

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

712



SUBMITTAL DATE:
November 21, 2012

FROM: Economic Development Agency / Facilities Management

SUBJECT: Resolution No. 2012-188, Authorization to Purchase Building and Improvements in the City of Indio, County of Riverside, California

RECOMMENDED MOTION: That the Board of Supervisors:

1. Adopt Resolution No. 2012-188, Authorization to Purchase Building and Improvements, located at 47-950 Arabia Street, in the City of Indio, County of Riverside, 5.33 acres of land, Assessor's Parcel Number 614-150-032, at a purchase price in the amount of \$2,000,000, plus miscellaneous escrow, closing and due diligence costs in the amount of \$22,093;

(Continued)

REVIEWED BY CIP
Christopher Hans
Christopher Hans

Robert Field
Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 2,022,093	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2012/13

COMPANION ITEM ON BOARD AGENDA: No

SOURCE OF FUNDS: CORAL Bond Proceeds	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

BY: *Jennifer L. Bargent*
Jennifer L. Bargent

- Dep't Recomm.:
- Per Exec. Ofc.:
- Consent:
- Consent:
- Policy:
- Policy:

Prev. Agn. Ref.: 3.40 of 8/28/12

District: 4/4

Agenda Number:

3.9

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

JAVED COUNTY COUNSEL
 DATE 10/15/12
 Departmental Counsel MUNROE
 FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY Samuel Wong 11/19/12
 SAMUEL WONG

RECOMMENDED MOTION: (Continued)

2. Approve the Agreement of Purchase and Sale with Joint Escrow Instructions between the County and Riverside County Office, Inc. and authorize the Chairman to execute the documents necessary to complete the purchase of the real property;
3. Find that the purchase of the building and improvements are exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) as it can be seen with certainty that there is no possibility the activity in question may have a significant effect on the environment; and Section 15301, Class 1, as the project involves negligible or not expansion of an existing use or alterations;
4. Authorize the Assistant County Executive Officer of the Economic Development Agency, or his designee, to certify acceptance of any documents successively in favor of the County, to execute any other documents and administer all actions necessary to complete this transaction; and
5. Direct the Clerk of the Board to file a Notice of Exemption with the County Clerk for posting.

BACKGROUND:

The County occupies two leased office buildings in the City of Indio located at 47-940 Arabia Street and 47-950 Arabia Street consisting of 15,000 square feet and 34,000 square feet respectively. The facilities were developed on 5.33 acres of County owned land in the late 1990's through a Request for Proposal and ground lease to the developer. The buildings were then leased back to the County through building leases on a 20 year term.

The lease agreements provide rights to the County at various time periods during the lease term to purchase the buildings and improvements and upon consummation of the purchase, the ground lease and building leases terminate, giving the County full ownership of the improvements and the property. The time period for acquisition of 47-950 Arabia Street, Indio is within 90 days prior to November 4, 2012 and the time period for acquisition of 47-940 Arabia Street is within 90 days prior to January 1, 2013. The purpose of this Form 11 and Resolution is to acquire the facility located at 47-950 Arabia Street.

The Department of Child Support Services (DCSS) and the Department of Environmental Health (DEH) occupy the facility located at 47-950 Arabia Street and the Probation Department occupies the facility located at 47-940 Arabia Street. DCSS utilizes the facility primarily for its client services programs and limited administrative functions and DEH utilizes the facility for its hazardous materials unit, various field inspection programs, and its food testing and inspection functions. The Probation Department's usage is primarily for client services. The department plans to occupy the facilities on a long term basis as demand for their services continues at a high level.

The acquisition of this building will provide the County with the necessary facilities for operation of these programs on a long term basis and in addition will provide for savings to the County. The current lease rate in effect for 47-950 Arabia Street, Indio, is \$1.66 per square foot, exclusive of utilities. The estimated rate for County maintenance and County custodial upon County ownership is approximately \$.79 per square foot, exclusive of utilities.

(Continued)

BACKGROUND: (Continued)

In addition, the DCSS has been paying the lease payments on their facility which equates to approximately \$725,000 per year. Due to Federal law, they are unable to claim the entire lease payment costs due to the structure of the lease which results in a Net County Cost of approximately \$551,000 annually. The acquisition of the facility by the County will eliminate the leases therefore saving the department the lease payment expense as well as saving the County approximately \$551,000 in annual Net County Costs.

Authorization to Purchase Building and Improvements are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) and Section 15301, Existing Facilities, Class 1 (a) as it can be seen with certainty that there is no possibility the activity in question may have a significant effect on the environment. The County's approval of the activity does not create any reasonably foreseeable physical change to the environment.

The Board of Supervisors on August 28, 2012, adopted Resolution 2012-174, Notice of Intention to Purchase Building and Improvements, in the City of Indio, County of Riverside, California.

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 Number 614-150-032:

Purchase Price	\$2,000,000
Estimated Escrow and Closing Charges	\$ 9,293
Preliminary Title Report	\$ 400
Environmental	\$ 250
Advertising Costs	\$ 2,500
Acquisition Administration	\$ 9,650
Total Estimated Acquisition Costs:	\$2,022,093

The Economic Development Agency has already covered the costs for due diligence (preliminary title reports) and will be reimbursed by the Executive Office. The remaining costs associated with the acquisition will be paid directly by the Executive Office. No additional County costs will be incurred as a result of this transaction.

Attachments:
Purchase and Sale Agreement
Resolution No. 2012-174

1 Board of Supervisors

County of Riverside

2
3 Resolution No. 2012-188

4 Authorization to Purchase Building and Improvements

5 in the City of Indio, County of Riverside, California

6 Assessor Parcel Number: 614-150-032

7 BE IT RESOLVED, DETERMINED AND ORDERED by the Board of
8 Supervisors of the County of Riverside, in regular session assembled on
9 December 4, 2012, at 9:00 a.m., in the meeting room of the Board of
10 Supervisors located at the 1st floor of the County Administrative Center, 4080 Lemon
11 Street, Riverside, California, that the Board of Supervisors authorizes the purchase of a
12 building and improvements from Riverside County Office, Inc., a California corporation,
13 in the city of Indio, County of Riverside, State of California, identified as Riverside
14 County Assessor's Parcel Number 614-150-032, more particularly described in Exhibit
15 "A," attached hereto and made a part hereof, consisting of one building (34,000 square
16 feet) on 5.33 acres of land in the amount of Two Million Dollars (\$2,000,000), plus
17 miscellaneous escrow, closing and due diligence costs in the approximate amount of
18 Twenty Two Thousand Ninety Three Dollars (\$22,093).

