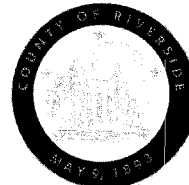


**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

819



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**

November 23, 2010

**SUBJECT:** Resolution No. 2010-296, Authorization to Purchase Real Property in the Unincorporated Area of Hemet, County of Riverside, California

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve Resolution No. 2010-296, Authorization to Purchase Real Property located in the Unincorporated Area of Hemet, California, further described as County of Riverside Assessor's Parcel Numbers 465-020-010 and 465-020-011;
2. Approve the Agreement of Purchase and Sale and Joint Escrow Instructions, and authorize the Chairman of the Board to execute the documents necessary to complete the purchase;

(Continued)

Robert Field  
Assistant County Executive Officer/EDA

**FINANCIAL  
DATA**

Current F.Y. Total Cost:	\$ 10,225,400	In Current Year Budget:	Yes
Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	Yes
Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

**COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No**

**SOURCE OF FUNDS:** Multi-Species Project Trust Fund (#5852) 44%; Western Riverside County Regional Conservation Authority (RCA) 7%; Open Space Mitigation Fee 4%; and State Wildlife Conservation Board (WCB) 45%

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input checked="" type="checkbox"/>

**C.E.O. RECOMMENDATION:**

APPROVE

BY:

**County Executive Office Signature**

Policy ☒ Policy ☒

Consent ☐ Consent ☐

Dep't Recomm.: ☐ Per Exec. Ofc.: ☐

Reviewed by  
CIP TEAM  
Dean Deines

Prev. Agn. Ref.: 3.17 of 10/19/10

District: 3

Agenda Number:

3.15 a

FISCAL PROCEDURES APPROVED  
ROBERT E. BYRD, AUDITOR-CONTROLLER  
BY: Samuel Wong 11/23/10

FORM APPROVED COUNTY COUNSEL  
BY: Karin L. Watts-Bazan 10/15/10

**RECOMMENDED MOTION: (Continued)**

3. Authorize and direct the Assistant County Executive Officer/EDA to certify acceptance of any documents running in favor of the County as part of this transaction;
4. Authorize the Assistant County Executive Officer/EDA, or his designee, to execute any other documents and administer all actions necessary to complete this transaction; and
5. Authorize the Auditor-Controller to amend the Economic Development Agency's FY 2010/11 Real Property budget as specified on Schedule "A".

**BACKGROUND:**

In May of 2008, the Environmental Programs Department and Western Riverside County Regional Conservation Authority (RCA) determined that the above-referenced property was described for Conservation and should be included in the Multiple Species Habitat Conservation Plan (MSHCP) Conservation Area if it could be acquired. The property includes vernal pool habitat essential for several vernal pool species covered by the MSHCP. Negotiations to acquire the property were initiated with the RCA but the parties were unable to come to agreement on terms. The property owner has requested and received assistance from County staff in facilitating an acquisition.

As part of this process, staff initiated the preparation of a new appraisal in order to assist in obtaining Section 6 matching funds from the State Wildlife Conservation Board (WCB). We anticipate that the County and RCA will provide local funding of 55% of the purchase price in order to obtain the 45% match in Section 6 funding. Funding is available from reserved Open Space Mitigation fees collected prior to approval of the MSHCP; from an established Multi-Species Project Trust Fund (#5852); and from the RCA (up to \$800,000). Staff has requested that this acquisition be scheduled for consideration by the WCB on November 18, 2010.

On October 19, 2010, the Board of Supervisors approved Resolution 2010-295, Notice of Intention to Purchase Real Property in the Unincorporated Area of Hemet, California

The purchase and conveyance of the property are exempt from the provisions of the California Environmental Quality Act (CEQA). Pursuant to CEQA Guidelines, Section 15061 and General Rule and Section 15313, Class 13 - Acquisition of Lands for Wildlife Conservation Purposes, a Notice of Exemption was filed with the County Clerk on October 14, 2010 for the 30-day period. The project has therefore complied with the provisions of CEQA and no additional environmental analysis is required.

This Resolution has been reviewed and approved by County Counsel as to legal form.

**FINANCIAL DATA:**

The following summarizes the funding necessary to acquire Assessor's Parcel Numbers 465-020-010 and 465-020-011:

Purchase Price	\$10,185,000
Estimated Title and Escrow Charges	\$ 17,000
Preliminary Title Report:	\$ 450
Due Diligence Expense	\$ 3,000
Appraisal	\$ 10,950
Acquisition Administration	<u>\$ 9,000</u>
Total Estimated Acquisition Costs:	\$10,225,400

Any additional budget adjustments will be brought forward under separate cover seeking authorization to purchase the real property.

All costs associated with this property acquisition are fully funded through the Environmental Programs Department for FY 2010/2011. Thus, no additional net county costs will be incurred as a result of this transaction.

Schedule A attached.

**SCHEDULE A**

Increase Estimated Revenues:

47220-7200400000-778280	Interfund - Reimb for Service	\$11,400
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Increase Appropriations:

47220-7200400000-525400	Title Company Services	\$ 450
47220-7200400000-524550	Appraisal Services	<u>\$ 10,950</u>
		\$ 11,400

Resolution No. 2010-296  
Authorization to Purchase Real Property  
in the Unincorporated Area of Hemet, County of Riverside, California  
Assessor's Parcel Numbers: 465-020-010 and 465-020-011

BE IT RESOLVED, DETERMINED AND ORDERED by the Board of Supervisors of the County of Riverside, in regular session assembled on December 7, 2010 the Authorization to Purchase Real Property, located in the Unincorporated Area of Hemet, County of Riverside, State of California, identified by Riverside County Assessor's Parcel Numbers, 465-020-010 and 465-020-011, more particularly described in Exhibit "A", attached hereto and thereby made a part hereof, consisting of 70.86 acres, in the amount of Ten Million One Hundred Eighty-Five Thousand Dollars (\$10,185,000).

