

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

637



SUBMITTAL DATE:
August 4, 2011

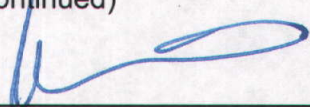
FROM: Economic Development Agency / Facilities Management and
Transportation Department

SUBJECT: Resolution No. 2011-189, Authorization to Purchase Real Property in the Unincorporated Area
of Perris, County of Riverside, California


RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the Project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines, Section 15061(b)(3);
2. Adopt Resolution No. 2011-189, Authorization to Purchase Real Property in the Unincorporated Area of Perris, County of Riverside, California, further described as County of Riverside Assessor's Parcel Numbers 317-260-007 and 317-260-033;
3. 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)



Juan C. Perez, Director
Transportation Department



Robert Field
Assistant County Executive Officer/EDA

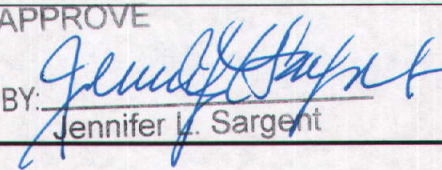
FINANCIAL DATA	Current F.Y. Total Cost:	\$ 3,430,211	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2011/12



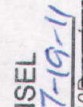
COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: Transportation Department Road Funds

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

C.E.O. RECOMMENDATION: APPROVE

County Executive Office Signature BY: 
Jennifer L. Sargent

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY:  SAMUEL WONG
 REVIEWED BY:  CHRISTOPHER HANS
 FORM APPROVED COUNTY COUNSEL
 BY:  CYNTHIA M. GUNZEL 7-19-11
 SYNTHIA M. GUNZEL 08/20/10

Policy Policy
 Consent Consent
 Dept's Recomm.: Per Exec. Ofc.:

Prev. Agn. Ref.: 3.41 of 7/26/11

District: 1

Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.43

RECOMMENDED MOTION: (Continued)

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. Approve and direct the Auditor-Controller to make the budget adjustments as shown on Schedule A, attached.

BACKGROUND:

The County of Riverside Transportation Department has a strong interest in purchasing land for the eventual relocation of the main Washington Yard, currently located in the City of Riverside on Washington Street close to SR 91 and the Madison Interchange. This 15 acre site was built in 1955 and is in need of a functional upgrade, with some of the buildings dating back to that time and others added since then on an ad-hoc basis. There are 134 employees that primarily work out of this yard year-round and another 35 part of the time. The Transportation Department maintains over 2400 miles of roads and 500 signals County-wide out of this central facility and 10 satellite maintenance yards. This location is far from central to our current and future operations.

Economic Development Agency ("EDA") has done an extensive property search of potential sites along the I-215 corridor. Being in close proximity to I-215 and SR 60 provides faster access to most of Western Riverside County, with significantly better access to the desert region as well. EDA conducted a Request for Proposal process and received interest from 16 sites. After review of the proposals and doing due diligence, a 19.38 acre site on Harvill also known as Assessor's Parcel Numbers 317-260-007 and 317-260-033, between Placentia and Water, in the Unincorporated Area of Perris, Riverside County, California, more particularly described in Exhibit "A" and depicted in Exhibit "B" attached hereto and made a part hereof, and has been identified as the best combination of location and negotiated value.

This site is close to the Cajalco/Ramona Expressway Corridor, I-215, and SR 60. The Transportation Department has done an analysis of savings on fuel costs and lost productivity time comparing this location to the current Washington Yard. The analysis projects a conservative operational savings in the amount of \$600,000 annually from being in this much more central location, which would increase over time as gas costs continue to increase.

Purchasing the site now provides the County the opportunity to buy industrial property at a low point in the market. It is deemed beneficial to acquire at this time because of its strategic location for Transportation road maintenance operations. Being in this new central location also provides the County with long-term options to consolidate some of our outlying yards should they become unnecessary to keep due to future annexations/incorporations. Since the Washington Yard was purchased using State Gas Tax (Road Funds), proceeds of a future sale or transfer for other County uses need to reimburse the Road Fund.

(Continued)

BACKGROUND: (Continued)

After the close of the transaction, the Transportation Department will perform an analysis to determine how best to use the property, including what improvements need to be made and if it is beneficial to construct buildings through a financing mechanism or to be done gradually through annual capital outlays. The purchase of this site and the operational flexibility and long-term cost savings that it offers the Transportation Department is a solid strategic investment that is much more favorable than renovation and upkeep of the outdated 50+ year site that is no longer central to our operations.

