performance of the obligations herein will conflict with, or breach any of the provisions of any bond, note, evidence of indebtedness, contract, lease, or other agreement or instrument which affects the Kunihira Parcel; and

(g) The Kunihira Group is not a "foreign person" within the parameters of FIRPTA, or is exempt from the provisions of FIRPTA; and

(h) Until the Closing, the Kunihira Group shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 7.2 not to be true as of closing, immediately give written notice of such fact or condition to Agency.

The representations and warranties set forth in this Section 7 and Section 8 shall survive close of Escrow.

8. **Condition of the Agency Parcel and the Kunihira Parcel.**

8.1. **Hazardous Materials on the Agency Parcel**. Agency represents that to the best of Agency's knowledge, Hazardous Materials (as defined in Section 8.6 hereof) were not used, generated, stored, released, discharged or disposed of on, under, in, or about the Agency Parcel or transported to or from the Agency Parcel during the period that the Agency has owned the Agency Parcel. Agency represents that neither Agency nor any other person or entity under the control of, or with the knowledge of the Agency will cause or permit the use, generation, storage, release, discharge, or disposal of any Hazardous Materials on, under, in, or about the Agency Parcel for the period from the date of this Agreement until the Closing. The Agency shall be responsible for the removal of all Hazardous Materials on the Agency Parcel which are in violation of Applicable Laws, if any, before the Exchange. To the best of Agency's knowledge, the Agency Parcel and its present use complies with all Applicable Laws (as defined in Section 8.6 hereof).

8.2. **Hazardous Materials on the Kunihira Parcel**. The Kunihira Group acknowledges that to the best of the Kunihira Group's knowledge, Hazardous Materials were not used, generated, stored, released, discharged or disposed of on, under, in, or about the Kunihira Parcel or transported to or from the Kunihira Parcel during the period that the Kunihira Group has owned the Kunihira Parcel. The Kunihira Group represents that neither the Kunihira Group nor any other person or entity under the control of, or with the knowledge of the Kunihira Group will cause or permit the use, generation, storage, release, discharge, or disposal of any Hazardous Materials on, under, in, or about the Kunihira Parcel for the period from the date of this Agreement until the Closing. The Kunihira Group shall be responsible for the removal of all Hazardous Materials on the Kunihira Parcel which are in violation of Applicable Laws, if any, before the Exchange. To the best of the Kunihira Group's knowledge, the Kunihira Parcel and its present use complies with all Applicable Laws.

8.3. **Indemnity**. The Kunihira Group agrees to indemnify, defend and hold Agency and the City of Loma Linda and their officers, employees, agents, representatives and volunteers harmless from and against any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense (including, without limitation, attorneys' fees), resulting from, arising out of, or based upon (i) the release, use, generation, discharge, storage or disposal of any Hazardous Materials on, under, in or about, or the transportation of any such Hazardous Materials to or from, the Kunihira Parcel during the period that the Kunihira Group has owned the Kunihira Parcel, or (ii) the violation, or alleged violation, of any statute, ordinance, order, rule, regulation, permit, judgment or license relating to the use, generation, release, discharge, storage, disposal or transportation of Hazardous Materials on, under, in or about, to or from, the Kunihira Parcel during the period that the Kunihira Group has owned the Kunihira Parcel. This indemnity shall include, without limitation, any damage, liability, fine, penalty, punitive damage, cost or expense arising from or out of any claim, action, suit or proceeding for personal injury (including sickness, disease or death, tangible or intangible property damage, compensation for lost wages, business income, profits or other economic loss, damage to the natural resource or the environment, nuisance, contamination, leak, spill, release or other adverse effect on the environment. This indemnity extends only to liability created during the period that the Kunihira Group has owned the Kunihira Parcel. The Kunihira Group shall not be responsible for acts or omissions to act past the Closing Date with respect to the Kunihira Parcel.

8.4. **The Agency's Environmental Contingency**. The Closing of the Exchange pursuant to this Agreement is additionally contingent upon the Agency receiving satisfactory evidence, in the form of an environmental assessment report, from a licensed contractor who is acceptable to the Agency in its sole and absolute discretion and who shall be hired by the Agency, showing that there is no evidence of any Hazardous Materials in the soil or groundwater underlying the Kunihira Parcel, or any other conditions which may affect the value of the Kunihira Parcel. In the event the Agency does not elect to obtain such an environmental assessment report, the Agency is entitled to conduct such examination and testing as it or any other responsible governmental agency may require or request to determine the nature, source, scope, and extent of such Hazardous Materials. If a licensed contractor selected by the Agency determines that there are Hazardous Materials in, on or under the Kunihira Parcel, including in the groundwater, in an amount which violates Applicable Laws, then the Agency may elect to: (i) terminate this Agreement, or (ii) consummate the Exchange, with a payment to be made by the Kunihira Group at a sum to be agreed upon by the parties. Regardless of which option is selected by the Agency in the event Hazardous Materials are found in, on or under the Kunihira Parcel, neither party waives or relinquishes any common law or statutory rights it or they may have against one another or third persons arising from or related to the cause or source of the Hazardous Materials, or for contribution or indemnity as a result of site evaluation, remediation and clean-up costs and liability.