19 BE IT RESOLVED AND DETERMINED that the Chairman of the Board of
20 Supervisors of the County of Riverside is authorized to execute the documents to
21 complete the purchase of the real property and this transaction.

22 BE IT FURTHER RESOLVED AND DETERMINED that the Assistant County
23 Executive Officer of the Economic Development Agency, or his designee, is authorized
24 to execute the necessary documents to complete this transaction.

25 BE IT FURTHER RESOLVED AND DETERMINED that the Clerk of the Board of
26 Supervisors has given hereof pursuant to Government Code Section 6063.

27
28 TW:ra/082812/15.278 S:\Real Property\TYPING\Docs-15.000 to 15.499\15.278.doc

FORM APPROVED COUNTY COUNSEL
BY:  PATRICIA MUNROE
DATE: 10/15/12

1 Board of Supervisors

County of Riverside

2
3 Resolution No. 2012-174
4 Notice of intent to Purchase Building and Improvements
5 in the City of Indio, County of Riverside, California
6 Assessor's Parcel Numbers: 614-150-032

7 BE IT RESOLVED AND DETERMINED that the Board of Supervisors of the County of
8 Riverside, in regular session assembled on August 28, 2012, hereby directs the Clerk of the
9 Board of Supervisors to give notice pursuant to Government Code Section 6063 of the
10 following:

11 NOTICE IS HEREBY GIVEN by the Board of Supervisors of the County of Riverside, at
12 its public meeting on or after September 25, 2012, at 9:00 a.m. in the meeting room of the
13 Board of Supervisors located on the 1st floor of the County Administrative Center, 4080 Lemon
14 Street, Riverside, California, intends to authorize and consummate a transaction in which the
15 County of Riverside will purchase from Riverside Office Inc., a California corporation, a certain
16 building and improvements at the property located at 47-950 Arabia Street, City of Indio,
17 County of Riverside, State of California, also identified as Assessor's Parcel Numbers 614-150-
18 032, consisting of one building and improvements (34,000 square feet) on a portion of 5.33
19 acres of land, at a purchase price not to exceed Two Million Dollars (\$2,000,000), plus
20 miscellaneous escrow and closing costs in the approximate amount of \$22,093, as stated
21 below.

22 BE IT RESOLVED AND DETERMINED that the Chairman of the Board of Supervisors
23 of the County of Riverside is authorized to execute the documents to complete the purchase of
24 the real property and this transaction.

25 BE IT FURTHER RESOLVED AND DETERMINED that the Economic Development
26 Agency is to expend an amount not to exceed Twenty Two Thousand Ninety Three Hundred
27 Dollars (\$22,093) to complete due diligence on the property, a preliminary title report, staff
28 time, a hazardous materials survey and miscellaneous other duties as deemed necessary.

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PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS
BY AND BETWEEN

Riverside County Office, Inc., a California Corporation

as Seller

AND

THE COUNTY OF RIVERSIDE,
A Political Subdivision of the State of California
as Buyer

47-950 Arabia Street, Indio, California
Assessor Parcel Number

614-150-032

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DD

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

4 THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS
5 ("Agreement") is made and entered into this _____ day of October, 2012, by and
6 between COUNTY OF RIVERSIDE, a political subdivision of the State of California ("Buyer"),
7 and Riverside County Office, Inc., a California Corporation ("Seller").

8 Buyer and Seller agree as follows:

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

11 (a) "Effective Date": The Effective Date is the date on which this Agreement is
12 approved and fully executed by Buyer and Seller as listed on the signature page of this
13 Agreement.

14 (b) "Property" and "Improvements": The Seller is the owner of that certain
15 office building, driveways, access and egress roadways, parking lot and landscape
16 improvements (the "Improvements" herein) located at 47-950 Arabia Street, Indio, California.
17 The Improvements are situated on the real property vested in the County of Riverside, also
18 known as Assessor's Parcel Number 614-150-032 (the "Property") and consisting of a portion of
19 approximately 5.03 acres and further described in Exhibit "A" attached hereto and made part
20 hereof.

21 (c) "Purchase Price": The Purchase Price is for Two Million and 00/100 Dollars
22 (\$2,000,000.00).

23 (d) "Escrow Holder": The escrow holder is Lawyers Title at the address set
24 forth in subparagraph (i) below. The escrow number is _____, and has been assigned to
25 Title Officer Grace Kim;

26 (f) "Closing" and "Close of Escrow": Are terms used interchangeably in this
27 Agreement. The Closing or the Close of Escrow will be deemed to have occurred when the Bill
28 of Sale is recorded in the Official Records of the County of Riverside in the manner provided

1 herein;

2 (g) "Closing Date": The Closing Date shall be on January 10, 2013, unless
3 otherwise agreed to in writing by both parties;

4 (h) "Due Diligence Period": "Due Diligence Period" is the period commencing
5 on the Effective Date and ending on the Closing Date.

6 (i) "Ground Lease". "Ground Lease" shall refer to that agreement dated
7 October 15, 1996 wherein the Buyer leased the Property to Seller to construct the
8 Improvements.