Pursuant to the California Environmental Quality Act (CEQA), the proposed acquisition was reviewed and determined to be categorically exempt from CEQA under Guidelines Section 15061(b)(3); with certainty, there is no possibility that the land acquisition may have a significant effect on the environment. Pursuant to CEQA Guideline Section 15004(b)(2)(A), the County of Riverside is conditioned to perform additional CEQA analysis and compliance, prior to any subsequent development and use of subject property.

Notice of publication to satisfy California Government Code Section 6063 has been completed.

On July 26, 2011, (Agenda Number 3.41) the Board of Supervisors approved Resolution 2011-188, Notice of Intention to Purchase Real Property in the Unincorporated Area of Perris, County of Riverside, California.

The 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 317-260-007 and 317-260-033:

Acquisition:	\$ 3,376,771
Environmental Services:	\$ 1,800
Estimated Title and Escrow Charges:	\$ 8,000
Preliminary Title Report:	\$ 800
Appraisal:	\$ 3,450
Advertising:	\$ 4,390
Acquisition Administration:	\$ 35,000
Total Estimated Acquisition Costs:	\$ 3,430,211

(Continued)

FINANCIAL DATA: (Continued)

While EDA will cover the cost for the due diligence services (Preliminary Title Report and Appraisal) at the time of this property transaction, it is understood that the Transportation Department will reimburse EDA for these costs. The budget adjustment attached (Schedule A) is necessary to allow this transaction. The remaining costs will be paid directly by the Transportation Department.

All costs associated with this property acquisition are fully funded in the Transportation Department's budget for FY 2011/2012. Thus, no net county cost will be incurred as a result of this transaction.

Attachments:

- Exhibit "A" - Legal Description
- Exhibit "B" - Property Depiction
- Agreement of Purchase and Sale and Joint Escrow Instructions

1 Board of Supervisors

County of Riverside

2 Resolution No. 2011-189

3 Authorization to Purchase Real Property

4 In the Unincorporated Area of Perris, County of Riverside, California

5 Assessor's Parcel Numbers: 317-260-007 and 317-260-033

6

7 BE IT RESOLVED, DETERMINED AND ORDERED by the Board of
8 Supervisors of the County of Riverside, in regular session assembled on August 16,
9 2011, the Authorization to Purchase Real Property, located in the Unincorporated
10 Area of Perris, County of Riverside, State of California, identified by Riverside County
11 Assessor's Parcel Numbers 317-260-007 and 317-260-033, consisting of 19.38 acres
12 from McCray-Ct Development LLC, a California limited liability company, in the
13 amount of Three Million Three Hundred Seventy Six Thousand Seven Hundred
14 Seventy One Dollars (\$3,376,771.00).

15 BE IT FURTHER RESOLVED AND DETERMINED that the Economic
16 Development Agency is to expend a not-to-exceed amount of Fifty Three Thousand
17 Four Hundred Forty Dollars (\$53,440) to complete due diligence on the property,
18 consisting of a preliminary title report, appraisal costs, a hazardous materials survey,
19 Economic Development Agency staff time, and miscellaneous other studies as may be
20 deemed necessary.

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

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

27

28 CAO:ra/071311/001EP/14.212 S:\Real Property\TYPING\Docs-14.000 to 14.499\14.212.doc

FORM APPROVED COUNTY COUNSEL
BY: *Synthia M. Gunzel* 7-19-11
DATE
SYNTHIA M. GUNZEL

SCHEDULE A

Increase Estimated Revenues:

47220-7200400000-777520	Reimbursement for Service	\$ 10,440
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Increase Appropriations:

47220-7200400000-525400	Title Company Services	\$ 800
47220-7200400000-524550	Appraisal Services	\$ 3,450
47220-7200400000-524830	Environmental Services	\$ 1,800
47220-7200400000-526420	Advertising	\$ 4,390

EXHIBIT "A"

LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of Riverside, and described as follows:

Parcel 1:

Lot(s) 2 of Oakes and Sawyers Subdivision, as shown by map on file in Book 1 Page(s) 5, of Maps, Records of Riverside County, California.

Parcel 2:

Lot(s) 7 of Oakes and Sawyers Subdivision, as shown by map on file in Book 1 Page(s) 5, of Maps, Records of Riverside County, California;

Except that portion conveyed to the County of Riverside by deed recorded April 12, 1992 as Instrument No. 117627 of Official Records of Riverside County, California.