8.5. **The Kunihira Group's Environmental Contingency**. The Closing of the Exchange pursuant to this Agreement is additionally contingent upon the Kunihira Group receiving satisfactory evidence, in the form of an environmental assessment report, from a licensed contractor who is acceptable to the Kunihira Group in its sole and absolute discretion and who shall be hired by the Kunihira Group, showing that there is no evidence of

any Hazardous Materials in the soil or groundwater underlying the Agency Parcel, or any other conditions which may affect the value of the Agency Parcel. In the event the Kunihira Group does not elect to obtain such an environmental assessment report, the Kunihira Group is entitled to conduct such examination and testing as it or any other responsible governmental agency may require or request to determine the nature, source, scope, and extent of such Hazardous Materials. If a licensed contractor selected by the Kunihira Group determines that there are Hazardous Materials in, on or under the Agency Parcel, including in the groundwater, in an amount which violates Applicable Laws, then the Kunihira Group may elect to: (i) terminate this Agreement, or (ii) consummate the Exchange, with a payment to be made by Agency at a sum to be agreed upon by the parties. Regardless of which option is selected by the Kunihira Group in the event Hazardous Materials are found in, on or under the Agency Parcel, neither party waives or relinquishes any common law or statutory rights it or they may have against one another or third persons arising from or related to the cause or source of the Hazardous Materials, or for contribution or indemnity as a result of site evaluation, remediation and clean-up costs and liability.

8.6. **Definitions**.

As used in this Agreement, the term "Hazardous Materials" shall mean any substance, material, or waste which is or becomes, prior to the closing date, regulated by any local governmental authority, the State of California, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under Section 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law)), (ii) defined as "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) friable asbestos, (vii) polychlorinated biphenyls, (viii) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20, (ix) designated as a "hazardous substances" pursuant to Section 311 of the Clean Water Act, (33 U.S.C. §1317), (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901, et seq. (42 U.S.C. §6903) or (xi) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601, et seq. Agency shall be responsible for the removal of all Hazardous Materials which are in violation of Applicable Laws, if any, before Agency relinquishes actual possession of the Agency Parcel.

As used in this Agreement, "Applicable Laws" includes, without limitation, all applicable federal, state, and local laws pertaining to air and water quality, hazardous waste, waste disposal, and other environmental matters, including, but not limited to, the Clean Water, Clean Air, Federal Water Pollution Control, Solid Waste Disposal,

Resource Conservation Recovery and Comprehensive Environmental Response Compensation and Liability Acts, and the California Environmental Quality Act, and the rules, regulations, and ordinances of the City within which the subject property is located, the California Department of Health Services, the Regional Water Quality Control Board, the State Water Resources Control Board, the Environmental Protection Agency, and all applicable federal, state, and local agencies and bureaus.

As used in this Agreement, to the best of a party's knowledge means the actual knowledge of the employees and officers of such party who are actually working on the transaction contemplated by this Agreement, and the documents in such parties' files, but does not require such party to undertake independent investigation.

9. **Loss or Damage**.

9.1. **The Agency Parcel**. Loss or damage to the Agency Parcel, by fire or other casualty, occurring prior to the Exchange, shall be at the risk of Agency. In the event that loss or damage to the Agency Parcel, by fire or other casualty, occurs prior to the Exchange, the Kunihira Group may elect to require that the Agency pay to the Kunihira Group the proceeds of any insurance which may become payable to Agency by reason thereof, or to permit such proceeds to be used for the restoration of the damage done.

9.2. **The Kunihira Parcel**. Loss or damage to the Kunihira Parcel, by fire or other casualty, occurring prior to the Exchange, shall be at the risk of the Kunihira Group. In the event that loss or damage to the Kunihira Parcel, by fire or other casualty, occurs prior to the Exchange, Agency may elect to require that the Kunihira Group pay to Agency the proceeds of any insurance which may become payable to the Kunihira Group by reason thereof, or to permit such proceeds to be used for the restoration of the damage done.

10. **General Provisions**.

10.1. **Brokers**. Each party represents and warrants to the other that it has not used any finder, broker or real estate agent in connection with this transaction, and agrees that it shall indemnify and hold the other harmless from and against all brokerage commissions or finder's fees and claims therefor, payable in connection with the Exchange and resulting from the acts or omissions of such indemnifying party.

10.2. **Relocation**. The Exchange as set forth in this Agreement has been determined based upon negotiations at arm's length and includes consideration for any and all amounts required to be paid to the Kunihira Group for relocation assistance pursuant to the Relocation Assistance Act (Government Code Section 7260, et seq.) and the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. Section 4601, et seq.), and any other applicable federal, state or local enactment, regulation or practices. The Kunihira Group has been fully advised by counsel of its choosing and forever waives and disclaims any claim for relocation benefits or assistance or any compensation based upon loss of goodwill, severance damages, improvements pertaining to the realty, attorneys' fees, interest, court costs, or otherwise, and waives any right to receive an offer based on an appraisal, and agrees that the Agency's conveyance of the Agency Parcel shall be the sole payment and compensation to the Kunihira Group for the Kunihira Group's conveyance of the Kunihira Parcel.

10.3. **Assignment**. This Agreement shall be binding upon and shall inure to the benefit of Agency and the Kunihira Group and their respective heirs, personal representatives, successors and assigns. Neither party shall assign any of its rights pursuant to this Agreement without the written consent of the other party, which consent shall not be unreasonably withheld or delayed. In no event shall any assignment relieve the assigning party of any of its obligations under this Agreement.

10.4. **Attorneys' Fees**. In any action between the parties to interpret, enforce, award, modify, rescind, or otherwise in connection with any of the terms or provisions of this Agreement, the prevailing party in the action shall be entitled, in addition to damages, injunctive relief, or any other relief to which it might be entitled to, reasonable costs and expenses including, without limitation, litigation costs and reasonable attorneys' fees.

10.5. **Approvals and Notices**. Any approval, disapproval, demand, document or other notice ("Notice") which either party may desire to give to the other party under this Agreement must be in writing and may be given by any commercially acceptable means to the party to whom the Notice is directed at the address of the party as set forth below, or at any other address as that party may later designate by Notice. Any Notice given under this paragraph, whether personally or by mail, shall be deemed received only upon actual receipt by the intended party.