BE IT FURTHER RESOLVED AND DETERMINED that the Economic Development Agency is to expend a not-to-exceed amount of Forty Thousand Four Hundred Dollars (\$40,400) to complete due diligence on the property, consisting of a preliminary title report, appraisal costs, a hazardous materials survey, Economic Development Agency staff time, and miscellaneous other studies as may be deemed necessary.

BE IT FURTHER RESOLVED AND DETERMINED that the Chairman of the Board of Supervisors of the County of Riverside is authorized to execute the documents to complete the purchase.

BE IT FURTHER RESOLVED AND DETERMINED that the Assistant County Executive Officer/EDA, or his designee, is authorized to execute the necessary documents to complete this purchase of real property.

FOR APPROVED COUNTY COUNSEL  
BY: *[Signature]* DATE: 10/5/10  
KARIN L. WATTS-BAZZAN

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001EP  
13.678

EXHIBIT "A"

PARCEL 1:

THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER AND THE NORTH 5 ACRES OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 13, TOWNSHIP 5 SOUTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

EXCEPT THAT PORTION CONVEYED TO THE COUNTY OF RIVERSIDE BY DEED RECORDED MARCH 30, 1915 IN BOOK 406 PAGE 135 OF DEEDS.

ALSO EXCEPT THAT PORTION THEREOF LYING SOUTHEASTERLY OF THE NORTHWESTERLY LINE OF THE SECOND SAN DIEGO AQUEDUCT CANAL AS CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA BY DEEDS RECORDED JUNE 30, 1959 IN BOOK 2500 PAGE 593 AND JULY 20, 1959 IN BOOK 2512 PAGE 270, BOTH OF OFFICIAL RECORDS.

PARCEL 2:

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 13, TOWNSHIP 5 SOUTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 13,  
THENCE WEST 70 RODS,  
THENCE AT A RIGHT ANGLE NORTH 220 RODS,  
THENCE AT A RIGHT ANGLE EAST, 50 RODS,  
THENCE AT A RIGHT ANGLE NORTH, 20 RODS TO THE NORTH LINE OF SAID SECTION,  
THENCE EAST ALONG SAID NORTH LINE, 20 RODS TO THE NORTHEAST CORNER OF THE WEST-HALF OF SAID SECTION;  
THENCE SOUTH ALONG THE CENTER LINE OF SAID SECTION, 240 RODS TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION THEREOF LYING SOUTHEASTERLY OF THE NORTHWESTERLY LINE OF THE SECOND SAN DIEGO AQUEDUCT CANAL AS CONVEYED TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA BY DEEDS RECORDED JUNE 30, 1959 IN BOOK 2500 PAGE 593 AND JULY 20, 1959 IN BOOK 2512 PAGE 270, BOTH OF OFFICIAL RECORDS.

APN: 465-020-011-9 and 465-020-010-8

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8 **AGREEMENT OF PURCHASE AND SALE**  
9 **AND JOINT ESCROW INSTRUCTIONS**

10 **BY AND BETWEEN**

11 **WILHELM RANCH FAMILY LIMITED PARTNERSHIP**

12 **AS SELLER**

13 **AND**

14 **THE COUNTY OF RIVERSIDE**

15 **AS BUYER**

16 **RELATING TO**

17 **ASSESSOR'S PARCEL NUMBERS: 465-020-010 AND 465-020-011**  
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**AGREEMENT OF PURCHASE AND SALE  
AND JOINT ESCROW INSTRUCTIONS**

THIS AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS ("Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2010, by and between COUNTY OF RIVERSIDE, a Political Subdivision of the State of California ("Buyer"), and Wilhelm Ranch Family Limited Partnership ("Seller").

Buyer and Seller agree as follows:

**1. Recitals.**

- (a) Seller is the owner of certain real property located on the south side of Florida Avenue in unincorporated Riverside County near the City of Hemet;
- (b) Buyer desires to purchase this property as it has determined, and the Western Riverside County Regional Conservation Authority ("RCA") has concurred, that the property is described for conservation by the Western Riverside County Multiple Species Habitat Conservation Plan ("MSHCP") and includes vernal pool habitat essential for several vernal pool species covered by the MSHCP;
- (c) Seller has obtained an appraisal of the Property establishing its fair market value at \$18,520,000. Said appraisal represents this appraiser's fair market value opinion as of June 2009;
- (d) Buyer has obtained an appraisal of the Property establishing its fair market value at \$10,185,000. Said appraisal represents this appraiser's fair market value opinion as of July 2010 and also as of May 2008 when Buyer made its initial determination that the Property was described for conservation;
- (e) It is understood by Seller and Buyer that funding for the purchase of the Property is anticipated to be provided, not only by Buyer, but by other entities not under Buyer's control. Additionally, it is understood that completion of said purchase cannot occur without such funding. Accordingly, although the Closing Date is currently scheduled to occur by March 31, 2011, an extension of this date may be necessary.