(End of Legal Description)

Exhibit "B"



Selected parcel(s):
317-260-007 317-260-033

IMPORTANT

Maps and data are to be used for reference purposes only. Map features are approximate, and are not necessarily accurate to surveying or engineering standards. The County of Riverside makes no warranty or guarantee as to the content (the source is often third party), accuracy, timeliness, or completeness of any of the data provided, and assumes no legal responsibility for the information contained on this map. Any use of this product with respect to accuracy and precision shall be the sole responsibility of the user.

REPORT PRINTED ON...Wed Jul 13 13:18:54 2011

Version 110502

**AGREEMENT OF PURCHASE AND SALE
AND JOINT ESCROW INSTRUCTIONS
BY AND BETWEEN**

**McCray-CT Development, LLC,
a California limited liability company**

AS SELLER

AND

**THE COUNTY OF RIVERSIDE
a political subdivision of the State of California**

AS BUYER

RELATING TO

Assessor's Parcel Numbers: 317-260-007 and 317-260-033

First Supervisorial District

1 AGREEMENT OF PURCHASE AND SALE
2 AND JOINT ESCROW INSTRUCTIONS
3

4 THIS AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW
5 INSTRUCTIONS ("Agreement") is made and entered into this ____ day of
6 _____, 2011, by and between COUNTY OF RIVERSIDE, a political
7 subdivision of the State of California ("Buyer"), and McCray-CT Development, LLC, a
8 California limited liability company ("Seller").

9 Buyer and Seller agree as follows:

10 1. **Definitions.** For the purposes of this Agreement the following terms will
11 be defined as follows:

12 (a) **"Effective Date"**: The Effective Date is the date on which this
13 Agreement is fully executed and delivered to both parties as listed on the signature
14 page of this Agreement;

15 (b) **"Property"**: Seller is the owner of certain real property consisting
16 of a 19.38 acre parcel located on west side of Harvill Lane, between Placentia Street
17 and Water Street, also known as Assessor's Parcel Numbers 317-260-007 and 317-
18 260-033, in the unincorporated area of Riverside County, California, more particularly
19 described in Exhibit A attached hereto and incorporated herein;

20 (c) **"Purchase Price"**: The Purchase Price for the Property is Three
21 Million Three Hundred Seventy Six Thousand Seven Hundred Seventy One Dollars
22 and 00/100 (\$3,376,771.00);

23 (d) **"Escrow Holder"**: First American Title Insurance Company at the
24 address set forth in subparagraph (h) below.

25 (e) **"Title Company"**: First American Title Insurance Company at the
26 address set forth in subparagraph (h) below. The title order number is NCS -496437-
27 ONT1 and David Hughes is the Title Officer;
28

1 (f) **“Closing” and “Close of Escrow”**: Are terms used
2 interchangeably in this Agreement. The Closing or the Close of Escrow will be deemed
3 to have occurred when the Grant Deed (as defined in Paragraph 5.1) is recorded in the
4 official records of the County of Riverside;

5 (g) **“Closing Date”**: The Closing Date shall be on or before October
6 31, 2011, unless otherwise agreed to by both parties;

7
8 (h) **“Notices”**: Will be sent as follows to:

9
10 Seller: Roger Prend, Managing Partner
11 McCray-CT Development LLC
12 3788 McCray Street
13 Riverside, California 92506
14 Telephone: (951) 830-5739

15
16 Buyer: COUNTY OF RIVERSIDE / Real Estate Division
17 3403 10th Street Suite 500
18 Riverside, California 92501
19 Attn: Craig Olsen
20 Telephone: (951) 955-4840
21 Fax No: (951) 955-4837
22 Email: caolsen@rivcoeda.org

23
24 Escrow Holder: FIRST AMERICAN TITLE INSURANCE
25 COMPANY
26 3281 East Guasti Rd, Suite 490
27 Ontario, CA 91761
28 Attn: Janette DeLap

1 Telephone: (909) 510-2088

2 Fax: (877) 461-2088

3 Email: jdelap@firstam.com

4
5 Title Company: FIRST AMERICAN TITLE INSURANCE
6 COMPANY

7 3281 East Guasti Rd, Suite 490

8 Ontario, CA 91761

9 Attn: David Hughes, Title Officer

10 Telephone: (909) 510-6207

11 Email: dhughes@firstam.com

12 (i) **Exhibits:**

13 Exhibit A - Legal Description

14 Exhibit B - Form of Deed

15
16 2. **Purchase and Sale.** Upon and subject to the terms and conditions set
17 forth in this Agreement, Seller agrees to sell to Buyer and Buyer agrees to buy from
18 Seller the Property, together with all easements, appurtenances thereto and all
19 improvements and fixtures situated thereon.

