

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



FROM: Economic Development Agency

SUBMITTAL DATE:
November 5, 2015

SUBJECT: Resolution No. 2015-102, Authorization to Convey Real Property Located in the City of Palm Desert, County of Riverside, California, by Grant Deed; CEQA Exempt; District 4, [\$80,000] 100% Sale Proceeds

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the sale of a 17.11 acre parcel of vacant land situated at the northeast corner of Monterey Avenue & Gateway Drive in the City of Palm Desert is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15312 – surplus government property sale and Section 15061 (b)(3) – no significant effect on the environment;
2. Adopt Resolution No. 2015-102, Authorization to Convey Real Property in the City of Palm Desert, County of Riverside, by Grant Deed;
3. Approve the Offer and Agreement to Purchase Real Property and authorize the Chairman of the Board of Supervisors to execute the same;

(Continued)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 80,000	\$ 0	\$ 80,000	\$ 0	Consent <input type="checkbox"/> Policy <input type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: 100% Sale Proceeds

Budget Adjustment: No

For Fiscal Year: 2015/16

C.E.O. RECOMMENDATION: Sale proceeds to be deposited in the General Fund; the Executive Office will submit a future Budget Adjustment for Board Approval.

APPROVE

By:

Paul McDonnell

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Benoit, seconded by Supervisor Jeffries and duly carried, IT WAS ORDERED that the above matter is approved as recommended and IT WAS FURTHER ORDERED that the Executive Office's recommendation is incorporated herein.

Ayes: Jeffries, Washington, Benoit and Ashley
Nays: None
Absent: Tavaglione
Date: November 10, 2015
xc: EDA, Recorder

Kecia Harper-Ihem
Clerk of the Board

By:
Deputy

Prev. Agn. Ref.: 3-14 of 3/11/14; 9-2 of 4/22/14 | **District:** 4

Agenda Number:

3-21

☐ A-30
☒ 4/5 Vote
☐ Positions Added
☐ Change Order

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY:
Susana Garcia-Bocanegra

FORM APPROVED COUNTY COUNSEL
BY:
DATE: 11/4/15

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

Economic Development Agency

FORM 11: Resolution No. 2015-102 Authorization to Convey Real Property Located in the City of Palm Desert, County of Riverside, California, by Grant Deed; CEQA Exempt; District 4, [\$80,000] 100% Sale Proceeds

DATE: November 5, 2015

PAGE: 2 of 2

RECOMMENDED MOTION: (Continued)

4. Direct the Clerk of the Board to file the attached CEQA Notice of Exemption with the County Clerk;
5. Authorize the Assistant County Executive Officer of the Economic Development Agency, or his designee, to execute any other documents and administer all actions necessary to complete or memorialize this transaction; and
6. Authorize reimbursement to the EDA/Real Estate Division for costs incurred for all acquisition expenses. The amount to be reimbursed is not-to-exceed \$80,000.

BACKGROUND:

Summary

This property is located on the northeast corner of the intersection of Monterey Avenue and Gateway Drive in the City of Palm Desert, County of Riverside, State of California, and is primarily identified as Assessor's Parcel Number 685-020-014, consisting of approximately 17.11 acres of vacant land. An independent appraisal conducted by the Real Estate Division found the fair market value to be \$7,240,000 for this property.

On April 22, 2014, a Public Hearing was held, Minute Order 9-2, but no sealed or oral bids were received. The Board of Supervisors continued the matter for six months and instructed the Real Estate Division of the Economic Development Agency to formulate a marketing plan and return to the Board once a viable offer was obtained for Board consideration.

On October 6, 2015, Minute Order 3-22, the Board of Supervisors adopted Resolution 2015-158 which amended the description of surplus real property subsequent to property boundary adjustments and parcel merger to finalize unifying the remnant parcels the County received in the exchange from the City of Palm Desert and the remnant parcel quitclaim from 10/74 PARTNERS with APN 685-020-014 to create one legal lot. The Assessor's Office has assigned a new Assessor's Parcel Number to the merged 17.11 acre parcel which is APN 685-020-020.