**2. Definitions.** For the purposes of this Agreement, the following terms will be defined as follows:

- (a) **"Effective Date"**: The Effective Date is the date on which this Agreement is executed by Buyer as listed on the signature page of this Agreement;
- (b) **"Property"**: Seller is the owner of certain real property consisting of vacant land of approximately 70.86 acres identified by Assessor's Parcel Numbers 465-020-010 and 465-020-011 in the unincorporated Hemet area, County of Riverside, California, more particularly described in Exhibit A attached hereto and incorporated herein;
- (c) **"Purchase Price"**: The Purchase Price for the Property is Ten Million One Hundred and Eight-Five Thousand dollars (\$10,185,000.00).
- (d) **"Escrow Holder"**: First American Title Insurance Company at the address set forth in subparagraph (h) below. The escrow number is 381726 and Janette DeLap is the Escrow Officer;
- (e) **"Title Company"**: First American Title Insurance Company Title Insurance Company at the address set forth in subparagraph (h) below. The title order number is NCS-381726-ONT1 and Greg Franke is the Title Officer;
- (f) **"Closing" and "Close of Escrow"**: Are terms used interchangeably in this Agreement. The Closing or the Close of Escrow will be deemed to have occurred when the Grant Deed (as defined in Paragraph 6.1) is recorded in the official records of the County of Riverside.



(g) **"Closing Date"**: The Closing Date shall be on or before March 31, 2011 and shall not occur unless and until the anticipated funding for the acquisition from the RCA and the Wildlife Conservation Board (**"WCB"**) is received. Said Closing Date may be extended upon the written consent of Seller and Buyer.

(h) **"Notices"**: Will be sent as follows to:

Seller: Wilhelm Ranch Family Limited Partnership  
P.O. Box 1795  
San Juan Capistrano, CA 92693  
Attn: Louis R. Wilhelm  
Telephone: (949) 248-7360  
FAX No.: (949) 248-7355  
Email: Dawnendick@aol.com

With copy to: Michelle Staples  
Jackson DeMarco & Peckenpaugh  
2030 Main Street, 12<sup>th</sup> Floor  
Irvine, CA 92614  
Telephone: (949) 752-8585  
FAX No.: (949) 752-0597  
Email: mstaples@jdtplaw.com

Buyer: County of Riverside  
Economic Development Agency  
P.O. Box 1180  
Riverside, CA 92502  
Attn: Craig Olsen  
Telephone: (951)955-4840  
FAX No.: (951)955-4837  
Email: CAOlsen@rivcoeda.org

Escrow Holder: First American Title Insurance Company  
3281 E. Guasti Road, Suite 490  
Ontario, CA 91761  
Attn: Janette DeLap  
Telephone: (909)510-6206  
FAX No.: (877)461-2088  
Email: jdelap@firstam.com

Title Company: First American Title Insurance Company  
3281 E. Guasti Road, Suite 490  
Ontario, CA 91761  
Attn: Greg Franke  
Telephone: (714)250-8363  
FAX No.: (714)250-8379  
Email: gfranke@firstam.com

(i) **"Exhibits"**: Exhibit A – Legal Description  
Exhibit B – Form of Deed

3. **Purchase and Sale.** Upon and subject to the terms and conditions set forth in this Agreement, Seller agrees to sell to Buyer and Buyer agrees to buy from Seller the Property, together with all easements, appurtenances thereto and all improvements and fixtures that may be situated thereon.

4. **Purchase Price.** The Purchase Price for the Property shall be paid as follows:

4.1 Agreement. On or before March 31, 2011, Buyer shall deposit and it is anticipated that RCA and WCB shall deposit into escrow the following amounts in the form of a cashier's check or other immediately available funds

payable to the order of Escrow Holder:

- (a) Buyer – \$ 4,862,600.00 plus costs to cover Buyer's escrow fee
- (b) RCA – \$700,000.00
- (c) WCB - \$4,622,400.00

Should escrow be unable to close immediately, Escrow Holder shall deposit said funds in an interest bearing account which shall be applied against the Purchase Price at closing and any overages including the interest shall be returned to Buyer at close of escrow. In the event sufficient funds are not received from RCA and WCB on or before March 31, 2010 and an extension of this time period is not approved in writing by Seller and Buyer, this Agreement shall be null and void and both parties shall be relieved from any liabilities and/or obligations under this Agreement.

5. **Escrow.** Buyer and Seller shall open an escrow (the “Escrow”) with Escrow Holder within fifteen (15) days after the Effective Date of this Agreement by delivery to Escrow Holder a fully executed original or originally executed counterparts of this Agreement and this date shall be the official Opening Date of Escrow, referenced herein. If there is a conflict between any printed escrow instructions and this Agreement, the terms of this Agreement will govern.

6. **Deliveries to Escrow Holder.**

6.1 By Seller. On or prior to the Closing Date, Seller will deliver or cause to be delivered to Escrow Holder the following items:

- (a) A Grant Deed (“Grant Deed”), in the form attached to this Agreement as Exhibit B, duly executed and acknowledged by Seller and in recordable form conveying the Property to Buyer;
- (b) A Transferor's Certificate of Non-Foreign Status (“FIRPTA Certificate”);
- (c) Written documentation, acceptable to Buyer, that any and all written and/or oral agreements have been terminated with all parties/individuals currently using the Property including but not limited to any parties/individuals conducting farming activities; and
- (d) A signed Internal Revenue Service Form 8283 (Noncash Charitable Contributions) completed by the Seller except for the appraisal information.