20 3. **Purchase Price.** The Purchase Price for the Property will be paid as
21 follows:

22 3.1 Agreement. Upon the approval of this Agreement and execution by
23 the Board of Supervisors (the date upon which this Agreement has been fully executed
24 and delivered to both parties is the "**Effective Date**"), Buyer shall order the full
25 purchase price, plus costs to cover buyer's escrow fees and shall deposit the sum in
26 the form of a cashier's check or other immediately available funds payable to the order
27 of Escrow Holder. Should escrow be unable to close within 45 days of the Effective
28 Date, due to some unforeseen circumstances, Escrow Holder shall deposit said funds

1 in an interest bearing account which shall be applied against the Purchase Price at
2 Closing and any overages including the interest shall returned to Buyer at Close of
3 Escrow.

4 4. **Escrow.** Buyer and Seller shall open an escrow (the "**Escrow**") with
5 Escrow Holder within ten (10) business days after the Effective Date by delivery to
6 Escrow Holder a fully executed original or originally executed counterparts of this
7 Agreement and this date shall be the official Opening Date of Escrow referenced
8 herein. This purchase shall be contingent upon the approval by the Board of
9 Supervisors of the Authorization to Purchase and the approval of the Purchase and
10 Sale and Joint Escrow Instructions document. This contingency will be removed from
11 escrow upon the receipt of the Signed Purchase and Sale Agreement and Joint Escrow
12 Instructions document signed by the Board of Supervisors. Buyer and Seller agree to
13 execute any additional instructions reasonably required by the Escrow Holder. If there
14 is a conflict between any printed escrow instructions and this Agreement, the terms of
15 this Agreement will govern.

16 5. **Deliveries to Escrow Holder.**

17 5.1 By Seller. On or prior to the Closing Date, Seller will deliver or
18 cause to be delivered to Escrow Holder the following items:

19 (a) A Grant Deed ("**Grant Deed**"), in the form attached to this
20 Agreement as Exhibit B, duly executed and acknowledged by Seller and in recordable
21 form conveying the Property to Buyer; and

22 (b) A Transferor's Certificate of Non-Foreign Status ("**FIRPTA**
23 **Certificate**").

24 5.2 By Buyer. On or prior to the Closing Date (and in any event in a
25 manner sufficient to allow Escrow to close not later than the Closing Date), Buyer will
26 deliver or cause to be delivered to Escrow Holder the following items:

27 (a) The Purchase Price in accordance with Paragraph 3.1; and
28

1 (b) The amount due to Seller, if any, after the prorations are
2 computed in accordance with Paragraph 12.

3 5.3 By Buyer and Seller. Buyer and Seller will each deposit such
4 other instruments consistent with this Agreement as are reasonably required by
5 Escrow Holder or otherwise required to close escrow. In addition, Seller and Buyer will
6 designate the Title Company as the "**Reporting Person**" for the transaction pursuant
7 to Section 6045(e) of the Internal Revenue Code.

8 **6. Condition of Title.**

9 6.1 At the Close of Escrow, fee simple title to the Property will be
10 conveyed to Buyer by Seller by Grant Deed subject only to the following matters
11 ("**Permitted Exceptions**");

12 (a) A lien for local real property taxes and assessments not
13 then delinquent;

14 (b) Matters of title respecting the Property approved or deemed
15 approved by Buyer in accordance with this Agreement; and

16 (c) Matters affecting the condition of title to the Property
17 created by or with the written consent of Buyer.

18 **7. Conditions to the Close of Escrow.**

19 7.1 Conditions Precedent to Buyer's Obligations. The following
20 conditions must be satisfied not later than the Closing Date or such other period of time
21 as may be specified below:

22 (a) Title. Buyer has obtained a preliminary report for the
23 Property prepared by the Stewart Title Company dated as of February 14, 2011, and
24 referenced as Order No. 367137 together with copies of the documents described in
25 such report. Buyer hereby objects to exceptions A,B,C,D,E,F,G,H,I,8,9,10 and 11 as
26 shown in the preliminary report. Seller will have ten (10) days after the Effective Date
27 to advise Buyer that:
28

1 (i) Seller will remove any objectionable exceptions to
2 title or obtain appropriate endorsements to the title policy on or before the Closing
3 Date; or

4 (ii) Seller will not cause the exceptions to be removed. If
5 Seller advises Buyer that it will not cause the exceptions to be removed, Buyer will
6 have ten (10) days to elect, at its sole remedy, to:

7 (iii) Proceed with the purchase and acquire the Property
8 subject to such exceptions without reduction in the Purchase Price;

9 (iv) Renegotiate the terms and conditions set forth in this
10 Agreement, including the Purchase Price; or

11 (v) Cancel the Escrow and this Agreement by written
12 notice to Seller and the Escrow Holder, in which case any deposit together with interest
13 thereon will be returned to Buyer and the cancellation costs will be borne by Buyer.