The Real Estate Division is recommending approval of this full price offer by Fountainhead Shrugged LLC, also known as Fountainhead Development of Newport Beach, California. Fountainhead is proposing to acquire the property and pursue the development of a freeway oriented retail commercial center in conjunction with the City of Palm Desert and the County. The attached Offer and Agreement to Purchase Real Property in the amount \$7,250,000 has been reviewed and approved as to form by County Counsel.

Impact on Citizens and Businesses

The sale proceeds will enable the County to better provide services to the community. This future project will someday provide construction and long term jobs and generate important sales and property tax revenue.

Attachments:

Resolution No. 2015-102

Agreement to Purchase Real Property (4)

Aerial Image

CEQA Notice of Exemption

1 Board of Supervisors

County of Riverside

2 **Resolution No. 2015-102**

3 **Authorization to Convey Real Property located in the City of Palm Desert,**

4 **County of Riverside, California, by Grant Deed**

5 **Assessor's Parcel Number 215-202-004**

6 **WHEREAS,** the County of Riverside ("County") is the owner of certain real property,
7 consisting of approximately 17.11 acres of vacant land, located at the northeast corner of
8 Monterey Avenue and Gateway Drive of the City of Palm Desert, County of Riverside, State of
9 California, ("Property"), more particularly described in Exhibit "A", attached hereto and by this
10 reference incorporated herein; and,

11 **WHEREAS,** on March 11, 2014 (M.O. 3-14), the Board of Supervisors adopted
12 Resolution No. 2014-013, Notice of Intention to Sell Real Property to declare the Property as
13 surplus and set a Public Hearing for April 8, 2014 to offer the property for sale pursuant to the
14 public bidding process for County owned real property; and

15 **WHEREAS,** on April 8, 2014 (M.O. 9-2), the Board of Supervisors continued the matter
16 to April 22, 2014.

17 **WHEREAS,** on April 22, 2014 (M.O. 9-2) the Board of Supervisors conducted the public
18 hearing for the public bidding for the sale of the Property by inviting bids, whereby no bids were
19 received for the Property and the County continued to offer the Property for sale; and,

20 **WHEREAS,** on October 6, 2015 (M.O. 3-22) the Board of Supervisors adopted
21 Resolution 2015-158 which amended the description of surplus real property subsequent to
22 property boundary adjustments and parcel merger to finalize unifying the remnant parcels the
23 County received in the exchange from the City of Palm Desert and the remnant parcel
24 quitclaim from 10/74 PARTNERS with APN 685-020-014 to create one legal lot. The
25 Assessor's Office has assigned a new Assessor's Parcel Number to the merged 17.11 acre
26 parcel which is APN 685-020-020.

27 **WHEREAS,** the County has reviewed and determined the sale of the Property as
28 categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to

FORM APPROVED COUNTY COUNSEL
BY: *Synthia M. Gunzel* 11-4-15
DATE: *11-4-15*
SYNTHIA M. GUNZEL

1 CEQA Guidelines Sections 15312 and 15061(b)(3) because the proposed project is the sale of
2 real property involving the transfer of title to the real property that is no longer needed for the
3 use by or purposes of the County, does not have significant values for wildlife habitat or other
4 environmental purposes, the use of the property and adjacent property has not changed since
5 the time of acquisition by the County; and,

6 **WHEREAS**, County desires to sell the Property to Fountainhead Shrugged, LLC
7 ("Buyer") and the Buyer now desires to buy the Property from the County and enter into that
8 certain Offer and Agreement to Purchase Real Property between the County and the Buyers
9 ("Agreement"), to provide for all the terms and conditions of this sale; now, therefore,

10 **BE IT RESOLVED, DETERMINED AND ORDERED** by the Board of Supervisors of the
11 County of Riverside, California, ("Board"), in regular session assembled on or after November
12 10, 2015, at 9:00 a.m., in the meeting room of the Board of Supervisors located on the 1st floor
13 of the County Administrative Center, 4080 Lemon Street, Riverside, California, based upon a
14 review of the evidence and information presented on the matter, as it relates to this sale, that
15 this Board has determined that the proposed sale is categorically exempt from CEQA pursuant
16 to CEQA Guidelines Sections 15312 and 15061(b)(3) because it can be seen with certainty
17 that there is no possibility that the activity in question will have a significant effect on the
18 environment because the County is merely transferring title of this surplus Property pursuant to
19 the Agreement that does not involve any construction activities or increase in the intensity of
20 use of the Property.