To the Kunihira Group:	Shirou and Satsuki Kunihira, Trustees P. O. Box 542 Loma Linda, CA 92354
To Agency:	Loma Linda Redevelopment Agency 25541 Barton Road Loma Linda, California 92354 Attention: Executive Director

10.6. **Jurisdiction and Venue**. This Agreement shall be construed under the laws of the State of California in effect at the time of the signing of this Agreement. The parties consent to the jurisdiction of the federal and California courts with venue in San Bernardino County.

10.7. **Titles and Captions**. Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of this Agreement or of any of its terms. References to section numbers are to sections in this Agreement, unless expressly stated otherwise.

10.8. **Interpretation**. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The word "including" shall be construed as if followed by the words "without limitation." This Agreement shall be interpreted as though prepared jointly by both parties.

10.9. **No Waiver**. A waiver by either party of a breach of any of the covenants, conditions or agreements under this Agreement to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Agreement.

10.10. **Modifications**. Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each party.

10.11. **Severability**. If any term, provision, condition or covenant of this Agreement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

10.12. **Offer**. Any delivery of unsigned copies of this Agreement is solely for the purpose of review by the party to whom delivered, and neither the delivery nor any prior communications between the parties, whether oral or written, shall in any way be construed as an offer by Agency, nor in any way imply that Agency is under any obligation to enter the transaction which is the subject of this Agreement. The signing of this Agreement by the Kunihira Group constitutes an offer which shall not be deemed accepted by Agency unless and until Agency has signed this Agreement. The Kunihira Group agrees that this offer shall be acceptable and cannot be revoked for a period of thirty (30) days. This is not a binding agreement until and unless executed on behalf of Agency after its approval by the Agency board.

10.13. **Computation of Time**. The time in which any act is to be done under this Agreement is computed by excluding the first day (such as the day Escrow opens), and including the last day, unless the last day is a holiday or Saturday or Sunday, and then that day is also excluded. The term "holiday" shall mean all holidays as specified in Section 6700 and 6701 of the California Government Code. If any act is to be done by a particular time during a day, that time shall be Pacific Time Zone time.

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

10.15. **Time of Essence**. Time is expressly made of the essence with respect to the performance by Agency and the Kunihira Group of each and every obligation and condition of this Agreement including, without limitation, the Closing.

10.16. **Cooperation**. Each party agrees to cooperate with the other in the Closing of this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Agreement including, but not limited to, releases or additional agreements.

10.17. **Entire Agreement**. This Agreement contains the entire understanding between the parties relating to the transaction contemplated by this Agreement. Each party is entering this Agreement based solely upon the representations set forth herein and upon such party's own independent investigation of any and all facts such

party deems material. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of either party shall be of any effect unless it is in writing and executed by the party to be bound thereby.

10.18. **Counterparts**. This Agreement may be signed in three (3) multiple counterparts which, when signed by all parties, shall constitute a binding agreement.

10.19. **Exhibits Incorporated by Reference**. All exhibits attached to this Agreement are incorporated in this Agreement by this reference. This Agreement is executed in three (3) duplicate originals, each of which is deemed to be an original. This Agreement includes five (5) exhibits including Exhibit "A," Legal Description of the Agency Parcel, Exhibit "B," Legal Description of the Kunihira Parcel, Exhibit "C," Kunihira Parcel Grant Deed, Exhibit "D," Agency Parcel Grant Deed, and Exhibit "E-1," and "E-2," FIRPTA Certificates.

[Signatures begin on the following page]

IN WITNESS WHEREOF, the Agency and the Kunihira Group have signed this Agreement as of the date set forth above.

KUNIHIRA GROUP:

THE SHIROU AND SATSUKI KUNIHIRA REVOCABLE TRUST, EXECUTED MARCH 27, 1989

By:_____
SHIROU KUNIHIRA, Trustee of that certain Revocable Declaration of Trust, known as The Shirou and Satsuki Kunihira Revocable Trust, executed March 27, 1989.

By:_____
SATSUKI KUNIHIRA, Trustee of that certain Revocable Declaration of Trust, known as The Shirou and Satsuki Kunihira Revocable Trust, executed March 27, 1989.

By:_____
TERRI TSUYAKO KUNIHIRA, a married woman

AGENCY:

LOMA LINDA REDEVELOPMENT AGENCY,
a public body, corporate and politic

By:_____
Dennis R. Halloway, Executive Director

ATTEST:

By:_____
Pamela Byrnes-O'Camb, Agency Secretary

EXHIBIT "A"

LEGAL DESCRIPTION OF THE AGENCY PARCEL

LEGAL DESCRIPTION

PARCEL A

That portion of Lot 1, Tract No. 12084, as per plat recorded in Book 201 of Maps, pages 75 and 76, situated in the City of Loma Linda, County of San Bernardino, State of California, records of said County and that portion of Lot 19, Block 56, RANCHO SAN BERNARDINO, as per plat recorded in Book 7 of Maps, page 2, records of said County, said portions described as a whole as follows:

BEGINNING at the northeast corner of said Lot 19, said corner being the intersection of the centerlines of Redlands Boulevard and Camelot Lane, as shown on said Tract No. 12084; thence South 89°27'27" West 200.03 feet along said centerline of Redlands Boulevard to the centerline of Rhonda Street (formerly Rhondda Street) as per map of Tract No. 12475, recorded in Book 171 of Maps, pages 77-79; thence at right angles South 00°32'33" East 140.00 feet to the beginning of a curve concave northeasterly, having a radius of 500.00 feet; thence southeasterly along said curve, through a central angle of 29°22'40", a distance of 256.37 feet; thence South 29°55'13" East 150.25 feet to the beginning of a curve concave southwesterly, having a radius of 500.00 feet; thence southeasterly along said curve, through a central angle of 29°12'22", a distance of 254.87 feet to a point of cusp on the east line of said Lot 19 which bears S00°42'51" East 760.00 feet from said northeast corner of Lot 19; thence North 00°42'51" West 760.00 feet along said east line to the POINT OF BEGINNING.