6.2 By Buyer. On or prior to the Closing Date (an in any event in a manner sufficient to allow Escrow to close not later than the Closing Date), Buyer will deliver or cause to be delivered to Escrow Holder the following items:

- (a) The Purchase Price in accordance with Paragraph 4.1;
- (b) The amount due Seller and any third parties, if any, after the prorations are computed in accordance with Paragraph 13; and
- (c) A signed Internal Revenue Service Form 8283 (Noncash Charitable Contributions) completed by the Seller except for the appraisal information with the Donee Acknowledgment executed by Buyer.

6.3 By Buyer and Seller. Buyer and Seller will each deposit such other instruments consistent with this Agreement as are reasonably required by Escrow Holder or otherwise required to close escrow. In addition, Buyer and Seller will designate the Title Company as the “Reporting Person” for the transaction pursuant to Section 6045(e) of the Internal Revenue Code.

1           7.   **Condition of Title.**

2           7.1 At the Close of Escrow, fee simple title to the Property will be conveyed to Buyer by Seller by Grant Deed  
3           subject only to the following matters ("**Permitted Exceptions**"):

- 4           (a) A lien for local real property taxes and assessments not then delinquent;
- 5           (b) Matters of title respecting the Property approved or deemed approved by Buyer in accordance with this  
6           Agreement;
- 7           (c) Matters affecting the condition of title to the Property created by or with the written consent of Buyer,  
8           and
- 9           (d) Any matters which would be shown by a survey of the Property or by inquiry in possession of the  
10           Property.

11           8.   **Conditions to the Close of Escrow.**

12           8.1 Conditions Precedent to Buyer's Obligations. The following conditions must be satisfied not later than the  
13           Closing Date or such other period of time as may be specified below:

- 14           (a) Title. Buyer has obtained a preliminary title report for the Property prepared by the Title Company  
15           dated as of January 12, 2010, and referenced as Order No. NCS-381726-ONT1 together with copies of  
16           the documents described in such report. Buyer hereby objects to exceptions as shown in the preliminary  
17           report: Items one (1) through four (4) and thirteen (13). Seller will have ten (10) days after the Effective  
18           Date to advise Buyer that:

19                   (i) Seller will remove any objectionable exceptions to title or obtain appropriate endorsements to the  
20                   title policy before the Closing Date; or

21                   (ii) Seller will not cause the exceptions to be removed. If Seller advises Buyer that it will not cause  
22                   the exceptions to be removed, Buyer will have thirty (30) days to elect, at its sole remedy, to  
23                   proceed with the purchase and acquire the Property subject to such exceptions without reduction in  
24                   the Purchase Price or cancel the Escrow and this Agreement by written notice to Seller and the  
25                   Escrow Holder in which case any deposit together with interest thereon will be returned to Buyer  
26                   and the cancellation costs will be borne by Buyer.

27           If Buyer does not give Seller notice of its election within such thirty (30) day period, Buyer will be deemed  
28           to have approved the condition of title to the Property and elected to proceed with this transaction.

29           If Seller commits to remove any objection to title and fails to do so by the Closing Date, Seller will be in  
30           default under this Agreement and Buyer may, at Buyer's election, terminate this Agreement and pursue its  
31           remedies as set forth herein.

- 32           (b) Title Insurance. As of the Close of Escrow, the Title Company will issue or have committed to issue the  
33           Title Policy to Buyer with only the Permitted Exceptions.

- 34           (c) Delivery of Information. Within ten (10) days after the Opening of Escrow, Seller shall deliver to Buyer  
35           the original or true copies of all, past hazardous material studies, soil reports, and similar information  
36           which it may have in its possession relating to the condition of the Property. Such items shall be  
37           delivered by Seller to Buyer and shall be to the best of Seller's actual knowledge, true and correct and  
38           complete copies of the items in Seller's possession. Seller makes no warranty regarding the contents of  
39           such items. If the Escrow shall fail to close for any reason, all such items shall be immediately returned  
40           to Seller. The conditions set forth in this paragraph are solely for the benefit of Buyer and may be  
41           waived only by Buyer. At all times, Buyer has the right to waive any condition. Such waiver or waivers  
42           must be in writing to Seller and Escrow Holder.

- 1 (d) Termination of Use of Property. Seller shall pursue all necessary actions to terminate and cause the  
2 surrender of possession by any and all parties upon and currently using the Property including but not  
3 limited to any parties conducting farming activities.

3 The Close of Escrow and Buyer's obligations with respect to this transaction are subject to Seller's delivery  
4 to Escrow Holder on or before the Closing Date the items described in Paragraphs 6 and 7.1 and the removal  
5 of the items described in Paragraph 8.1

- 5 8.2 Conditions Precedent to Seller's Obligations. The following shall be conditions precedent to Seller's  
6 obligation to consummate the purchase and sale transaction contemplated herein:

6 (a) Buyer shall have delivered or cause to have delivered to Escrow Holder, prior to the Closing for  
7 disbursement as directed hereunder, all cash or other immediately available funds in accordance with  
8 this Agreement; and

8 (b) Buyer shall have delivered to Escrow Holder the items described in Paragraphs 6.2 and 6.3.

9 The conditions set forth in this paragraph are solely for the benefit of Seller and may be waived only by  
10 Seller. At all times Seller has the right to waive any condition. Such waiver or waivers must be in writing to  
11 Buyer and Escrow Holder.