21 **BE IT FURTHER RESOLVED AND DETERMINED** by a four-fifths vote, that this Board
22 authorizes to sell the fee interest in real property by grant deed to Fountainhead Shrugged,
23 LLC, the following described real property: Certain real property located in the City of Palm
24 Desert, County of Riverside, State of California, at the northeast corner of Monterey Avenue
25 and Gateway Drive, more particularly described in Exhibit "A", Legal Description, attached
26 hereto and by this reference incorporated herein.

27 **BE IT FURTHER RESOLVED, DETERMINED AND ORDERED** that this Board
28 approves the Offer and Agreement To Purchase Real Property between the County and

1 Fountainhead Shrugged LLC, and that the Chairman of the Board is authorized to execute the
2 Agreement on behalf of the County and the grant deed conveying the real property interest in
3 favor of Fountainhead Shrugged, LLC to complete the purchase and for recordation.

4 **BE IT FURTHER RESOLVED AND DETERMINED** that the Assistant County Executive
5 Officer/EDA or his designee is authorized to execute any other documents to complete this
6 transaction.

7 **BE IT FURTHER RESOLVED, DETERMINED AND ORDERED** that the Clerk of the
8 Board has given notice hereof as provided in 6063 of the California Government Code.

9
10
11 ROLL CALL:

12 Ayes: Jeffries, Washington, Benoit and Ashley
13 Nays: None
14 Absent: Tavaglione

15 The foregoing is certified to be a true copy of a resolution duly
16 adopted by said Board of Supervisors on the date therein set forth.

17 KECIA HARPER-IHEM, Clerk of said Board

18 By 
19 Deputy

20
21
22
23
24
25
26
27
28 JF:ra/102615/214FM/17.514 S:\Real Property\TYPING\Docs-17.500 to 17.999\17.514.doc

**EXHIBIT "A" – LEGAL DESCRIPTION
PARCEL MERGER NO. PMW 15-147**

PARCEL 1

BEING THE PARCELS DESCRIBED IN EXHIBITS "A", "B" AND "C" OF QUITCLAIM DEED TO THE COUNTY OF RIVERSIDE RECORDED MARCH 18, 2015 AS DOCUMENT NUMBER 2015-0108084, OFFICIAL RECORDS OF THE RECORDER OF RIVERSIDE COUNTY, CALIFORNIA, THE PARCEL DESCRIBED IN EXHIBIT "A" OF QUITCLAIM DEED TO THE COUNTY OF RIVERSIDE RECORDED MARCH 18, 2015 AS DOCUMENT NUMBER 2015-0108085, OFFICIAL RECORDS OF SAID RECORDER, ALL THAT PART EXCEPTED OUT OF PARCEL 3 AS DESCRIBED IN A QUITCLAIM DEED TO THE CITY OF PALM DESERT RECORDED MARCH 18, 2015 AS DOCUMENT NUMBER 2015-0108083, OFFICIAL RECORDS OF SAID RECORDER, AND A PORTION OF THE REMAINDER PARCEL AS SHOWN ON PARCEL MAP NUMBER 22635 ON FILE IN BOOK 166, PAGES 74 THROUGH 79, INCLUSIVE, OF PARCEL MAPS, RECORDS OF SAID RECORDER, LYING WITHIN THE SOUTHWEST QUARTER OF SECTION 20 AND THE NORTHWEST QUARTER OF SECTION 29, TOWNSHIP 4 SOUTH, RANGE 6 EAST, SAN BERNARDINO MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 20;

THENCE S 89°59'29" E ALONG THE SOUTH LINE OF SAID SOUTHWEST QUARTER, A DISTANCE OF 1561.40 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHERN PACIFIC RAILROAD RIGHT-OF-WAY AS SHOWN ON SAID PARCEL MAP NUMBER 22635, ALSO BEING THE MOST NORTHEASTERLY CORNER OF SAID PARCEL DESCRIBED ON EXHIBIT "A" IN DOCUMENT NUMBER 2015-0108085 AND **THE TRUE POINT OF BEGINNING**;