Contains 2.07 acres more or less.

PARCEL B - REDLANDS BOULEVARD

That portion of the north 2.00 feet of Lot 1, Tract No. 12084, as per plat recorded in Book 201 of Maps, pages 75 and 76, situated in the City of Loma Linda, County of San Bernardino, State of California, records of said County and that portion of Lot 19, Block 56, RANCHO SAN BERNARDINO, as per plat recorded in Book 7 of Maps, page 2, records of said County, said portions described as a whole as follows:

BEGINNING at the intersection of the south line of Redlands Boulevard (82.50 feet wide) as per plat recorded in Book 7 of Maps, page 2, records of said County, and the east line of said Lot 19; thence South 89°27'27" West 59.91 feet along said south line to the east boundary of said Tract No. 12084; thence South 00°32'33" East 8.75 feet along said boundary to the north line of said Lot 1; thence South 89°27'27" West 140.23 feet along said north line to the southerly prolongation of the centerline of Rhonda Street (formerly Rhondda Street) as per plat of Tract No. 12475, recorded in Book 171 of Maps, pages 77-79, records of said County; thence South 00°32'33" East 2.00 feet along said prolongation to a line parallel and distant 52.00 feet southerly of the centerline of said Redlands Boulevard; thence North 89°27'27" East 200.18 feet along said parallel line to the east line of said Lot 19; thence North 00°42'51" West 10.75 feet along said east line to the POINT OF BEGINNING.

Contains 0.021 acres more or less.

PARCEL C - RHONDA STREET

That portion of Lot 1, Tract No. 12084, as per plat recorded in Book 201 of Maps, pages 75 and 76, situated in the City of Loma Linda, County of San Bernardino, State of California, records of said County and that portion of Lot 19, Block 56, RANCHO SAN BERNARDINO, as per plat recorded in Book 7 of Maps, page 2, records of said County, said portions described as a whole as follows:

COMMENCING at the northeast corner of said Lot 19, said corner being the intersection of the centerlines of Redlands Boulevard and Camelot Lane, as shown on map of Tract No. 12084, recorded in Book 201 of Maps, pages 75 and 75, records of said County; thence South 89°27'27" West 200.03 feet along said centerline of Redlands Boulevard to the centerline of Rhonda Street (formerly Rhondda Street) as per map of Tract No. 12475, recorded in Book 171 of Maps, pages 77-79; thence at right angles South 00°32'33" East 52.00 feet to the POINT OF BEGINNING; thence continuing South 00°32'33" East 88.00 feet to the beginning of a curve concave northeasterly, having a radius of 500.00 feet; thence southeasterly along said curve, through a central angle of 29°22'40", a distance of 256.37 feet; thence South 29°55'13" East 150.25 feet to the beginning of a curve concave southwesterly, having a radius of 500.00 feet; thence southeasterly along said curve, through a central angle of 29°12'22", a distance of 254.87 feet to a point of cusp on the east line of said Lot 19 which bears S00°42'51" East 760.00 feet from said northeast corner of Lot 19; thence North 00°42'51" West 181.73 feet to the beginning of a non-tangent curve, concave southwesterly, having a radius of 532.00 feet, a radial line to said point bears North 69°18'44" East; thence northwesterly, along said curve, through a central angle of 09°13'57", a distance of 85.73 feet; thence North 29°55'13" West 150.25 feet to the beginning of a curve concave northeasterly, having a radius of 468.00 feet; thence northwesterly along said curve, through a central angle of 29°22'40", a distance of 239.96 feet; thence North 00°32'33" West 66.00 feet to the beginning of a curve concave southeasterly, having a radius of 22.00 feet; thence northeasterly along said curve, through a central angle of 90°00'00" a distance of 34.56 feet to a line parallel and distant 52.00 feet southerly of the centerline of said Redlands Boulevard; thence South 89°27'27" West 54.00 feet to the POINT OF BEGINNING.

Contains 0.463 acres more or less

See page 3 for a plat depicting Parcel A, Parcel B and Parcel C described above.

This real property has been described by me, or under my direction, in conformance with the Professional Land Surveyor's Act.