9 (j) "Notices". In the event either party desires or is required to give notice to
10 the other party in connection with this Agreement, the same shall be in writing and shall be
11 deemed to have been given when delivered in person, by recognized overnight air courier
12 service, by confirmed facsimile transmission, or deposited with the United States Postal Service,
13 certified mail receipt requested addressed to Buyer or Seller at the appropriate address as set
14 forth in this subparagraph (i) below. All notices sent by mail will be deemed received three (3)
15 days after the date of mailing. "Notices" will be sent as follows:

16 Seller:

17 Riverside County Office, Inc.
18 a California corporation
19 4540 Duckhorn Drive, Suite 100
20 Sacramento, California 95834
21 Attn: Patricia Green
22 Telephone: 916.419.2400
23 Fax No. 916.419.2407
24 Email: patricia.green@vanir.com

25 Buyer:

26 County of Riverside/Real Estate Division
27 3403 Tenth Street, #500
28 Riverside, California 92501

1 Attn: Steve Gilbert
2 Telephone: 951.955.4824
3 Fax No.: 951.955.4837
4 Email: sdgilbert@rivcoeda.org
5 Escrow Holder: Lawyers Title
6 4100 Newport Place Dr., Suite 120
7 Newport Beach, California 92660
8 Attn: Grace Kim, Escrow Officer
9 Telephone: 949-724-3141
10 Fax No: 714-459-7217
11 Email gukim@ltic.com

12 (k) **Exhibits:**

13 Exhibit "A" - Legal Description

14 Exhibit "B" – Bill of Sale

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

19 3. **Purchase Price.** The Purchase Price for the Improvements will be paid as follows:
20 Within thirty (30) days following the opening of escrow, as described in Paragraph 4, below,
21 Buyer shall deposit an amount equal to the sum of the purchase price plus a good faith estimate
22 of Buyer's share of all costs, expenses and prorations under this Agreement with Escrow Holder,
23 in the form of a County warrant or via wire transfer. Escrow Holder shall deposit said funds in an
24 interest bearing account which shall be applied against the Purchase Price at closing and any
25 overages including the interest shall be returned to Buyer at close of escrow.

26 4. **Escrow.**

27 (a) Buyer and Seller shall have established and opened an escrow (the
28 "Escrow") with Escrow Holder prior to the Effective Date of this Agreement or no later than ten

1 (10) business days after the Effective Date. The date escrow is opened shall be the official
2 Opening Date of Escrow referenced herein. This purchase shall be contingent upon the
3 approval of the Board of Supervisors of the Authorization to Purchase and the approval of the
4 Purchase and Sale Agreement and Joint Escrow Instructions document. This contingency will be
5 removed from escrow upon the receipt of the executed Purchase and Sale Agreement and Joint
6 Escrow Instructions document signed by the Board of Supervisors and the Buyer. Buyer and
7 Seller agree to execute any additional instructions reasonably required by the Escrow Holder. If
8 there is a conflict between any printed escrow instructions and this Agreement, the terms of this
9 Agreement will govern.

10 (b) Each party shall accommodate the other party in effecting a tax-deferred
11 exchange under IRC Section 1031 and California Revenue & Taxation Code Section 18031 at
12 the Closing. Either party may elect to proceed with a tax-deferred exchange at any time prior to
13 the Closing Date; however, this Agreement is not predicted or conditioned upon the
14 consummation of an exchange. If either party elects to proceed with a tax-deferred exchange,
15 the other party agrees to execute additional agreements, documents and instructions as
16 reasonably necessary to affect the exchange; provided however, that the non-electing party shall
17 incur no additional costs, expenses or liabilities in the transaction as a result of or in connection
18 with the exchange.

19 **5. Deliveries to Escrow Holder.**

20 5.1 By Seller. On or prior to the Closing Date, Seller will deliver or cause to be
21 delivered to Escrow Holder the following items:

22 (a) A Bill of Sale to this Agreement as Exhibit "B", duly executed and
23 acknowledged by Seller and in recordable form, conveying the Improvements to Buyer;

24 (b) A Transferor's Certificate of Non-Foreign Status ("FIRPTA
25 Certificate");

26 (c) Three counterpart originals of an Assignment and Assumption of
27 Contracts and Warranties including roof warranty, if any ("Assignment and Assumption")
28 executed by the Seller;

1 (d) All Governmental permits and executed inspection cards issued for
2 the construction of the building and improvements including, but not limited to, the building shell
3 and tenant improvements, and all signed off by the City of Indio, Building Department and Fire
4 Department inspection cards, and all other information described in 7.1., to the extent such
5 documents are in Seller's possession;

6 (e) A complete set of "as built" plans and working drawings for the
7 building and related improvements;

8 (f) Proof of release of any and all liens, and payment of any and all fees
9 or special assessments against the Improvements;

10 (g) An inventory of furniture and personal property to be transferred to
11 the Buyer, if any.

12 (h) Any additional funds to pay off the existing loans and/or
13 encumbrances on the improvements or real property.

14 (i) A Demand Statement from Sellers Lender(s) and any additional
15 funds from Seller to payoff Sellers loans.

16 5.2 By Buyer. On or prior to the Closing Date (and in any event in a manner
17 sufficient to allow Escrow to close not later than the Closing Date), Buyer will deliver or cause to
18 be delivered to Escrow Holder the following items:

19 (a) The Purchase Price in accordance with Paragraph 3 above;

20 (b) Three counterpart originals of an Assignment and Assumption
21 executed by the Buyer;

22 (c) The amount due Seller and any third parties, if any, after the
23 prorations are computed in accordance with Paragraph 16.3 below;

24 (d) A duly executed copy of the approval of the Board of Supervisors
25 Authorization to Purchase and the Approval of the Purchase and Sale Agreement and Joint
26 Escrow Instructions document.

27 5.3 By Buyer and Seller. Buyer and Seller will each deposit such other
28 instruments consistent with this Agreement as are reasonably required by Escrow Holder or

1 otherwise required to close escrow. In addition, Seller and Buyer will designate the Title
2 Company as the "Reporting Person" for the transaction pursuant to Section 6045(e) of the
3 Internal Revenue Code.

4 **6. Condition of Title.**

5 At the Close of Escrow, the improvements to the Property will be conveyed to
6 Buyer by Seller by Bill of Sale, subject only to the following matters ("Permitted Exceptions"):

- 7 (a) A lien for local real property taxes and assessments not delinquent;
8 (b) Matters affecting the condition of title to the Improvements and/or Property
9 created by or with the written consent of Buyer;

10 (c) Leases or financings of the County of Riverside, if any;

11 (d) All applicable laws, ordinances, rules and regulations of any applicable
12 governmental authority; and

13 (e) Any matters that have been disclosed by an accurate survey or a
14 reasonable physical inspection of the Property improvements accepted by the Buyer.