THENCE S 54°33'45" E ALONG SAID SOUTH RIGHT-OF-WAY LINE, A DISTANCE OF 86.25 FEET TO THE SOUTH LINE OF SAID PARCEL DESCRIBED ON EXHIBIT "A" DOCUMENT NUMBER 2015-0108085, ALSO BEING A POINT ON A LINE PARALLEL WITH AND DISTANT 50.00 FEET SOUTHERLY OF AS MEASURED AT RIGHT ANGLES TO THE SOUTH LINE OF SAID SOUTHWEST QUARTER;

THENCE N 89°59'29" W ALONG SAID SOUTH LINE AND SAID PARALLEL LINE, A DISTANCE OF 697.17 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF DINAH SHORE DRIVE, 50 FOOT HALF WIDTH, AS DESCRIBED ON SAID EXHIBIT "A" DOCUMENT NUMBER 2015-0108085 AND THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 2,050.00 FEET AND AN INITIAL RADIAL BEARING OF N 17°58'43" E;

THENCE NORTHWESTERLY ALONG SAID NORTHERLY RIGHT-OF-WAY LINE AND SAID CURVE THROUGH A CENTRAL ANGLE OF 09°18'05", AN ARC DISTANCE OF 332.79 FEET TO AN ANGLE POINT ON THE WESTERLY LINE OF SAID PARCEL DESCRIBED ON EXHIBIT "B" DOCUMENT NUMBER 2015-0108084;

THENCE N 38°04'56" W ALONG SAID WESTERLY LINE, A DISTANCE OF 36.11 FEET TO THE MOST WESTERLY CORNER OF SAID PARCEL DESCRIBED ON EXHIBIT "B" AND A POINT ON THE SOUTHERLY LINE OF SAID REMAINDER PARCEL SHOWN ON PARCEL MAP 22635;

THENCE N 89°59'29" W ALONG SAID SOUTHERLY LINE, A DISTANCE OF 172.21 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 213.50 FEET AND AN INITIAL RADIAL BEARING OF N 15°29'18" E, ALSO BEING THE MOST EASTERLY POINT AS DESCRIBED IN GRANT DEED TO THE CITY OF PALM DESERT, DOCUMENT NUMBER 2005-0396156 RECORDED MAY 18, 2005, OFFICIAL RECORDS OF SAID RECORDER;

EXHIBIT "A" – LEGAL DESCRIPTION
PARCEL MERGER NO. PMW 15-147

THENCE NORTHWESTERLY ALONG THE NORTHERLY LINE OF SAID GRANT DEED TO THE CITY OF PALM DESERT AND SAID CURVE THROUGH A CENTRAL ANGLE OF 11°46'42", AN ARC DISTANCE OF 43.89 FEET;

THENCE N 86°17'24" W ALONG SAID NORTHERLY LINE, A DISTANCE OF 200.77 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 84.50 FEET AND AN INITIAL RADIAL BEARING OF S 12°35'55" W;

THENCE NORTHWESTERLY ALONG THE NORTHEASTERLY LINE OF SAID GRANT DEED TO THE CITY OF PALM DESERT AND SAID CURVE THROUGH A CENTRAL ANGLE OF 75°57'09, AN ARC DISTANCE OF 112.01 FEET;

THENCE N 01°26'56" W ALONG THE EASTERLY LINE OF SAID GRANT DEED TO THE CITY OF PALM DESERT, A DISTANCE OF 157.62 FEET TO THE MOST SOUTHERLY POINT OF SAID PARCEL DESCRIBED ON EXHIBIT "A" DOCUMENT NUMBER 2015-0108084, ALSO BEING A POINT ON A LINE PARALLEL WITH AND DISTANT 103.05 FEET EASTERLY OF AS MEASURED AT RIGHT ANGLES TO THE CENTERLINE OF MONTEREY AVENUE AS SHOWN ON SAID PARCEL MAP 22635;

THENCE N 00°00'52" W ALONG SAID PARALLEL LINE AND THE WESTERLY LINE OF SAID PARCEL DESCRIBED ON EXHIBIT "A" DOCUMENT NUMBER 2015-0108084, A DISTANCE OF 241.39 FEET TO AN ANGLE POINT THEREIN;

THENCE N 05°50'03" E CONTINUING ALONG SAID WESTERLY LINE, A DISTANCE OF 212.42 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF PARCEL 3 OF SAID PARCEL MAP 22635 AND THE MOST SOUTHERLY POINT OF THAT PART EXCEPTED OUT IN EXHIBIT "A" OF SAID QUITCLAIM DEED DOCUMENT #2015-0108083;