14 If Buyer does not give Seller notice of its election within such ten (10) day
15 period, Buyer will be deemed to have approved the condition of title to the Property and
16 elected to proceed with this transaction.

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

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

23 (c) Delivery of Information. Within ten (10) days after the
24 Opening of Escrow, Seller shall deliver to Buyer the original or true copies of all
25 surveys, plans and specifications, residential disclosure statements (as required),
26 building conditions audits, past hazardous material studies, as-built drawings, building
27 permits, certificates of occupancy, certificates of completion, soil reports, engineers'
28 reports, other contracts, but not limited to, studies and similar information which it

1 may have in its possession relating to the Property except as specifically set forth
2 herein, such items shall be delivered by Seller to Buyer and shall be to the best of
3 Seller's actual knowledge true and correct and complete copies of the items in Seller's
4 possession and except as expressly set forth herein, Seller makes no warranty
5 regarding the contents of such items. If the Escrow shall fail to close for any reason, all
6 such items shall be immediately returned to Seller.

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

10 The Close of Escrow and Buyer's obligations with respect to this transaction are
11 subject to Seller's delivery to Escrow Holder on or before the Closing Date the items
12 described in Paragraph 5 and 6.1 and the removal of the items described in Paragraph
13 7.1.

14 7.2 Conditions Precedent to Seller's Obligations. The following shall
15 be conditions precedent to Seller's obligation to consummate the purchase and sale
16 transaction contemplated herein:

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

20 (b) Buyer shall have delivered to Escrow Holder the items
21 described in Paragraphs 5.2 and 5.3.

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

25 7.3 Termination of Agreement. In the event that, for any reason, the
26 Closing does not occur on or before the Closing Date, either party to this Agreement,
27 who is not in default of its obligations under this Agreement, shall have the right to
28 terminate this Agreement upon written notice to the other party and to Escrow Holder.

1 8. **Due Diligence By Buyer.**

2 8.1 Matters To Be Reviewed. Buyer must complete its due diligence
3 and approve the following matters not later than forty five (45) days following the
4 Effective Date (the "**Due Diligence Period**"). Seller shall cooperate with Buyer in its
5 investigation.

6 (a) The physical condition of the Property at the time of sale,
7 including without limitation, any structural components, electrical, system, plumbing or
8 any irrigation system, paving, soil conditions, the status of the Property with respect to
9 hazardous and toxic materials, if any, and in compliance with all applicable laws,
10 including any laws relating to hazardous and toxic materials and all applicable
11 government ordinances, rules and regulations and evidence of Seller's compliance
12 therewith including without limitation zoning and building regulations;

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

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

19 8.2 Notice and Resolution of Objections.

20 (a) If Buyer fails to notify Seller in writing of any objections to
21 items (a) and (b) in Paragraph 8.1 above or to request an extension prior to the end of
22 the Due Diligence Period then Buyer shall be deemed to have approved such items
23 and elected to proceed with the acquisition of the Property; and

24 (b) If Buyer notifies Seller in writing of any objections to the
25 condition of the Property at the time of sale or any other matters relating to the Property
26 as set forth in Section 8.1 prior to the end of the due diligence period, the parties will
27 have five (5) business days to agree upon a resolution of the objections(s); provided
28 however, that if, as a result of investigations and inspections any deficiencies are found

1 or repairs are needed, the cost to remedy such deficiencies or to make such repairs
2 shall be the exclusive responsibility of the Seller. In the event that Seller fails to
3 remedy such deficiencies or to make such repairs within a reasonable time period then
4 Buyer may terminate this Agreement by written notice to Seller and Escrow.

5 8.3 Material New Matters. If Buyer discovers any new matter prior to
6 Close of Escrow which was:

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

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

10 (ii) Is materially inconsistent with a disclosure by Seller
11 or with any representations or warranties contained in Paragraph 15.2; and

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

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

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

1 9. **No Side Agreements or Representations.** Buyer represents and
2 warrants that prior to the Close of Escrow, Buyer will have had the opportunity to make
3 and will have made such an investigation and inspection of all aspects of the condition
4 of the Property as it has deemed necessary or appropriate, including, but not limited to
5 soils and the Property's compliance or non-compliance with applicable laws, rules,
6 regulations and ordinances (including any Environmental Laws) as defined in
7 Paragraph 15.1 and the existence or non-existence of Hazardous Substances as
8 defined in Paragraph 15.1 on, in or under the Property. Buyer further represents and
9 warrants that in purchase the Property, Buyer is relying upon its own investigations and
10 inspections of same, and the information provided by Seller and Seller's
11 representations contained herein. Provided Seller has disclosed and provided all
12 information and documents required by this Agreement and by law.