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

16 7.1 Conditions Precedent to Buyer's Obligations. The following conditions must
17 be satisfied not later than the Closing Date or such other period of time as may be specified
18 below:

19 (a) Title. Buyer will obtain a report of title for the Property prepared by
20 the Title Company ("Preliminary Title Report" or "PTR") and referenced as Order Number
21 11678474, together with copies of the exceptions to title described in the Preliminary Title
22 Report. Buyer shall have twenty-one (21) days after the Effective Date to review and/or
23 disapprove the PTR and/or any matters/exceptions in the PTR. In the event that Buyer objects to
24 exceptions (collectively, the "Objectionable Exceptions"), as shown in the PTR, Seller will have
25 ten (10) days after receipt of Buyer's objectionable exceptions to advise Buyer in writing that:

26 (i) Seller will remove any Objectionable Exceptions or obtain
27 appropriate endorsements to the title policy on or before the Closing Date. For purposes of this
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1 Agreement, Objectional Exceptions shall not include any leases or financings of the County of
2 Riverside, whether or not disclosed in the PTR; or

3 (ii) Seller will not cause one or more of the Objectionable
4 Exceptions to be removed. If Seller advises Buyer that it will not cause (or fails to timely advise
5 Buyer that it will cause) the Objectionable Exceptions to be removed, Buyer will have ten (10)
6 days to elect, as its sole remedy, to:

7 (1) Proceed with the purchase and acquire the Property,
8 subject to the Objectionable Exceptions without reduction in the Purchase Price; or

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

12 (iii) If Seller commits to remove any of the Objectionable
13 Exceptions and fails to do so by the Closing Date, then Seller will be in default under this
14 Agreement and Buyer may, at Buyer's election, terminate this Agreement and pursue its
15 remedies as set forth herein and any remedies available to Buyer at law or in equity.

16 (b) Title Insurance. As of the Close of Escrow, the Title Company will
17 issue, or have committed to issue, a CLTA Standard, Title Policy to Buyer with only the
18 Permitted Exceptions.

19 (c) Delivery of Information. Seller represents that Seller will deliver to
20 Buyer any and all of the existing original or true copies of the following documents in possession
21 of the Seller or has a duty to disclose: all surveys, approved plans and specifications, building
22 condition, zoning, land use, audits, past hazardous material studies, as-built drawings,
23 governmental approvals and building permits, soils reports, including engineers' reports,
24 environmental reports, studies or audits, and studies and similar information, relating to the
25 Property that is material to this purchase. All items delivered by Seller to Buyer shall be to the
26 best of Seller's actual knowledge, true, correct, and complete copies of the items in Seller's
27 possession, and except as expressly set forth herein, Seller makes no warranty regarding the
28 contents of such items. If the Escrow shall fail to close for any reason, all such items in this

1 subsection (c), shall be immediately returned to Seller. Buyer shall have until the close of escrow
2 to review and approve or disapprove items in this Paragraph 7.1 and Subsection 7.1(c).

3 (d) The conditions set forth in Paragraph 7.1 are solely for the benefit of
4 Buyer and may be waived only by Buyer. At all times Buyer has the right to waive any condition.
5 Such waiver or waivers must be in writing to Seller and Escrow Holder.

6 (e) The Close of Escrow and Buyer's obligations with respect to this
7 transaction are subject to Seller's delivery to Escrow Holder on or before the Closing Date, the
8 items described in Paragraph 5.1 and 5.3 above and the removal or waiver of the items
9 described in Paragraph 7.1.

10 7.2 Conditions Precedent to Seller's Obligations. The following shall be
11 conditions precedent to Seller's obligation to consummate the purchase and sale transaction
12 contemplated herein:

13 (a) Buyer shall have delivered to Escrow Holder, prior to the Closing, for
14 disbursement as directed hereunder, an amount equal to the Purchase Price and any other
15 funds in accordance with this Agreement;

16 (b) Buyer shall have delivered to Escrow Holder the items described in
17 Paragraphs 5.2 and 5.3, above; and,

18 (c) The conditions set forth in Paragraph 7.2 are solely for the benefit of
19 Seller and may be waived only by Seller. At all times Seller has the right to waive any condition.
20 Such waiver or waivers must be in writing to Buyer and Escrow Holder.

21 7.3 Ground Lease. The Ground Lease with respect to the Property shall
22 terminate effective upon the Close of Escrow, except for indemnifications which survive the
23 termination of the Ground Lease.

24 8. **Delivery of Property.** The consummation of this transaction is subject to the
25 Seller delivering the Improvements in an operable and completed condition.

26 9. **Maintenance of Improvements.** Seller shall be responsible for the diligent
27 maintenance of all Improvements situated on the Property, and pay any and all expenses
28 incurred in the maintenance of the Improvements until the Close of Escrow. At the Close of



1 Escrow, Seller agrees to assign Buyer any and all of Seller's rights, titles and interests to the
2 Building's contracts, agreements, entitlements, permits, plans and specifications that are directly
3 associated with the Improvements .

4 10. **Warranties.** Seller shall advise Buyer of any new contracts or modification of any
5 existing contracts or agreements during the Escrow and will assign any and all information
6 regarding warranties. Upon Close of Escrow, Seller shall transfer all outstanding warranties to
7 Buyer from Seller's general contractor and subcontractors.

8 11. **Due Diligence by Buyer.**

9 11.1 Matters to Be Reviewed. Buyer shall have until December 12, 2012 to
10 complete its due diligence investigation of the Property and to approve each of the following
11 matters (collectively, "Buyer's Investigations") at buyers discretion:

12 (a) The physical condition of the Improvements, with respect to
13 hazardous and toxic materials, if any, and in compliance with all applicable laws, including any
14 laws relating to hazardous and toxic materials;

15 (b) All applicable government ordinances, rules and regulations of
16 Seller's compliance therewith, including, but not limited to, zoning and building regulations; and

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

19 (d) A physical inspection report completed by Buyer or Buyer's vendor.