THENCE N 05°50'03" E ALONG SAID WESTERLY LINE OF THAT PART EXCEPTED OUT OF SAID QUITCLAIM DEED, A DISTANCE OF 240.35 FEET TO A POINT ON THE SOUTH LINE OF SAID RIGHT-OF-WAY FOR THE SOUTHERN PACIFIC RAILROAD AS SHOWN ON SAID PARCEL MAP NUMBER 22635;

THENCE S 54°33'45" E ALONG SAID SOUTH RIGHT-OF-WAY LINE, A DISTANCE OF 1733.62 TO THE **TRUE POINT OF BEGINNING**;

RESERVING TO THE CITY OF PALM DESERT THE FOLLOWING EASEMENTS:

DRAINAGE AND PUBLIC UTILITY EASEMENTS OVER ALL THAT PORTION OF PARCEL 3 OF SAID PM 22635 DESCRIBED ON DOCUMENT NUMBER 2015-0108083;

A PUBLIC UTILITY EASEMENT OVER ALL OF THE PARCEL DESCRIBED ON EXHIBIT "B" DOCUMENT NUMBER 2015-0108084;

A DRAINAGE EASEMENT 50 FEET WIDE, THE NORTHEASTERLY LINE DESCRIBED AS FOLLOWS, THE SOUTHWESTERLY RIGHT-OF-WAY FOR THE SOUTHERN PACIFIC RAILROAD AS SHOWN ON SAID PARCEL MAP NUMBER 22635, THE SIDE LINES BEING LENGTHENED OR SHORTENED TO TERMINATE AT THE SOUTHERLY LINE OF THE ABOVE DESCRIBED MERGED PARCELS AND THE NORTHWESTERLY LINE OF SAID PARCEL DESCRIBED ON EXHIBIT "A" IN DOCUMENT NUMBER 2015-0108084.

**EXHIBIT "A" – LEGAL DESCRIPTION
PARCEL MERGER NO. PMW 15-147**

MERGED PARCELS CONTAINING: 746,976 SQUARE FEET, OR 17.15 ACRES, MORE OR LESS.

SUBJECT TO ALL EASEMENTS, RIGHTS, RIGHTS-OF-WAY, AND COVENANTS OF RECORD, IF ANY.

SEE ATTACHED EXHIBIT "B"

THE BEARINGS AND DISTANCES USED IN THE ABOVE DESCRIPTION ARE BASED ON A LOCAL COORDINATE SYSTEM AND ALL DISTANCES ARE GROUND DISTANCES.