Larry David Gill JAN. 27, 2004

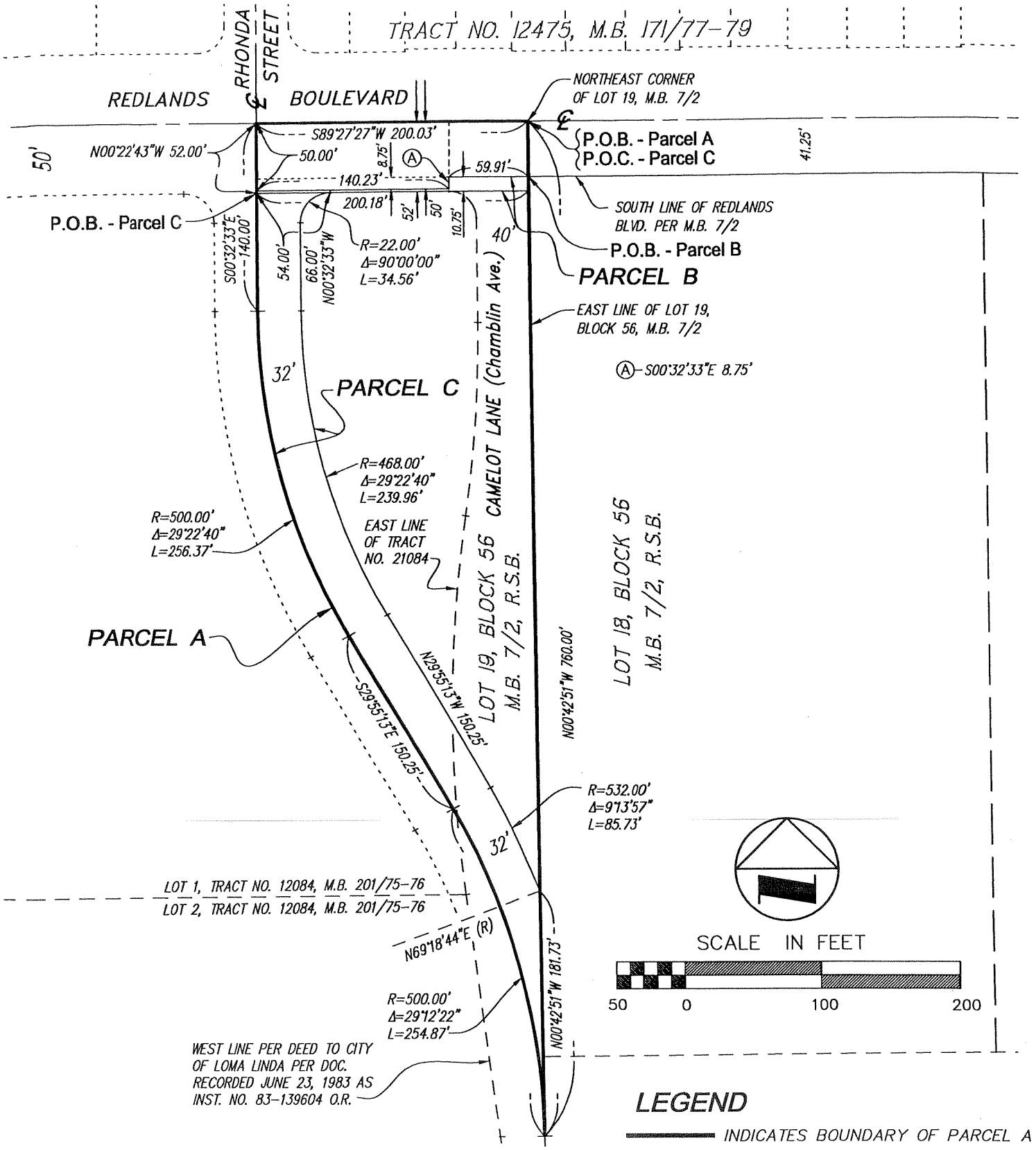
LARRY DAVID GILL, P.L.S. 7814 DATE
Expires 12/31/05

PROFESSIONAL LAND SURVEYOR
LARRY D. GILL
P. L. S. 7814
Exp. 12/31/05
STATE OF CALIFORNIA

APN 292-461-04

City of Loma Linda, CA

EXHIBIT "A"



PREPARED BY:

Associated Engineers
3311 E. SHELBY STREET • ONTARIO, CALIFORNIA 91764
TEL: (909) 980-1982 • FAX: (909) 941-0891

PARCEL A – DEED
PARCELS B & C – RESERVATIONS

PREPARED FOR: City of Loma Linda

EXHIBIT "B"

LEGAL DESCRIPTION OF THE KUNIHIRA PARCEL

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

THE SOUTH 1 ACRE OF THE NORTH 11 ACRES OF THE WEST OF 20 ACRES OF THE SOUTH ½ OF LOT 14, BLOCK 75, OF THE EIGHTY ACRES SURVEY OF THE RANCHO SAN BERNARDINO, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7, PAGE 2, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE EAST 20 FEET THEREOF, AS RECITED IN THE DEED RECORDED JUNE 11, 1954, IN BOOK 3401, PAGE 89, OF OFFICIAL RECORDS.

APN: 0283-121-06-0-000

EXHIBIT "C"

KUNIHIRA PARCEL GRANT DEED

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO: Stradling Yocca Carlson & Rauth 660 Newport Center Drive Suite 1600 Newport Beach, California 92660 Attn: Mark J. Huebsch, Esq.	
APN: 0283-121-06-0-000	[Space above for recorder]

DOCUMENTARY TRANSFER TAX $ NONE
Exempt from payment pursuant to Revenue and Taxation Code Section 11922.

Exempt from recording fee and documentary transfer tax pursuant to Government Code Section 27283.

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **SHIROU KUNIHIRA** and **SATSUKI KUNIHIRA, as Trustees of that certain Revocable Declaration of Trust, known as The Shirou and Satsuki Kunihira Revocable Trust, executed March 27, 1989**; and **TERRI TSUYAKO KUNIHIRA**, a married woman (collectively, "Kunihira Group") (collectively, "Grantors"), hereby grant to the **LOMA LINDA REDEVELOPMENT AGENCY**, a public body corporate and politic, that certain real property located in the County of San Bernardino, State of California, more particularly described on Attachment No. 1 attached hereto and incorporated herein by this reference.

[Signatures begin on the following page]

IN WITNESS WHEREOF, Grantors have executed this Grant Deed as of _____, 2004.

GRANTORS:

THE SHIROU AND SATSUKI KUNIHIRA REVOCABLE TRUST, EXECUTED MARCH 27, 1989

By:_____
SHIROU KUNIHIRA, Trustee of that certain Revocable Declaration of Trust, known as The Shirou and Satsuki Kunihira Revocable Trust, executed March 27, 1989.

By:_____
SATSUKI KUNIHIRA, Trustee of that certain Revocable Declaration of Trust, known as The Shirou and Satsuki Kunihira Revocable Trust, executed March 27, 1989.

By:_____
TERRI TSUYAKO KUNIHIRA, a married woman

ATTACHMENT NO. 1 TO EXHIBIT "C"

LEGAL DESCRIPTION

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

THE SOUTH 1 ACRE OF THE NORTH 11 ACRES OF THE WEST OF 20 ACRES OF THE SOUTH ½ OF LOT 14, BLOCK 75, OF THE EIGHTY ACRES SURVEY OF THE RANCHO SAN BERNARDINO, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7, PAGE 2, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE EAST 20 FEET THEREOF, AS RECITED IN THE DEED RECORDED JUNE 11, 1954, IN BOOK 3401, PAGE 89, OF OFFICIAL RECORDS.