20 11.2 Due Diligence Requirements.

21 (a) Subject to Section 20.4 below, Buyer shall only conduct a visual
22 inspection of the Property and shall have no right to conduct any physical testing, boring,
23 sampling or removal (collectively, "Physical Testing") of any portion of the Improvements without
24 first obtaining Seller's prior written consent. If Buyer wishes to conduct any Physical Testing on
25 any portion of the Improvements, Buyer shall submit a work plan to Seller for Seller's prior
26 written approval.

27 (b) At least forty-eight (48) hours prior to any entry thereon to the
28 building Improvements by Buyer and/or its agents, employees, representatives or contractors

1 (collectively, "Buyer's Agents") for the purpose of conducting Buyer's Investigations, Buyer shall
2 provide Seller with sufficient evidence to show that Buyer's Agents who are to enter thereon to
3 the building Improvements are adequately covered by policies of insurance issued by a carrier
4 reasonably acceptable to Seller insuring Buyer and Seller against any and all liability arising out
5 of the entry and activities of Buyer's Agents' upon the Improvements, including, without
6 limitation, any loss or damage to the Improvements arising therefrom, with coverage in the
7 amount of not less than One Million Dollars (\$1,000,000) per occurrence.

8 (c) Buyer shall, at its sole cost and expense, comply with all applicable
9 federal, state and local laws, statutes, rules, regulations, ordinances or policies in conducting
10 Buyer's Investigations and any Physical Testing relating thereto.

11 (d) Buyer shall, at its sole cost and expense, clean up, restore and repair
12 the Improvements and any other portion of the Improvements altered in any manner by Buyer or
13 Buyer's Agents, after Buyer's or Buyer's Agents' entry thereon so that such portion of the
14 Property or the Property shall be returned to the same condition that existed prior to Buyer's or
15 Buyer's Agents' entry thereon.

16 (e) Buyer shall provide to Seller, upon Seller's written request, with a
17 copy of any and all information, materials and data that Buyer and/or Buyer's Agents discover,
18 obtain or generate in connection with or resulting from Buyer's Investigations and/or Physical
19 Testing under this Section 11.2(e).

20 11.3 Indemnification. Buyer hereby agrees to protect, indemnify, defend and
21 hold harmless Seller from and against any and all losses, liabilities, claims, liens, stop notices,
22 actions, obligations, damages and/or expenses caused by reason of Buyer's or Buyer's Agent's
23 entries thereon to the Improvements prior to the Close of Escrow pursuant to the foregoing.
24 Buyer shall keep the Improvements free of mechanic's liens related to the activities of Buyer.
25 This Section 11.3 shall survive the Closing or termination of this Agreement.

26 12. **Final Inspection of Improvements.** Buyer shall be entitled to inspect and
27 approve or disapprove the Improvements condition prior to Close of Escrow to determine that
28 the Improvements are in a condition in accordance with the terms of this Agreement and that is



1 satisfactory to the sole determination of the Buyer.

2 **13. Right to Terminate Transaction.** Buyer shall have the absolute right to terminate
3 this transaction if Escrow is not closed on January 10, 2013, due to no fault of the Buyer.

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

14 **15. Escrow and Title Cost and Expenses.**

15 **15.1 Seller shall pay or be charged:**

- 16 a. All costs associated with removing any debt encumbering the
17 Property, except for debt incurred by the County of Riverside;
- 18 b. Cost of the CLTA Standard coverage policy.
- 19 c. One-half share of Escrow fees and costs;
- 20 d. Seller's share of proration's.

21 **15.2 Buyer shall pay or be charged:**

- 22 a. One-half share of Escrow fees and costs;
- 23 b. Cost of recording Bill of Sale;
- 24 c. Buyers share of proration's.

25 **16. Proration's.**

26 **16.1 Tax Exempt Agency.** All parties hereto acknowledge that the Buyer is a
27 public entity and exempt from payment of any real property taxes. There will be no proration of
28 taxes through Escrow. Seller will be responsible for payment of any real property taxes due

1 prior to the Close of Escrow. In the event any real property taxes are due and unpaid at the
2 Close of Escrow, Escrow Holder is hereby authorized and instructed to pay such taxes from
3 proceeds due the Seller at the Close of Escrow. Seller understands that the Tax Collector will
4 not accept partial payment of any installment of the real property taxes due at the Close of
5 Escrow. After the Close of Escrow, the Buyer will file any necessary documentation with the
6 County Tax Collector/Assessor for the property tax exemption. Seller shall have the right, after
7 the Close of Escrow, to apply for a refund, to the County Tax Collector/Assessor outside of
8 Escrow if eligible to receive such refund and Escrow Holder shall have no liability and/or
9 responsibility in connection therewith.

10 16.2 Utility Deposits. Seller will notify all utility companies servicing the Property
11 of the sale of the Improvements to Buyer and will request that such companies refund any
12 security deposits to Seller and send Seller a final bill for the period ending on the last day before
13 the Close of Escrow. Buyer will notify the utility companies that all utility bills for the period
14 commencing on the Close of Escrow are to be sent to Buyer. Seller is responsible for all costs
15 associated with the provision of utility services to the Improvements up to the Close of Escrow.
16 Buyer is responsible for all costs associated with the provision of utility services to the
17 Improvements after the Close of Escrow.

18 16.3 Method of Proration. If applicable and for purposes of calculating
19 prorations, Buyer shall be deemed to be in title to the Property, and therefore entitled to the
20 income therefrom and responsible for the expenses thereof, for the entire day upon which the
21 Closing occurs. All prorations will be made as of the date of Close of Escrow based on a three
22 hundred sixty-five (365) day year or a thirty (30) day month, as applicable. The obligations of the
23 parties pursuant to this Paragraph shall survive the Closing and shall not merge into any
24 documents of conveyance delivered at Closing.