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

24 11. **Costs and Expenses.**

25 Seller will pay:

- 26 (a) CLTA standard coverage policy;
27 (b) Seller's escrow fees and costs; and
28 (c) Seller's share of prorations.

1
2
3 Buyer will pay:

- 4 (a) Buyers escrow fees and costs;
5 (b) Any title endorsements; and
6 (c) Buyer's share of prorations.
7

8 **12. Prorations.**

9 12.1 Tax Exempt Agency. All parties hereto acknowledge that the
10 Buyer is a public entity and exempt from payment of any real property taxes. There will
11 be no proration of taxes through Escrow. Seller will be responsible for payment of any
12 real property taxes due prior to Close of Escrow. In the event any real property taxes
13 are due and unpaid at the Close of Escrow, Escrow Holder is hereby authorized and
14 instructed to pay such taxes from proceeds due the Seller at the Close of Escrow.
15 Seller understands that the Tax Collector will not accept partial payment of an
16 installment of the real property due at the close of escrow. At the Close of Escrow, the
17 Buyer will file any necessary documentation with the County Tax Collector/Assessor for
18 the property tax exemption. Any prorate refund that will be due the Seller will be
19 refunded to the Seller by the County Tax Collector/Assessor outside of Escrow and
20 Escrow Holder shall have no liability and/or responsibility in connection therewith.

21 12.2 Utility Deposits. Seller represents and warrants that there are no
22 active accounts associated with the Property.

23 12.3 Method of Proration. For purposes of calculating prorations,
24 Buyer shall be deemed to be in title to the Property and therefore entitled to the income
25 there from and responsible for the expenses thereof for the entire day upon which the
26 Closing occurs. All prorations will be made as of the date of Close of Escrow based on
27 a three hundred sixty-five (365) day year or a thirty (30) day month, as applicable. The
28

1 obligations of the parties pursuant to this Paragraph 12 shall survive the Closing and
2 shall not merge into any documents of conveyance delivered at Closing.

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

5 **13.1 Funds.** Promptly upon Close of Escrow, disburse all funds
6 deposited with Escrow Holder by Buyer in payment of the Purchase Price as follows:

7 (a) deduct or credit all items chargeable to the account of Seller and/or Buyer pursuant
8 to Paragraphs 11, 12 and 17.1 (b) disburse the balance of the Purchase Price and (c)
9 disburse any excess proceeds deposited by Buyer to Buyer.

10 **13.2 Recording.** Cause the Grant Deed to be recorded with the County
11 Recorder and obtain conformed copies thereof for distribution to Buyer and Seller.

12 **13.3 Title Policy.** Direct the Title Company to issue the Title Policy to
13 Buyer.

14 **13.4 Delivery of Documents to Buyer and Seller.** Deliver to Buyer the
15 FIRPTA Certificate and any other documents (or copies thereof) deposited into Escrow
16 by Seller. Deliver to Seller any other documents (or copies thereof) deposited into
17 Escrow by Buyer.

18 **14. Joint Representations and Warranties.** In addition to any express
19 agreements of the parties contained herein, the following constitute representations
20 and warranties of the parties each to the other:

21 **14.1** Each party has the legal power, right and authority to enter into
22 this Agreement and to consummate this transaction.

23 **14.2** The individuals executing this Agreement and the instruments
24 referenced herein on behalf of each party and the partners, officers or trustees of each
25 party, if any, have the legal power, right and actual authority to bind each party to the
26 terms and conditions of those documents.

27 **14.3** This Agreement and all other documents required to close this
28 transaction are and will be valid, legally binding obligations of and enforceable against

1 each party in accordance with their terms, subject only to applicable bankruptcy,
2 insolvency, reorganization, moratorium laws or similar laws or equitable principles
3 affecting or limiting the rights of contracting parties generally.