- 11 8.3 Termination of Agreement. In the event that, for any reason, the Closing does not occur on or before the  
12 Closing Date, either party to this Agreement, who is not in default of its obligations under this Agreement,  
13 shall have the right to terminate this Agreement upon written notice to the other party and to Escrow Holder.  
14 Unless Seller is materially in default hereunder, failure by Buyer to cause Escrow to close on or before the  
15 Closing Date or any extension of the Closing Date shall constitute a material Buyer default as a result of  
16 which Seller may elect to terminate this Agreement and the Escrow created hereunder and Seller may pursue  
17 all remedies at law or in equity. However, it is understood by Seller that failure by Buyer to cause Escrow to  
18 close on or before the Closing Date or any extension of the Closing Date shall not constitute a material  
19 Buyer default if the funding from RCA and/or WCB referenced in Section 4.1 is not received.

16 9. **Due Diligence By Buyer.**

- 17 9.1 Matters to Be Reviewed. Buyer must complete its due diligence and approve the following matters prior to  
18 the Closing Date (the "**Due Diligence Period**"). Seller shall cooperate with Buyer in its investigation.

18 (a) The physical condition of the Property at the time of sale, including without limitation, any soil  
19 conditions, the status of the Property with respect to hazardous and toxic materials, if any, and in  
20 compliance with all applicable laws, including any laws relating to hazardous and toxic materials and all  
21 applicable government ordinances, rules and regulations and evidence of Seller's compliance therewith  
22 including without limitation zoning and building regulations;

21 (b) All applicable government ordinances, rules and regulations and evidence of Seller's compliance  
22 therewith including without limitation zoning and building regulations; and

23 (c) All licenses, permits and other governmental approvals and/or authorizations relating to the Property  
24 which shall remain in effect after the Close of Escrow, if any.

- 24 9.2 Notice and Resolution of Objections.

25 (a) If Buyer fails to notify Seller in writing of any objections to items (a) and (b) in Paragraph 9.1 above or  
26 to request an extension prior to the end of the Due Diligence Period then Buyer shall be deemed to have  
27 approved such items and elected to proceed with the acquisition of the Property.

27 (b) If Buyer notifies Seller in writing of any objections to the condition of the Property at the time of sale or  
28 any other matters relating to the Property as set forth in Section 8.1 prior to the end of the Due Diligence  
Period, the parties will have five (5) business days to agree upon a resolution of the objection(s);  
provided however, that if, as a result of investigations and inspections any deficiencies are found or  
repairs are needed, the cost to remedy such deficiencies or to make such repairs shall be the exclusive

responsibility of the Seller. In the event that Seller fails to remedy such deficiencies or to make such repairs within a reasonable time period then Buyer may terminate this Agreement by written notice to Seller and Escrow.

- (c) In the absence of a timely objection or notice of termination, Buyer will be deemed to have knowingly approved the condition of the Property at the time of sale and waived any of its objections, and this Agreement will continue in full force and effect.

9.3 **Material New Matters.** If Buyer discovers any new matter prior to close of escrow which was:

- (a) Not reasonably discoverable prior to the Close of Escrow and that matter is one which:

(i) Would appear as an exception to the Title Policy; or

(ii) Is materially inconsistent with a disclosure by Seller or with any representations or warranties contained in Paragraph 17.2; and

(iii) Such new matter is of such a nature that, in Buyer's reasonable judgment, it would materially and adversely affect the acquisition, conservation, sale or use of the Property for Buyer's intended purpose; then Buyer is entitled to treat such new matter as a failure of condition to the Close of Escrow.

- (b) If Buyer elects to treat such new matter as a failure of condition to the close of Escrow, Buyer must give notice to Seller of buyer's election to terminate this Agreement within fifteen (15) days of Buyer's obtaining knowledge of such new matter, but in no event later than the Closing Date.

- (c) However, if Buyer gives Seller notice of its election to terminate this Agreement, Seller may elect, in its sole and absolute discretion by written notice to Buyer and to Escrow Holder within five (5) business days following Seller's receipt of Buyer's notice, to correct the new matter prior to the Close of Escrow. If Seller elects to correct the new matter, Seller will be entitled to extend the Close of Escrow for not more than twenty (20) days in order to correct the new matter by the Closing Date as extended. Buyer, as Buyer's sole remedy, may terminate this Agreement.

10. **No Side Agreements or Representations.** Buyer represents and warrants that prior to the Close of Escrow, Buyer will have had the opportunity to make and will have made such an investigation and inspection of all aspects of the condition of the Property as it has deemed necessary or appropriate, including, but not limited to soils and the Property's compliance or non-compliance with applicable laws, rules, regulations and ordinances (including any Environmental Laws) as defined in Paragraph 17.1 and the existence or non-existence of Hazardous Substances as defined in Paragraph 17.1 on, in or under the Property. Buyer further represents and warrants that in purchasing the Property, Buyer is relying upon its own inspections and investigations in proceeding with this Agreement.

11. **Title Insurance.** At the Close of Escrow, Seller will cause the Title Company to issue to Buyer a CLTA standard coverage owner's policy in an amount equal to the Purchase Price showing fee title to the Property vested in Buyer subject only to the Permitted Exceptions ("Title Policy") and the standard printed exceptions and conditions in the policy of title insurance. If Buyer elects to obtain any endorsements or an ALTA Extended Policy of Title, the additional premium and costs of the policy survey for the ALTA Extended Policy of Title and the cost of any endorsements will be at Buyer's sole cost and expense; however, Buyer's election to obtain an ALTA Extended Policy of Title will not delay the Closing and Buyer's inability to obtain an ALTA Extended Policy of Title or any such endorsements will not be deemed to be a failure of any condition to Closing.