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

27 17.1 Funds. Promptly upon Close of Escrow, disburse all funds deposited with
28 Escrow Holder by Buyer in payment for the Improvements as follows: (a) deduct or credit all

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1 items chargeable to the account of Seller and/or Buyer pursuant to Paragraphs 15 and 16; b) if
2 funds are available, disburse the balance of the Purchase Price; and, (c) disburse any excess
3 proceeds deposited by Buyer to Buyer.

4 17.2 Recording. Cause the Bill of Sale to be recorded with the County Recorder
5 and obtain conformed copies thereof for distribution to Buyer and Seller.

6 17.3 Title Policy. Direct the Title Company to issue the Title Policy to Buyer.

7 17.4 Delivery of Documents to Buyer and Seller. Deliver to Buyer the FIRPTA
8 Certificate and any other documents (or copies thereof) deposited into Escrow by Seller. Deliver
9 to Seller any other documents (or copies thereof) deposited into Escrow by Buyer.

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

13 18.1 Each party has the legal power, right and authority to enter into this
14 Agreement and the instruments referenced herein, to perform its obligations under and to
15 consummate the transaction contemplated by this Agreement.

16 18.2 At Close of Escrow, all requisite action (corporate, trust, partnership or
17 otherwise) has been taken by each party in connection with the entering into of this Agreement,
18 the instruments referenced herein and the consummation of this transaction. No further consent
19 of any partner, shareholder, creditor, investor, judicial or administrative body, governmental
20 authority or other party is required.

21 18.3 The individuals executing this Agreement and the instruments referenced
22 herein on behalf of each party and the partners, officers or trustees of each party, if any, have
23 the legal power, right, and actual authority to bind each party to the terms and conditions of
24 those documents.

25 18.4 This Agreement and all other documents required to close this transaction
26 are and will be valid, legally binding obligations of and enforceable against each party in
27 accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization,
28 moratorium laws or similar laws or equitable principles affecting or limiting the rights of

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1 contracting parties generally.

2 18.5 At Closing, Seller shall convey the Improvements to Buyer with clear and
3 marketable title, free and clear of any and all liens, encumbrances, easements, restrictions,
4 rights and conditions of any kind whatsoever, except those which are approved by Buyer in
5 accordance with Section 7 above.

6 18.6 Buyer is in possession of the Property and a long-term tenant of the
7 Improvements located on the Property and, prior to Close of Escrow, shall have had the
8 opportunity to investigate all physical and economic aspects of the Property and Improvements,
9 and to make all inspections and investigations of the Property and Improvements which Buyer
10 reasonably deems necessary or desirable to protect its interests in acquiring the Improvements.
11 Except as otherwise expressly set forth in this Agreement, (i) neither Seller, nor anyone acting
12 for or on behalf of Seller, has made any representation, warranty, promise or statement, express
13 or implied, to Buyer, or to anyone acting for or on behalf of Buyer, concerning the Property and
14 Improvements, or the condition, use or development thereof, (ii) in entering into this Agreement,
15 Buyer has not relied on any representation, warranty, promise or statement, express or implied,
16 of Seller, or anyone acting for or on behalf of Seller, (iii) Buyer shall purchase the
17 Improvements, or elect not to do so, based on Buyer's own prior investigation and examination
18 of the Property and Improvements (or Purchaser's election not to do so); (iv) **AS A MATERIAL**
19 **INDUCEMENT TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT BY SELLER,**
20 **EXCEPT AS EXPRESSLY SET FORTH HEREIN, BUYER IS PURCHASING THE**
21 **IMPROVEMENTS IN AN "AS IS" AND "WHERE IS" PHYSICAL CONDITION AND IN AN "AS**
22 **IS" STATE OF REPAIR, WITH ALL FAULTS,** (v) Buyer waives, and Seller disclaims, all
23 warranties of any type or kind whatsoever with respect to the Property and Improvements,
24 whether express or implied, including, by way of description but not limitation, those of transfer,
25 quality, merchantability or fitness for a particular purpose and use, including, without limitation,
26 Buyer's intended uses or purposes. Upon the Closing of the purchase and sale contemplated
27
28

1 herein, Buyer shall be deemed to have accepted the Property and Improvements, and each and
2 every portion thereof,, unconditionally and with any and all (none being implied hereby) rights to
3 rescind, set aside or avoid the transactions contemplated hereby or to seek a reduction,
4 adjustment, offset or recovery of the Purchase Price waived and relinquished.

5 18.7 Effective as of the Close of Escrow, Buyer, for itself and its agents, successors
6 and assigns, hereby releases and forever discharges Seller, its members, affiliates, agents,
7 employees, successors and assigns (collectively, the "**Releasees**") from any and all rights,
8 claims and demands at law or in equity, whether known or unknown at the time of this
9 Agreement, which Buyer has or may have in the future, arising out of the physical,
10 environmental, economic or legal condition of the Property and Improvements, including, without
11 limitation, all claims in tort or contract and any claim for indemnification or contribution arising
12 under the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C.
13 Section 9601, et.seq.) or any similar federal, state or local statute, rule or ordinance relating to
14 liability of property owners for environmental matters. Without limiting the foregoing, Buyer,
15 upon Close of Escrow, shall be deemed to have waived, relinquished and released Seller from
16 and against any and all matters arising out of latent or patent defects or physical conditions,
17 environmental conditions, including without limitation, mold or mold related damages, violations
18 of applicable laws and any and all other acts, omissions, events, circumstances or matter
19 affecting the Property and Improvements. For the foregoing purposes, and in consideration of
20 Buyer's Investigations during the due diligence period, Buyer hereby specifically acknowledges
21 that this release will extend to claims unknown at the time of executing this release, which if
22 known by Buyer would have materially affected its decision to enter into this Agreement. Buyer
23 specifically acknowledges the provisions of **Civil Code section 1542** and waives its provisions.
24 Buyer hereby specifically acknowledges that Buyer has carefully reviewed this subsection and
25 discussed its import with legal counsel and that the provisions of this subsection are a material
26 part of this Agreement.
27
28

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1
2
3 _____
Buyer's initials

4 _____
5 
6 Seller's initials

7 Notwithstanding the foregoing, the representations (including any limitations therein) set forth in
8 Section 18.7 are expressly excluded from this Release and shall survive the Close of Escrow for
9 twelve (12) months.