APPROVED BY: Edward D. Hunt

DATE: 9-1-2015

Record Owner(s): County of Riverside

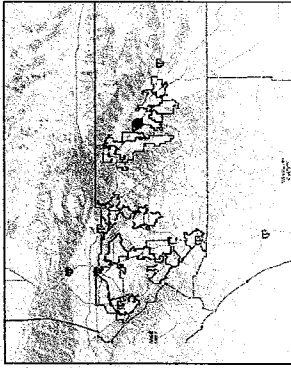
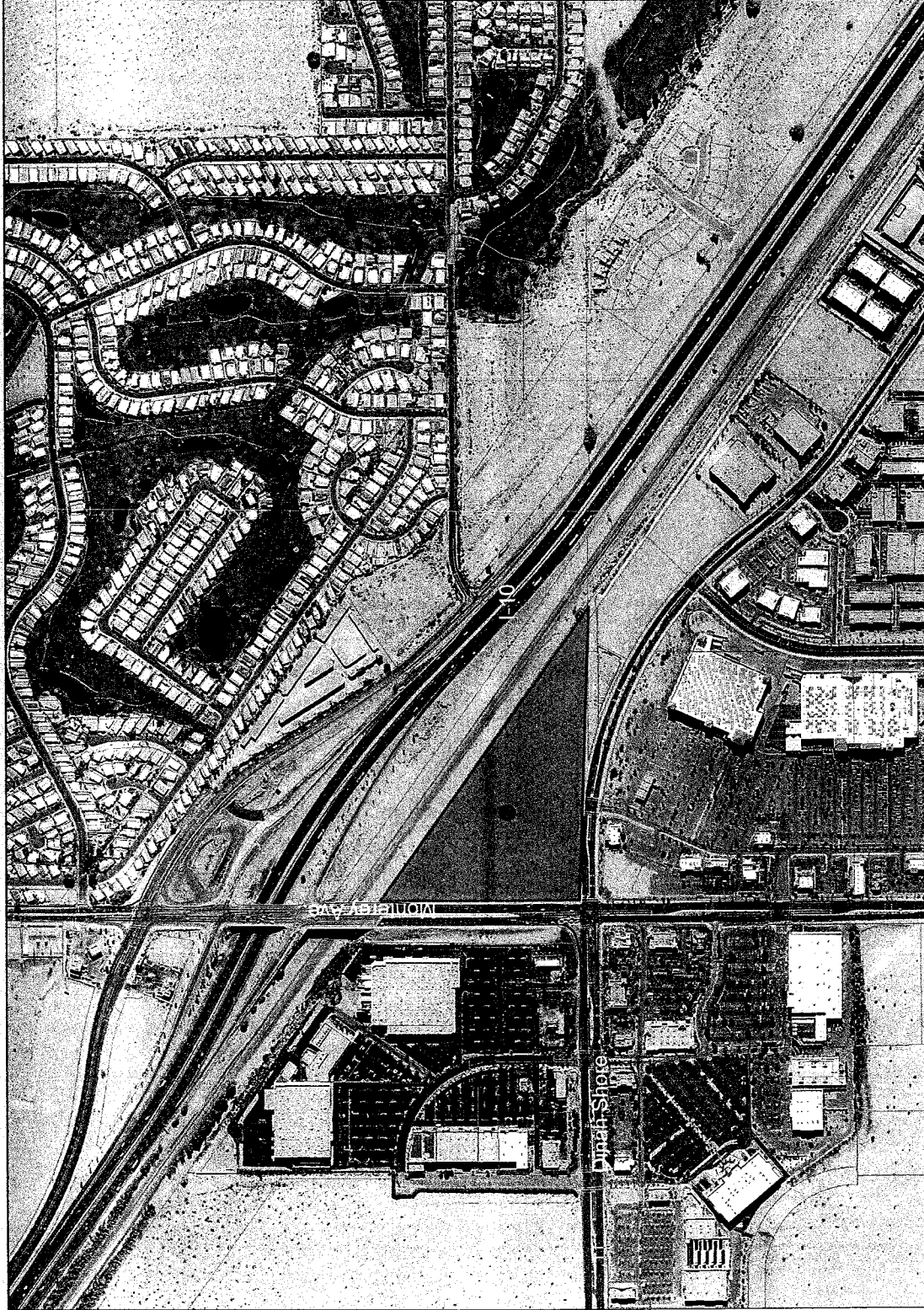
Address: 4080 Lemon Street, Riverside CA, 92501

Exhibit Prepared by: County of Riverside

Address: 4080 Lemon Street, Riverside CA, 92501



Monterey Surplus Parcel Merger



Legend
☐ RCLIS Parcels

Notes

"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... 9/15/2015 8:35:37 AM

944 1,889 Feet



© Riverside County TLMA GIS





11/12/15

KB

NOTICE OF EXEMPTION

October 28, 2015

Project Name: County of Riverside, Authorization to Convey Real Property located in the City of Palm Desert

Project Number: FM0417200214

Project Location: Northeast corner of Monterey Avenue and Gateway Drive/Dinah Shore Drive, Palm Desert, Riverside County, California; Assessor Parcel Number 685-020-014 (See attached exhibits)