12. **Costs and Expenses.**

Seller will pay:

- (a) Seller's share of prorations.

Buyer will pay:

- (a) All escrow fees and costs;
- (b) Any title endorsements; and
- (c) Buyer's share of prorations.

**13. Prorations.**

**13.1 Tax Exempt Agency.** All parties hereto acknowledge that the Buyer is a public entity exempt from payment of any real property taxes. There will be no proration of taxes through escrow. Seller will be responsible for payment of any real property taxes due prior to Close of Escrow. In the event any real property taxes are due and unpaid at the close of escrow. Escrow Holder is hereby authorized and instructed to pay such taxes from proceeds due the Seller at the close of escrow. Seller understands that the Tax Collector will not accept partial payment of an installment of the real property taxes due at the Close of Escrow. At the Close of Escrow, the Buyer will file any necessary documentation with the County Tax Collector/Assessor for the property tax exemption. Any prorated refund that will be due the Seller will be refunded to the Seller by the County Tax Collector/Assessor outside of escrow and Escrow Holder shall have no liability and/or responsibility in connection therewith.

**13.2 Utility Deposits.** Not applicable.

**13.3 Method of Proration.** For purposes of calculating prorations, Buyer shall be deemed to be in title to the Property and therefore entitled to the income there from and responsible for the expenses thereof for the entire day upon which the Closing occurs. All prorations will be made as of the date of Close of Escrow based on a three hundred sixty-five (365) day or thirty (30) day month, as applicable. The obligations of the Parties pursuant to this paragraph 13.3 shall survive the closing and shall not merge into any documents of conveyance delivered at Closing.

**14. Disbursements and Other Actions by Escrow Holder.** At the Close of Escrow, Escrow Holder will promptly undertake all of the following:

**14.1 Funds.** Promptly upon Close of Escrow, disburse all funds deposited with Escrow Holder by Buyer in payment of the Purchase Price as follows: (a) deduct or credit all items chargeable to the account of Seller and/or Buyer pursuant to paragraphs 12, 13 and 19.1(b) disburse the balance of the Purchase Price and (c) disburse any excess proceeds deposited by Buyer to Buyer.

**14.2 Recording.** Cause the Grant Deed to be recorded with the County Recorder and obtain conformed copies thereof for distribution to Buyer and Seller.

**14.3 Title Policy.** Direct the Title Company to issue the Title Policy to Buyer.

**14.4 Delivery of Documents to Buyer and Seller.** Deliver to Buyer the FIRPTA Certificate and any other documents (or copies thereof) deposited into Escrow by Seller. Deliver to Seller any other documents (or copies thereof) deposited into Escrow by Buyer.

**15. Joint Representations and Warranties.** In addition to any express agreements of the Parties contained herein, the following constitute representations and warranties of the Parties each to the other:

**15.1** Each Party has the legal power, right and authority to enter into this Agreement and to consummate this transaction.

**15.2** The individuals executing this Agreement and the instruments referenced herein on behalf of each Party and the partners, officers or trustees of each Party, if any, have the legal power, right and actual authority to bind each Party to the terms and conditions of those documents.

15.3 This Agreement and all other documents required to close this transaction are and will be valid, legally binding obligations of and enforceable against each Party in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium laws or similar laws or equitable principles affecting or limited the rights of contracting parties generally.

16. **Indemnification.**

16.1 Indemnification by Seller. Seller agrees to indemnify, defend and hold Buyer harmless for, from and against any and all claims, demands, liens, liabilities, costs, expenses, damages and losses, cause or causes of action and suit or suits of any nature whatsoever arising from any misrepresentation or breach of warranty or covenant by Seller in this Agreement. This indemnification shall include all costs and attorney fees.

16.2 Indemnification by Buyer. Buyer agrees to indemnify, defend and hold Seller harmless for, from and against any and all claims, demands, liabilities, costs, expenses, damages and losses, cause or causes of action and suit or suits arising out of the ownership and/or operation of the Property after the Closing Date or any misrepresentation or breach of warranty or covenant by Buyer in this Agreement or any document delivered to Seller pursuant to this Agreement. This indemnification shall include all costs and attorney fees.

17. **Hazardous Substances.**

17.1 Definitions. For purpose of this Agreement, the following terms have the following meanings:

- (a) "Environmental Law" means any law, statute, ordinance or regulation pertaining to health, industrial hygiene or the environment including, without limitation CERCLA (Comprehensive Environmental Response, Compensation and Liability Act of 1980) and RCRA (Resources Conservation and Recovery Act of 1976);
- (b) "Hazardous Substance" means any substance, material or waste which is or becomes designated, classified or regulated as being "toxic" or "hazardous" or a "pollutant" or which is or becomes similarly designated, classified or regulated, under any Environmental Law including asbestos, petroleum and petroleum products; and
- (c) "Environmental Audit" means an environmental audit, review or testing of the Property performed by Buyer or any third party or consultant engaged by buyer to conduct such study.

17.2 Seller's Representations. Except as disclosed in the Due Diligence Materials provided by Seller to Buyer as of the date of this Agreement, to Seller's current actual knowledge:

- (a) No Hazardous Substances exist now or have been used or stored on or within any portion of the Property except those substances which are or have been used or stored on the Property by Seller in the normal course of use and operation of the Property and in compliance with all applicable Environmental Laws;
- (b) There are and have been no federal, state or local enforcement clean-up, removal, remedial or other governmental or regulatory actions instituted or completed affecting the Property;
- (c) No claims have been made by any third party relating to any Hazardous Substances on or within the Property; and
- (d) There has been no disposal of Hazardous Substances or accidental spills which may have contaminated the Property. There has been no on-site bulk storage of vehicle fuels or waste oils.