10
11 **19. Indemnification.**

12 19.1 Indemnification by Seller. Seller agrees to indemnify, defend and hold
13 Buyer harmless for, from and against any and all claims, demands, liens, liabilities, costs,
14 expenses, including reasonable attorney's fees and costs, damages and losses, cause or
15 causes of action and suit or suits of any nature whatsoever, arising from any misrepresentation
16 or breach of warranty or covenant by Seller in this Agreement.

17 19.2 Indemnification by Buyer. Buyer agrees to indemnify, defend and hold
18 Seller harmless for, from and against any and all claims, demands, liabilities, liens, liabilities,
19 costs, expenses, including reasonable attorney's fees and costs, damages and losses, cause or
20 causes or action and suit or suits of any nature whatsoever, arising from any misrepresentation
21 or breach of warranty or covenant by Buyer in this Agreement.

22 **20. Hazardous Substances.**

23 20.1 Definitions. For the purpose of this Agreement, the following terms have the
24 following meanings:

25 (a) "Environmental Law" means any law, statute, ordinance or regulation
26 pertaining to health, industrial hygiene or the environment including, without limitation CERCLA
27 (Comprehensive Environmental Response, Compensation and Liability Act of 1980) and RCRA
28 (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

1 Environmental Law, including asbestos, petroleum and petroleum products; and

2 (c) "Environmental Audit" means an environmental audit, review or
3 testing of the Improvements performed by Buyer or, any third party or consultant engaged by
4 Buyer to conduct such study.

5 20.2 Seller's Representations and Warranties. Buyer is in possession of the
6 Property and the Improvements; and therefore, Seller has very limited knowledge concerning the
7 environmental condition of the Property and Improvements. As of the date of this Agreement, to
8 Seller's current actual knowledge:

9 (a) No Hazardous Substances have been used or stored on or within
10 any portion of the Improvements by Seller, except those substances which are or have been
11 used or stored on the Improvements by Seller in the normal course of business and
12 noncompliance with all applicable Environmental Laws;

13 (b) Seller has not been notified and is not aware of any federal, state, or
14 local enforcement, clean-up, removal, remedial or other governmental or regulatory actions
15 instituted or completed affecting the Improvements;

16 (c) Seller has not been notified and is not aware of any claims made by
17 any third party relating to any Hazardous Substances on or within the Improvements; and,

18 (d) Seller has not been notified and is not aware of any disposals of
19 Hazardous Substances or accidental spills, which may have contaminated the Improvements, or
20 of any on-site bulk storage of vehicle fuels or waste oils.

21 20.3 Notices Regarding Hazardous Substances. During the term of this
22 Agreement, Seller will promptly notify Buyer if it obtains notice that the Improvements may be
23 subject to any threatened or pending investigation by any governmental agency under any law,
24 regulation or ordinance pertaining to any Hazardous Substance on or within the Improvements.

25 20.4 Environmental Audit. Buyer may, at its sole cost and expense, perform an
26 Environmental Audit, and it shall do so prior to the end of the Due Diligence Period and may
27 terminate this transaction if Buyer identifies environmental issues in its sole and subjective
28 judgment would preclude the Buyer from continuing with this transaction, including the following:

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1 (a) The Environmental Audit shall be conducted pursuant to standard
2 quality control/quality assurance procedures. Buyer shall give Seller at least two (2) business
3 day's prior notice of any on-site testing of soil or subsurface conditions and shall submit a copy
4 of Buyer's work plan to Seller for Seller's reasonable approval;

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

9 (c) Buyer hereby agrees to protect, indemnify, defend and hold harmless
10 Seller from and against any and all losses, liabilities, claims, liens, stop notices, actions,
11 obligations, damages and/or expenses caused by reason of Buyer's (or its agent's, employee's
12 or independent contractor's) entries into the Improvements prior to the Close of Escrow
13 pursuant to the foregoing. Buyer shall keep the Improvements free of mechanic's liens related to
14 the activities of Buyer.

15 **21. Miscellaneous.**

16 21.1 Counterparts. This Agreement may be executed in any number of
17 counterparts, each of which shall be effective only upon delivery (including delivery by facsimile
18 transmission or by "pdf" email transmission) and thereafter shall be deemed an original, and all
19 of which shall be taken to be one and the same instrument, for the same effect as if all parties
20 hereto had signed the same signature page. Any signature page of this Agreement may be
21 detached from any counterpart of this Agreement without impairing the legal effect of any
22 signatures thereon and may be attached to another counterpart of this Agreement identical in
23 form hereto but having attached to it one or more additional signature pages.

24 21.2 Partial Invalidity. If any term or provision of this Agreement shall be deemed
25 to be invalid or unenforceable to any extent, the remainder of this Agreement will not be affected
26 thereby and each remaining term and provision of this Agreement will be valid and be enforced
27 to the fullest extent permitted by law.

28 21.3 Waivers. No waiver of any breach of any covenant or provision contained

1 herein will be deemed a waiver of any preceding or succeeding breach thereof or of any other
2 covenant or other provision contained herein. No extension of time for performance or any
3 obligation or act will be deemed an extension of the time for performance of any other obligation
4 or act except those of the waiving party, which will be extended by a period of time equal to the
5 period of the delay.

6 21.4 Successors and Assigns. Neither party shall transfer or assign its rights or
7 responsibilities under this Agreement without the express written consent of the other party.

8 21.5 Entire Agreement. This Agreement (including all Exhibits attached hereto)
9 constitutes the entire contract between the parties hereto and may not be modified except by an
10 instrument in writing signed by the party to be charged.

11 21.6 Time of Essence. Seller and Buyer hereby acknowledge and agree that
12 time is strictly of the essence with respect to each and every term, condition, obligation and
13 provision hereof.

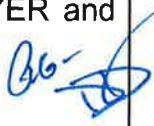
14 21.7 Governing Law. The parties hereto expressly agree that this Agreement will
15 be governed by, interpreted under, and construed and enforced in accordance with the laws of
16 the State of California in which the Property is located. Venue for any proceeding related to this
17 Agreement shall be in the County of Riverside.