4 15. **Hazardous Substances.**

5 15.1 Definitions. For the purposes of this Agreement, the following
6 terms have the following meanings:

7 (a) “Environmental Law” means any law, statute, ordinance or
8 regulation pertaining to health, industrial hygiene or the environment including, without
9 limitation CERCLA (Comprehensive Environmental Response, Compensation and
10 Liability Act of 1980) and RCRA (Resources Conservation and Recovery Act of 1976);

11 (b) “Hazardous Substance” means any substance, material or
12 waste which is or becomes designated, classified or regulated as being “toxic” or
13 “hazardous” or a “pollutant” or which is or becomes similarly designated, classified or
14 regulated under any Environmental Law including asbestos, petroleum and petroleum
15 products; and

16 (c) “Environmental Audit” means an environmental audit,
17 review or testing of the Property performed by Buyer or any third party or consultant
18 engaged by Buyer to conduct such study.

19 15.2 Seller’s Representations and Warranties. Except as disclosed in
20 the Due Diligence Materials provided by Seller to Buyer as of the date of this
21 Agreement, to Seller’s current actual knowledge.

22 (a) No Hazardous Substances exist now or have been used or
23 stored on or within any portion of the Property except those substances which are or
24 have been used or stored on the Property by Buyer in the normal course of use and
25 operation of the Property and in compliance with all applicable Environmental Laws;

26 (b) There are and have been no federal, state or local
27 enforcement, clean-up,-removal, remedial or other governmental or regulatory actions
28 instituted or completed affecting the Property;

1 (c) No claims have been made by any third party relating to any
2 Hazardous Substances on or within the Property; and

3 (d) There has been no disposal of Hazardous Substances or
4 accidental spills which may have contaminated the Property. There has been no on-
5 site bulk storage of vehicle fuels or waste oils.

6 15.3 Notices Regarding Hazardous Substances. During the term of this
7 Agreement, Seller will promptly notify Buyer if it obtains actual knowledge that Seller or
8 the Property may be subject to any threatened or pending investigation by any
9 governmental agency under any law, regulation or ordinance pertaining to any
10 Hazardous Substance.

11 15.4 Environmental Audit. Buyer has ordered, at its sole cost and
12 expense, to perform an Environmental Audit. It shall do so prior to the end of the Due
13 Diligence Period and may quit this transaction if Buyer identifies problems in its sole
14 and subjective judgment that would preclude continuing with this transaction:

15 (a) The Environmental Audit shall be conducted pursuant to
16 standard quality control/quality assurance procedures. Buyer shall give Seller at least
17 one (1) business day's prior notice of any on-site testing of soil or subsurface
18 conditions;

19 (b) Any groundwater, soil or other samples taken from the
20 Property will be properly disposed of by Buyer at Buyer's sole cost and in accordance
21 with all applicable laws. Buyer shall promptly restore the Property to the condition in
22 which it was found immediately prior to Buyer's Environmental Audit; and

23 (c) Buyer hereby agrees to protect, indemnify, defend and hold
24 harmless Seller from and against any and all losses, liabilities, claims, liens, stop
25 notices, actions, obligations, damages and/or expenses caused by reason of Buyer's
26 (or its agent's, employee's or independent contractor's) entries into the Property prior
27 to the close of escrow pursuant to the foregoing. Buyer shall keep the Property free of
28 mechanic's liens related to the activities of Buyer.

1 16. **Notices.** All notices or other communications required or permitted
2 hereunder must be in writing, and be personally delivered (including by means of
3 professional messenger service) or sent by registered or certified mail, postage
4 prepaid, return receipt requested to the addresses set forth in Paragraph 1 (h). All
5 notices sent by mail will be deemed received three (3) days after the date of mailing.

6 17. **Miscellaneous.**

7 17.1 Counterparts. This Agreement may be executed in counterparts.

8 17.2 Partial Invalidity. If any term or provision of this Agreement shall
9 be deemed to be invalid or unenforceable to any extent, the remainder of this
10 Agreement will not be affected thereby and each remaining term and provision of this
11 Agreement will be valid and be enforced to the fullest extent permitted by law.

12 17.3 Waivers. No waiver of any breach of any covenant or provision
13 contained herein will be deemed a waiver of any preceding or succeeding breach
14 thereof, or of any other covenant or to, a licensed real estate broker (individual or
15 corporate), agent, or finder or other provision contained herein. No extension of time
16 for performance or any obligation or act will be deemed an extension of the time for,
17 performance of any other obligation or act except those of the waiving party which will
18 be extended by a period of time equal to the period of the delay.

19 17.4 Successors and Assigns. Neither party shall transfer or assign its
20 rights or responsibilities under this Agreement without the express written consent of
21 the other party.