APN: 0283-121-06-0000

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN BERNARDINO)

On _____, before me, _____, Notary Public,
(Print Name of Notary Public)

personally appeared _____,

☐ personally known to me
-or-
☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

_____
Signature Of Notary

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer
Title(s) _____

☐ Partner(s) ☐ Limited ☐ General

☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other: _____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

Title Or Type Of Document

_____

Number Of Pages

_____

Date Of Document

_____

Signer(s) Other Than Named Above

_____

Attachment No. 1 to Exhibit "C"

ATTACHMENT NO. 2
to
EXHIBIT "C"

CERTIFICATE OF ACCEPTANCE

This is to certify that the fee interest in real property conveyed under the foregoing Grant Deed by SHIROU KUNIHIRA and SATSUKI KUNIHIRA, as Trustees of that certain Revocable Declaration of Trust, known as THE SHIROU AND SATSUKI KUNIHIRA REVOCABLE TRUST, executed March 27, 1989; and TERRI TSUYAKO KUNIHIRA, a married woman (collectively, the "Kunihira Group") as to the following property:

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

THE SOUTH 1 ACRE OF THE NORTH 11 ACRES OF THE WEST OF 20 ACRES OF THE SOUTH ½ OF LOT 14, BLOCK 75, OF THE EIGHTY ACRES SURVEY OF THE RANCHO SAN BERNARDINO, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7, PAGE 2, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE EAST 20 FEET THEREOF, AS RECITED IN THE DEED RECORDED JUNE 11, 1954, IN BOOK 3401, PAGE 89, OF OFFICIAL RECORDS.

APN: 0283-121-06-0000

is hereby accepted by the Executive Director of the LOMA LINDA REDEVELOPMENT AGENCY on behalf of the Agency Board pursuant to authority conferred by Resolution No. _____ of said Agency Board adopted on March 9, 2004, and the Grantee consents to recordation thereof by its duly authorized officer.

LOMA LINDA REDEVELOPMENT AGENCY,
a public body, corporate and politic

Dated: _____

By: _____
Dennis R. Halloway, Executive Director

ATTEST:

_____
Pamela Byrnes-O'Camb, Agency Secretary

EXHIBIT "D"

AGENCY PARCEL GRANT DEED

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO: Stradling Yocca Carlson & Rauth 660 Newport Center Drive Suite 1600 Newport Beach, California 92660 Attn: Mark J. Huebsch, Esq.	

APN: _____ [Space above for recorder.]

DOCUMENTARY TRANSFER TAX $ NONE
Exempt from payment pursuant to Revenue and Taxation Code Section 11922.

Exempt from recording fee and documentary transfer tax pursuant to Government Code Section 27283.

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the **LOMA LINDA REDEVELOPMENT AGENCY**, a public body corporate and politic, ("Grantor"), hereby grants to **SHIROU KUNIHIRA and SATSUKI KUNIHIRA, as Trustees of that certain Revocable Declaration of Trust, known as The Shirou and Satsuki Kunihira Revocable Trust, executed March 27, 1989**; and **TERRI TSUYAKO KUNIHIRA**, a married woman (collectively, "Kunihira Group") (collectively, "Grantees") that certain real property located in the County of San Bernardino, State of California, more particularly described on Attachment No. 1 attached hereto and incorporated herein by this reference.

[Signatures begin on the following page]

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of _____, 2004.

GRANTOR:

LOMA LINDA REDEVELOPMENT AGENCY,
a public body, corporate and politic

By:_____
Dennis R. Halloway, Executive Director

ATTEST:

_____
Pamela Byrnes-O'Camb, Agency Secretary

ATTACHMENT NO. 1 TO EXHIBIT "D"

LEGAL DESCRIPTION
[Agency Parcel]

[To Come]

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN BERNARDINO)

On _____, before me, _____, Notary Public,
(Print Name of Notary Public)

personally appeared _____,

☐ personally known to me
-or-
☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

_____
Signature Of Notary

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer
Title(s) _____

☐ Partner(s) ☐ Limited ☐ General

☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other: _____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

Title Or Type Of Document

_____

Number Of Pages

_____

Date Of Document

_____

Signer(s) Other Than Named Above

_____

Attachment No. 1 to Exhibit "D"

EXHIBIT "E-1"

TRANSFEROR'S CERTIFICATION OF NON-FOREIGN STATUS

To inform SHIROU KUNIHIRA and SATSUKI KUNIHIRA, as Trustees of that certain Revocable Declaration of Trust, known as The Shirou and Satsuki Kunihira Revocable Trust, executed March 27, 1989; and TERRI TSUYAKO KUNIHIRA, a married woman (collectively, "Kunihira Group") that withholding of tax under Section 1445 of the Internal Revenue Code of 1986, as amended ("Code"), will not be required upon the transfer of certain real property to the Transferee by the Loma Linda Redevelopment Agency, a public body, corporate and politic (the "Transferor"), the undersigned hereby certifies the following on behalf of the Transferor:

1. The Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Code and the Income Tax Regulations promulgated thereunder);

2. The Transferor's U.S. employer identification number is _____; and

3. The Transferor's office address is _____.

The Transferor understands that this Certification may be disclosed to the Internal Revenue Service and Franchise Tax Board by the Transferee and that any false statement contained herein could be punished by fine, imprisonment or both.

Under penalty of perjury, I declare that I have examined this Certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of the Transferor.