As used in this Agreement, the phrase "Seller's current actual knowledge" shall be limited to the actual knowledge of Louis R. Wilhelm and Tami Wilhelm, without duty of inquiry or investigation into the matter so qualified. "Seller's current actual knowledge" shall not be construed to refer to the knowledge of any other agent or employee or principal of Seller.

17.3 Notices Regarding Hazardous Substances. During the term of this Agreement, Seller will promptly notify Buyer if it obtains actual knowledge that Seller or the Property may be subject to any threatened or pending investigation by any governmental agency under any law, regulation or ordinance pertaining to any Hazardous Substance.

17.4 Environmental Audit. Buyer has ordered, at its sole cost and expense, an Environmental Audit. It shall do so prior to the end of the Due Diligence Period and may quit this transaction if Buyer identifies problems in its sole and subjective judgment that would preclude continuing with this transaction:

- (a) The Environmental Audit shall be conducted pursuant to standard quality control/quality assurance procedures. Buyer shall give Seller at least one (1) business day's prior notice of any on-site testing of soil or subsurface conditions;
- (b) Any groundwater, soil or other samples taken from the Property will be properly disposed of by Buyer at Buyer's sole cost and in accordance with all applicable laws. Buyer shall promptly restore the Property to the condition in which it was found immediately prior to Buyer's Environmental audit;
- (c) Buyer hereby agrees to protect, indemnify, defend and hold harmless Seller from and against any and all losses, liabilities, claims, liens, stop notices, actions, obligations, damages and/or expenses caused by reason of Buyer's (or its agent's, employee's or independent contractor's) entries into the Property prior to the Close of Escrow pursuant to the foregoing. Buyer shall keep the Property free of mechanic's liens related to the activities of Buyer. Upon the request of Seller, Buyer shall require it's agent's or independent contractor's to provide proof of liability insurance to Seller.

18. **"As Is" Purchase.** Subject to Seller's pre-closing obligations under Sections 6, 7.1 and 8.1 of this Agreement, and as a material inducement to Seller's execution and delivery of this Agreement and performance of its duties under this Agreement: Except as otherwise provided in this Agreement, Buyer has agreed to accept possession of the Property on the Closing Date on an "As Is" basis. Seller and Buyer agree that the Property will be sold "As Is, Where is, with all Faults" with no right of set-off or reduction in the Purchase Price, and, except as set forth in Section 17.2 of this Agreement, such sale will be without representation or warranty of any kind, express or implied (including, without limitation, warranty of income potential, operating expenses, uses, merchantability, or fitness for a particular purpose), and Seller disclaims and renounces any such representation or warranty.

19. **Notices.** All notices or other communications required or permitted hereunder must be in writing, and be personally delivered (including by means of professional messenger service) or sent by registered or certified mail, postage prepaid, return receipt requested to the addresses set forth in paragraph 2(h). All notices sent by mail will be deemed received three (3) days after the date of mailing.

20. **Legal and Equitable Enforcement of this Agreement.**

20.1 Waiver of Specific Performance and Lis Pendens. In the event the Close of Escrow and the consummation of the transaction contemplated by this Agreement do not occur by reason of a material uncured default by Seller, Buyer will be entitled to payment of its reasonable out-of-pocket expenses incurred in connection with the transaction. As material consideration to Seller's entering into this Agreement with Buyer, Buyer waives any right: (a) to pursue an action for the specific performance of this Agreement and (b) to record or file a notice of lis pendens or notice of pendency of action or similar notice against any portion of the Property.

21. **Cooperation in 1031 Exchange.** Buyer shall cooperate with Seller in an Internal Revenue Code Section 1031 Exchange ("1031 Exchange") should Seller elect to engage in such exchange. All costs associated with such 1031 Exchange shall be paid by Seller. The 1031 Exchange shall not modify any provision of this Agreement.



1 22. **Release and Waiver.** Concurrently with the Close of Escrow, the hereinafter described release of claims  
2 provision shall immediately and automatically go into full force and effect without the need for any further action  
3 by the undersigned Parties or any of them. Seller, collectively and individually, hereby releases Buyer, its  
4 respective departments, officers, directors, employees, and agents from any and all claims, whether known or  
5 unknown, suspected or unsuspected, contingent or non-contingent, and liquidated or unliquidated, that directly or  
6 indirectly consist of, arise under or relate to the Property, including but not limited to, the action filed in Riverside  
7 Superior Court Case No. RIC10015716. It is expressly agreed by the parties that this release of claims does not  
8 release any claims Seller may have or have had against the RCA. In regard to said release of claims provision,  
9 Seller, collectively and individually, hereby waives the protections and provisions of California Civil Code  
10 Section 1542, which states as follows:

11 "A general release does not extend to claims which the creditor  
12 does not know or suspect to exist in his or her favor at the time  
13 of executing the release, which if known by him or her must have  
14 materially affected his or her settlement with the debtor."

15 Seller has initialed this Section 22 to further indicate it's awareness and acceptance of this release and waiver.  
16 The provisions of this Section 22 shall survive the Close of Escrow.

17 Seller's Initials: \_\_\_\_\_

18 23. **Miscellaneous.**

19 23.1 Counterparts. This Agreement may be executed in counterparts.