22 17.5 Entire Agreement. This Agreement (including all Exhibits attached
23 hereto) constitutes the entire contract between the parties hereto and may not be
24 modified except by an instrument in writing signed by the party to be charged.

25 17.6 Time of Essence. Seller and Buyer hereby acknowledge and
26 agree that time is strictly of the essence with respect to each and every term, condition,
27 obligation and provision hereof.

28

1 17.7 Governing Law. The parties hereto expressly agree that this
2 Agreement will be governed by, interpreted under, and construed and enforced in
3 accordance with the laws of the State of California in which the Property is located.
4 Venue for any proceeding related to this Agreement shall be in the County of
5 Riverside.

6 17.8 No Recordation. No memorandum or other document relating to
7 this Agreement shall be recorded without the prior written consent of Seller and Buyer.

8 17.9 Survival. Any provisions of this Agreement which by their terms
9 require performance by either party after the Close of Escrow shall survive the Close of
10 Escrow.

11 17.10 Brokers. Seller and Buyer represent and warrant to the other that
12 neither Buyer nor Seller has employed any broker and/or finder to represent its interest
13 in this transaction. Each party agrees to indemnify and hold the other free and
14 harmless from and against any and all liability, loss, cost, or expense (including
15 court costs and reasonable attorney's fees) in any manner connected with a claim
16 asserted by any individual or entity for any commission or finder's fees in connection
17 with the conveyance of the Property arising out of agreements by the indemnifying
18 party to pay any commission or finder's fee.

19 17.11 Exhibits. Each exhibit attached hereto is incorporated herein by
20 this reference as if set forth in full in the body of this Agreement.

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17.12 Assignment. Buyer shall neither assign Buyer's rights nor delegate Buyer's obligations hereunder without Seller's prior written consent, which shall not be unreasonably delayed, conditioned or withheld.

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: _____

**McCray-CT Development, LLC,
a California limited liability company**

By: 
Roger D. Prend, Managing Partner

**COUNTY OF RIVERSIDE, a political
subdivision of the State of California**

By: _____
Bob Buster
Chairman, Board of Supervisors

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:
PAMELA J. WALLS, County Counsel

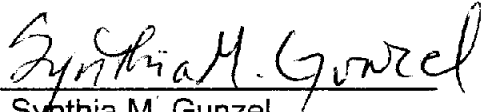
By: 
Cynthia M. Gunzel
Deputy County Counsel

EXHIBIT "A"

LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of Riverside, and described as follows:

Parcel 1:

Lot(s) 2 of Oakes and Sawyers Subdivision, as shown by map on file in Book 1 Page(s) 5, of Maps, Records of Riverside County, California.

Parcel 2:

Lot(s) 7 of Oakes and Sawyers Subdivision, as shown by map on file in Book 1 Page(s) 5, of Maps, Records of Riverside County, California;

Except that portion conveyed to the County of Riverside by deed recorded April 12, 1992 as Instrument No. 117627 of Official Records of Riverside County, California.

(End of Legal Description)

Exhibit B

Recorded at request of and return to:
Economic Development Agency
Real Estate Division
3403 10th Street, Suite 500
Riverside, California 92501

FREE RECORDING

This instrument is for the benefit of
the County of Riverside and is
entitled to be recorded without fee.
(Govt. Code 6103)

CAOra/071411/282TR/14.169

(Space above this line reserved for Recorder's use)

APNs: 317-260-007
317-260-033

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

McCray-CT Development, LLC, a California limited liability company

GRANTS to the COUNTY OF RIVERSIDE, a political subdivision of the State of California,
the real property in the County of Riverside, State of California, described as:

See Exhibit "A" attached hereto
And made part hereof

Dated: _____

McCray-CT Development, LLC,
a California limited liability company

By: _____
Roger D. Prend, Managing Partner

State of California)
County of _____)

On _____, before me, _____, a Notary Public in and for said County and State, personally appeared _____, who 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 entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

[SEAL]

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the within deed to the COUNTY OF RIVERSIDE, a political subdivision of the State of California, is hereby accepted by order of the Board of Supervisors on the date below and the grantee consents to the recordation thereof by its duly authorized officer.

Dated: _____

By: _____
Robert Field
Assistant County Executive Officer/EDA

EXHIBIT "A"

LEGAL DESCRIPTION

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Lot(s) 7 of Oakes and Sawyers Subdivision, as shown by map on file in Book 1 Page(s) 5, of Maps, Records of Riverside County, California;

Except that portion conveyed to the County of Riverside by deed recorded April 12, 1992 as Instrument No. 117627 of Official Records of Riverside County, California.

(End of Legal Description)