TRANSFEROR:

LOMA LINDA REDEVELOPMENT AGENCY,
a public body, corporate and politic

Dated:_____ By:_____
Dennis R. Halloway, Executive Director

ATTEST:

_____
Pamela Byrnes-O'Camb, Agency Secretary

EXHIBIT "E-2"

TRANSFEROR'S CERTIFICATION OF NON FOREIGN STATUS

To inform the Loma Linda Redevelopment Agency that withholding of tax under Section 1445 of the Internal Revenue Code of 1986, as amended ("Code"), will not be required upon the transfer of certain real property to the Transferee by SHIROU KUNIHIRA and SATSUKI KUNIHIRA, as Trustees of that certain Revocable Declaration of Trust, known as The Shirou and Satsuki Kunihira Revocable Trust, executed March 27, 1989; and TERRI TSUYAKO KUNIHIRA, a married woman (the "Transferors"), each of the undersigned hereby certify the following on behalf of the Transferors:

1. The Transferors, and each of (i) SHIROU KUNIHIRA and SATSUKI KUNIHIRA, as Trustees of that certain Revocable Declaration of Trust, known as The Shirou and Satsuki Kunihira Revocable Trust, executed March 27, 1989; and (ii) TERRI TSUYAKO KUNIHIRA, a married woman, are not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Code and the Income Tax Regulations promulgated thereunder);

2. The U.S. employer identification number of Shirou Kunihira is _____;

3. The U.S. employer identification number of Satsuki Kunihira is _____;

4. The U.S. employer identification number of Terri Tsuyako Kunihira is _____; and

5. The office address for Transferors is _____.

The Transferor understands that this Certification may be disclosed to the Internal Revenue Service and Franchise Tax Board by the Transferee and that any false statement contained herein could be punished by fine, imprisonment or both.

Under penalty of perjury, I declare that I have examined this Certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of the Transferor.

[Signatures begin on the following page]

TRANSFEROR:

THE SHIROU AND SATSUKI KUNIHIRA REVOCABLE TRUST, EXECUTED MARCH 27, 1989

Dated _____ By:_____
SHIROU KUNIHIRA, Trustee of that certain Revocable Declaration of Trust, known as The Shirou and Satsuki Kunihira Revocable Trust, executed March 27, 1989.

Dated _____ By:_____
SATSUKI KUNIHIRA, Trustee of that certain Revocable Declaration of Trust, known as The Shirou and Satsuki Kunihira Revocable Trust, executed March 27, 1989.

Dated _____ By:_____
TERRI TSUYAKO KUNIHIRA, a married woman

RESOLUTION NO.219

A RESOLUTION OF THE LOMA LINDA REDEVELOPMENT AGENCY APPROVING AND AUTHORIZING THE EXECUTION OF AN AGREEMENT FOR THE EXCHANGE OF PROPERTY WITH KUNIHIRA

WHEREAS, the Loma Linda Redevelopment Agency (the "Agency") is engaged in activities necessary to carry out and implement the Redevelopment Plan (the "Redevelopment Plan") for the Loma Linda Redevelopment Project (the "Redevelopment Project") and the merged redevelopment project area ("Project Area") established thereby; and

WHEREAS, in order to carry out and implement such Redevelopment Plan the Agency proposes to enter into that certain *Agreement for the Exchange of Property and Joint Escrow Instructions substantially in the form submitted herewith (the "Agreement") with Kunihira (collectively, "The Kunihira Group") under which: (i) The Kunihira Group will convey certain property located at 10806 Poplar Street, APN 0283-121-06-6-000, and more particularly identified in the Agreement as the "Kunihira Parcel" to the Agency, and (ii) the Agency will convey certain property identified in the Agreement as the "Agency Parcel" to The Kunihira Group, all as more particularly set forth in the Agreement; and

WHEREAS, the Agency has determined that the implementation of the Redevelopment Plan will be facilitated by exchanging the Agency Parcel for the Kunihira Parcel; and

WHEREAS, the Agency has determined that the value of the Agency Parcel is equivalent to the value of the Kunihira Parcel; and

WHEREAS, the Agency has duly considered the terms and conditions of the Agreement, and desires to approve the Agreement and authorize the exchange of the Agency Parcel for the Kunihira Parcel under the terms of such Agreement; and

WHEREAS, all actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner; and

WHEREAS, the Agency has duly considered all of the terms and conditions of the proposed Agreement and believes that the Agreement and its implementation are in the best interests of the Agency as well as the City of Loma Linda and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, BE IT RESOLVED by the Loma Linda Redevelopment Agency as follows:

1. The Agency hereby approves the Agreement and authorizes and directs the Executive Director of the Agency to execute the Agreement on behalf of the Agency, to execute a grant deed conveying the Agency Parcel to The Kunihira Group (or the designee thereof) and to execute a deed acceptance in connection with the conveyance of the Kunihira Parcel by The Kunihira Group to the Agency.

2. The Agency additionally authorizes the Executive Director to take such actions as are necessary or convenient to comply with any applicable relocation requirements or enactments. The Executive Director of the Agency, or his designee, is authorized to implement the Agreement and take all further actions and execute all escrow documents and other documents which are necessary or appropriate to carry out the Agreement.

3. The Agency authorizes and approves the payment of such moneys as are payable by the Agency under the Agreement.

4. The Agency Secretary shall certify to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 9th day of March 2004 by the following vote:

Ayes: Ziprick, Brauer, Petersen, Hansberger
Noes: None
Abstain: None
Absent: Christman

Robert Ziprick, Chairman

ATTEST:

Pamela Byrnes-O'Camb, Secretary

COMMENTS TO REAL PROPERTY EXHANGE AGREEMENT

BETWEEN KUNIHIRA AND
LOMA LINDA REDEVELOPMENT AGENCY
COMMENTS DATED SEPTEMBER 5, 2004

The following comments are to the draft Real Property Exchange Agreement between Kunihira and the RDA relating to the RDA owned property located on Redlands Boulevard and commonly referred to as the "Triangle Parcel" and the Kunihira property located at 10806 Poplar Street, Loma Linda, CA:

1) Page 1, Recital B. This recital states that the agency owns a parcel approximately 2.5 acres in size. In fact, the parcel is 2.07 acres. The square footage of the property in Parcels B and C should not be added to the square footage of Parcel A because Parcel A already includes both Parcels B and C.