18 21.8 No Recordation. No memorandum or other document relating to this
19 Agreement shall be recorded without the prior written consent of Seller and Buyer.

20 21.9 Survival. Buyer and Seller indemnification obligations expressly set forth in
21 this Agreement and any other provisions of this Agreement which by its terms expressly survive
22 the Close of Escrow or require performance by either party after the Close of Escrow shall
23 survive the Close of Escrow and expire three (3) years thereafter. Except as provided above,
24 upon completion of the Close of Escrow all other liabilities and obligations of Buyer and Seller
25 hereunder shall terminate.

26 22. Exhibits. Each exhibit attached hereto is incorporated herein by this
27 reference and as set forth in this Agreement.

28 THIS AGREEMENT WILL BE NULL AND VOID IF NOT EXECUTED BY BUYER and




1 approved by the Board of Supervisors of the County of Riverside.

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

4 Date: _____

5
6 **SELLER:**

7 RIVERSIDE COUNTY OFFICE INC., a California corporation

8
9 By: 
10 Name: Dorene C. Dominguez
11 Title: President

12 By: 
13 Name: Patricia Green
14 Title: Secretary

15 **BUYER:**

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

17 By: _____
18 John Tavaglione, Chairman
19 Board of Supervisors

20 **ATTEST:**
21 Kecia Harper-Ihem
22 Clerk of the Board

23 By: _____
24 Deputy

25 **APPROVED AS TO FORM:**
26 Pamela J. Walls
27 County Counsel

28 By: 
Patricia Munroe
Deputy County Counsel



EXHIBIT "A"

All that certain real property situated in the County of Riverside, State of California, described as follows:

Property A of that certain Notice of Lot Line Adjustment No. 3884, in the City of Indio, County of Riverside, State of California, recorded October 31, 1996 as Instrument No. 417816 of Official Records, more particularly described as follows:

All that certain real property situated in the incorporated limits of of the City of Indio, County of Riverside, State of California, described as follows:

Being a portion of the Southwest Quarter of the Southeast Quarter of Section 26, Township 5 South, Range 7 East, San Bernardino Base and Meridian.

Beginning at the Southwest corner of said Southwest Quarter;
Thence North 00° 23' 04" East, along the West line of said Southwest Quarter a distance of 632.62 feet, said line also being the centerline of Arabia Street, to the Southwest corner of the Northerly 700.00 feet of said Southwest Quarter;
Thence, North 89° 18' 35" East along the South line of said Northerly 700.00 feet, a distance of 456.84 feet;
Thence, South 01° 01' 14" East, a distance of 300.18 feet;
Thence, South 43° 31' 43" West, a distance of 27.53 feet;
Thence, South 89° 20' 07" West, a distance of 90.69 feet;
Thence South 00° 00' 00" West, a distance of 23.67 feet;
Thence, North 90° 00' 00" East, a distance of 7.93 feet;
Thence South 00° 00' 00" West, a distance of 18.68 feet;
Thence, South 90° 00' 00" West, a distance of 4.42 feet;
Thence, South 00° 00' 00" West, a distance of 269.27 feet, to a point on the South line of said Southwest Quarter;
Thence, South 89° 09' 02" West, along said South line, a distance of 360.31 feet, said line also being the centerline of 48th Avenue, to the Southwest corner of said Southwest Quarter, said point also being the point of beginning.

Excepting therefrom all that portion thereof located within Arabia Street, and 48th Avenue.

Assessor's Parcel Number: **614-150-032**

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EXHIBIT "B"

BILL OF SALE

FOR GOOD AND VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the undersigned, **RIVERSIDE COUNTY OFFICE, INC.**, a California corporation ("**Seller**"), does hereby give, grant, bargain, sell, transfer, assign, convey and deliver to **THE COUNTY OF RIVERSIDE**, a political subdivision of the State of California ("**Buyer**"), the personal property, if any, identified on Schedule A attached hereto and incorporated herein by this reference, and located on or in that certain real property located in the City of Indio, County of Riverside, State of California, and more particularly described in Schedule A attached hereto and incorporated herein by this reference.

Seller warrants to Buyer that Seller owns all right, title and interest in the Personal Property identified on Schedule A attached hereto, free and clear of any lien, security interest or adverse claim.

EXCEPT AS SET FORTH IN THE PRECEDING SENTENCE, SAID PERSONAL PROPERTY IS BEING TRANSFERRED ON AN "AS IS" BASIS, WITHOUT ANY REPRESENTATIONS OR WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, OF ANY KIND WHATSOEVER BY SELLER. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, BUYER ACKNOWLEDGES THAT SELLER EXPRESSLY DISCLAIMS AND NEGATES, AS TO ALL PERSONAL PROPERTY TRANSFERRED HEREBY: (A) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY; (B) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; AND (C) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR MATERIALS.

AG


Seller covenants that it will, at any time and from time to time upon written request therefor, at Buyer's sole expense and without the assumption of any additional liability thereby, execute and deliver to Buyer, its nominees, successors and/or assigns, any new or confirmatory instruments and do and perform any other acts which Buyer, its nominees, successors and/or assigns, may reasonably request in order to fully assign and transfer to and vest in Buyer, its nominees, successors and/or assigns, and protect its or their rights, title and interest in and enjoyment of, all of the assets of Seller intended to be transferred and assigned hereby, or to enable Buyer, its nominees, successors and/or assigns, to realize upon or otherwise enjoy any such assets.

All references to "**Seller**" and "**Buyer**" herein shall be deemed to include their respective nominees, successors and/or assigns, where the context permits.

Dated: January 10, 2013.

SELLER:

RIVERSIDE COUNTY OFFICE, INC.,
a California corporation

Dorene C. Dominguez
President

PC-


SCHEDULE "A"

1. The Building and all Building Improvements including but not limited to exterior and interior improvements, personal property, and all building operating systems.
2. All Site improvements outside the Building including but not limited to exterior parking lots, landscaping, hardscaping, utilities, personal property, and related improvements.
3. All other personal property located on the interior or exterior of the building related to its use or operations.