20 23.2 Partial Invalidity. If any term or provision of this Agreement shall be deemed to be invalid or  
21 unenforceable to any extent, the remainder of this Agreement will not be affected thereby and each  
22 remaining term and provision of this Agreement will be valid and be enforced to the fullest extent permitted  
23 by law.

24 23.3 Waivers. No waiver or any breach of any covenant or provision contained herein will be deemed a waiver  
25 of any preceding or succeeding breach thereof, or of any other covenant or to, a licensed real estate broker  
26 (individual or corporate), agent, or finder or other provision contained herein. No extension of time for  
27 performance or any obligation or act will be deemed an extension of the time for, performance of any other  
28 obligation or act except those of the waiving party which will be extended by a period of time equal to the  
period of the delay.

23.4 Successors and Assigns. Neither Party shall transfer or assign its rights or responsibilities under this  
Agreement without the express written consent of the other Party.

23.5 Entire Agreement. This Agreement (including the exhibits attached hereto) constitutes the entire contract  
between the Parties hereto and may not be modified except by an instrument in writing signed by the Party  
to be charged.

23.6 Time of Essence. Seller and Buyer hereby acknowledge and agree that time is strictly of the essence with  
respect to each and every term, condition, obligation and provision hereof.

23.7 Governing Law. The Parties hereto expressly agree that this Agreement will be governed by, interpreted  
under, and construed and enforced in accordance with the laws of the State of California in which the  
Property is located. Venue for any proceeding related to this Agreement shall be in the County of Riverside.

23.8 No Recordation. No memorandum or other document relating to this Agreement shall be recorded without  
the prior written consent of Seller and Buyer.

23.9 Survival. Any provisions of this Agreement which by their terms require performance by either Party after  
the Close of Escrow shall survive the Close of Escrow.

23.10 Brokers. Seller and Buyer represent and warrant to the other that neither Buyer nor Seller has employed any broker and/or finder to represent its interest in this transaction. Each Party agrees to indemnify and hold the other free and harmless from and against any and all liability, loss, cost, or expense (including court costs and reasonable attorney's fees) in any manner connected with a claim asserted by any individual or entity for any commission or finder's fees in connection with the conveyance of the Property arising out of agreements by the indemnifying party to pay any commission or finder's fee.

23.11 Exhibits. Each exhibit attached hereto is incorporated herein by this reference as if set forth in full in the body of this Agreement.

23.12 Assignment. Buyer shall neither assign Buyer's rights nor delegate Buyer's obligations hereunder without Seller's prior written consent which may be withheld in Seller's sole discretion.

THIS AGREEMENT WILL BE NULL AND VOID IF NOT EXECUTED BY BUYER and approved by the Board of Supervisors of the County of Riverside.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date and year set forth below.

Dated: \_\_\_\_\_

**SELLER:**

Wilhelm Ranch Family Limited Partnership

By: \_\_\_\_\_  
Louis R. Wilhelm

**BUYER:**

COUNTY OF RIVERSIDE

By: \_\_\_\_\_  
Marion Ashley, Chairman  
Board of Supervisors

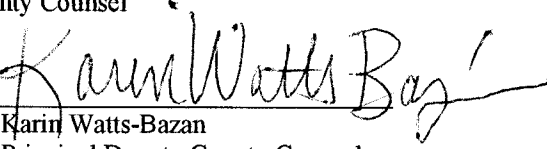
**ATTEST:**

Kecia Harper-Ihem  
Clerk of the Board

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

**APPROVED AS TO FORM:**

Pamela Walls  
County Counsel

By:   
Karin Watts-Bazan  
Principal Deputy County Counsel

1 23.10 Brokers. Seller and Buyer represent and warrant to the other that neither Buyer nor Seller has employed  
2 any broker and/or finder to represent its interest in this transaction. Each Party agrees to indemnify and hold  
3 the other free and harmless from and against any and all liability, loss, cost, or expense (including court costs  
4 and reasonable attorney's fees) in any manner connected with a claim asserted by any individual or entity for  
any commission or finder's fees in connection with the conveyance of the Property arising out of agreements  
by the indemnifying party to pay any commission or finder's fee.

5 23.11 Exhibits. Each exhibit attached hereto is incorporated herein by this reference as if set forth in full in the  
body of this Agreement.

6 23.12 Assignment. Buyer shall neither assign Buyer's rights nor delegate Buyer's obligations hereunder without  
7 Seller's prior written consent which may be withheld in Seller's sole discretion.

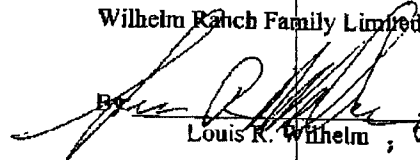
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9 IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date and year set forth  
below.

10 Dated: \_\_\_\_\_

11 **SELLER:**

12 Wilhelm Ranch Family Limited Partnership

13 By:  *Don't Star*  
14 Louis R. Wilhelm, GEN'L PARTNER

15 **BUYER:**

16 COUNTY OF RIVERSIDE

17 By: \_\_\_\_\_  
18 Marion Ashley, Chairman  
Board of Supervisors

19 **ATTEST:**

20 Kecia Harper-Ihem  
Clerk of the Board

21 By: \_\_\_\_\_  
22 Deputy

23 **APPROVED AS TO FORM:**

24 Pamela Walls  
County Counsel

25 By: \_\_\_\_\_  
26 Karin Watts-Bazan  
Principal Deputy County Counsel