2) Page 3, section 2.5. The Outside Date needs to be changed to a realistic date for closing. I would suggest a minimum of 30 days from the date of execution.

3) Page 6, section 4.2. This section contains the conditions that must be satisfied by Agency prior to Kunihira's obligation to close escrow. An important item that has not been dealt with is that the Agency Parcel must be a legal lot at the time of closing of the exchange escrow. It should be the obligation of City to cause the triangle parcel to be a legal lot. Please confirm that the City will record a certificate of subdivision compliance in connection with the RDA conveyance of the Agency Parcel by means of metes and bounds description pursuant to the government conveyance exemption from the Subdivision Map Act. In order to do this, City will need to do a survey and place survey markers so that the location of the street easements as well as all boundary lines to the Agency Parcel can be determined.

   a) In accordance of the preceding comment, section 4.2 (d) needs to be modified to provide that the City will pay for surveying costs associated with the Agency Parcel.

4) The following conditions should be added to section 4.2:

   a) City will confirm in writing that the oak trees located on the Agency Parcel can be removed by Kunihira or any successor owner in connection with development of the Agency Parcel without further permit or permission by City and that there will be no requirement that the trees be relocated; language in the proposed City updated General Plan as well as the draft Orchard Park Specific Plan must contain consistent language;

   b) City will confirm in writing that Kunihira or any successor owner will have the right to obtain (i) at least one ingress/egress from the Agency Parcel to the realigned Rhonda Street, and (ii) at least one egress onto Redlands Boulevard and a right to ingress and egress onto Redlands Boulevard if permitted by City code (distance from intersection, etc.)

c) City will confirm in writing that the cost of improving one-half of Rhonda Street adjacent to the Agency Parcel will not be allocated 100% to development of the Agency Parcel. Because Rhonda Street is a key circulation element to the entire Orchard Park project (which includes the Agency Parcel) and the University Village project, the cost of Rhonda Street should be allocated pro rata to those projects. We need to have a discussion as to exact language and how the allocation would work.

5) Page 9, sections 8.1 and 8.2. Both these sections have mirror provisions that state that if hazardous materials are found on the property, the current owner will remove the hazardous materials before the exchange. Although it is highly unlikely that either property contains hazardous materials, I would advise my client against having an open-ended obligation to remediate the property as a means of accommodating the exchange. Rather, the agreement should provide that if hazardous materials are found on either property and the current owner declines to remove such hazardous materials prior to close of the exchange , the other party has a right to terminate the exchange agreement. If hazardous materials are found, there would probably be a lengthy legal proceeding whereby third-parties would be brought into a lawsuit for the purpose of having the person actually responsible for releasing the hazardous materials paying for the cleanup.

6) Page 10, section 8.3. Indemnity. This environmental indemnity section (which has no corresponding indemnity obligation of the Agency) should be deleted. In the unlikely event that there is a need for remediation of hazardous materials on the property, the rights of the party should be governed by applicable state and federal law. Appropriate protective language is found in both sections 8.4 and 8.5 which provide that ".... neither party waives or relinquishes any common law or statutory rights it or they may have against one another or third parties arising from or related to the cause or source of the Hazardous Materials, or for contribution or indemnity as a result the site evaluation, remediation and clean-up costs and liability." During the period of ownership by Kunihira, the property has been used as a single-family residential rental unit. If hazardous materials are found on the site, the person ultimately responsible (other than Kunihira as title holder) would clearly be someone other than Kunihira.

7) Page 10, section 8.4 and section 8.5. Both of these sections provide that if hazardous materials are found, the other party has the right to terminate this agreement or consummate the exchange with a payment at a sum to be agreed to by the parties. Again, if hazardous materials are found, the other party should only be given the right to terminate the agreement (i.e., delete the language regarding consummating the transaction with payment of an agreed sum).

8) Page 12, section 10.2. Add the following sentence to the end out of such section: "Notwithstanding the foregoing, City shall be responsible for paying any relocation costs payable to tenants who are leasing the residential units on the Kunihira Parcel accordance with California law, if any."

9) Exhibit C. Kunihira Parcel Grant Deed.

a) In order to maintain the integrity of the IRC §1031 exchange, the Agency Parcel must be conveyed to the Trust and to Terri Kunihira in the same percentage interests that they owned the Kunihira Parcel. Accordingly, the Grant Deed should convey a 15.75% undivided tenancy-in-common interest to Terri and an 84.25% undivided tenancy-in-common interest to the Trust.

b) Remove the word "By:" in front of the signature line for Terri Kunihira. The current format could imply that her signature is on behalf of the Trust rather than on her own behalf as an individual.

10) Exhibit "D". Agency Parcel Grant Deed. This Grant deed has attached a legal description for Parcels A, B and C as the property being conveyed to grantee. In fact, Parcel A is inclusive of Parcel B (Redlands Boulevard reserved easement area) and Parcel C (Rhonda Street reserved easement area). A review of the drawing of the parcels indicates that the intent of the engineer was that there would be a deed to Parcel A (2.07 acres) and that the City would reserve an easement for street and road purposes in connection with Parcels B and C. Alternatively, Parcel A could be conveyed to Kunihira and a offer of dedication for street purposes could be recorded concurrently with respect to Parcels B and C. The grant date needs to be modified to provide those reservations or City needs to prepare an offer of dedication with respect to Parcels B and C.