Description of Project: The County of Riverside (County) is the owner of certain real property located at the northeast corner of the intersection of Monterey Avenue and Gateway Drive in the City of Palm Desert, California and is primarily identified as Assessor's Parcel Number 685-020-014, consisting of approximately 17.11 acres of vacant land. An independent appraisal conducted by the Economic Development Agency Real Estate Division (EDA) found the fair market value to be \$7,240,000 for this property. On March 11, 2014, the Board of Supervisors (Board) adopted Resolution No. 2014-013, Declaration of Surplus Real Property and Notice of Intention to Sell Real Property, declaring the property to be surplus real property and inviting bids to acquire the Property at the date set for the bids to be reviewed and considered by the Board. On April 22, 2014, a Public Hearing was held but no sealed or oral bids were received. On January 6, 2015 the Board authorized the Assistant County Executive Officer/EDA to exchange real property with the City of Palm Desert (City) surplus property to the County owned property. Upon completion of the parcel merger and recordation, the acreage available for sale by the County increased from 13.29 acres to 17.11 acres. A full price offer by Fountainhead Shrugged LLC, also known as Fountainhead Development of Newport Beach, California, has been received and an Offer and Agreement to Purchase Real Property in the amount \$7,250,000 has been reviewed and approved as to form by County Counsel. Fountainhead is proposing to acquire the property and pursue the development of a freeway oriented retail commercial center in conjunction with the City of Palm Desert and the County. The Project is limited to the sale of the property alone and would not result in any physical changes or significant effect on the environment. This project does not involve any construction activity, change in use, or any other condition that may lead to a direct or indirect physical environmental impact at this time. Any future activity or project at the location would require CEQA review from the lead agency.

Name of Public Agency Approving Project: County of Riverside, Economic Development Agency

Name of Person or Agency Carrying Out Project: County of Riverside, Economic Development Agency; Fountainhead Shrugged LLC

Exempt Status: State California Environmental Quality Act (CEQA) Guidelines, Section 15312 (a)(b)(3), Sale of Surplus Government Property Exemption; Section 15061(b)(3), General Rule or "Common Sense" Exemption.

NOV 10 2015 3-21

P.O. Box 1180 • Riverside, California • 92502 • T: 951.955.8916 • F: 951.955.6684

www.rivcoeda.org

Administration
Aviation
Business Intelligence
Cultural Services
Community Services
Custodial

Housing
Housing Authority
Information Technology
Maintenance
Marketing

Economic Development
Edward-Dean Museum
Environmental Planning
Fair & National Date Festival
Foreign Trade
Graffiti Abatement

Parking
Project Management
Purchasing Group
Real Property
Redevelopment Agency
Workforce Development

Reasons Why Project is Exempt: The project is exempt from the provisions of CEQA specifically by the State CEQA Guidelines as identified below. The project will not result in any specific or general exceptions to the use of the categorical exemption as detailed under State CEQA Guidelines Section 15300.2. The project is the sale of real property involving the transfer of title to the real property that is no longer needed for the use by or purposes of the County. The project will not cause any impacts to scenic resources, historic resources, or unique sensitive environments and will not result in any physical changes to the existing site. Further, no unusual circumstances or potential cumulative impacts would occur that may reasonably create an environmental impact. The conveyance of real property will not have an effect on the environment; thus, no environmental impacts are anticipated to occur.

- Section 15312 (a)(b)(3) – Sale of Surplus Government Property Exemption. The project as proposed is the sale of real property consisting of approximately 17.11 acres of vacant land. The property does not have significant values for wildlife habitat or other environmental purposes, and the use of the property and adjacent property has not changed since the time of acquisition by the County. The action does not provide for an increase in use of the land or any development activity and would not result in any physical environmental impacts under CEQA.
- Section 15061 (b)(3) – “Common Sense” Exemption. In accordance with CEQA, the use of the Common Sense Exemption is based on the “general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment” State CEQA Guidelines, Section 15061(b)(3). The use of this exemption is appropriate if “it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.” Ibid. This determination is an issue of fact and if sufficient evidence exists in the record that the activity cannot have a significant effect on the environment, then the exemption applies and no further evaluation under CEQA is required. See *Muzzy Ranch Co. v Solano County Airport Land Use Comm’n* (2007) 41 Cal.4th 372.
With certainty, it can be seen that the Project will not have a significant effect on the environment because it merely involves the sale of existing surplus property and will not require any construction activities or lead to any direct or reasonably foreseeable indirect physical environmental impacts to the existing site. The sale of the property does not facilitate an increase in the intensity of use of the site. Any future activity or project at the location would require CEQA review from the lead agency and any potential change of use or future project would be wholly speculative at this time. Therefore, the Project is exempt from further CEQA analysis.

Based upon the identified exemptions above, the County of Riverside, Economic Development Agency hereby concludes that no physical environmental impacts are anticipated to occur and the project as proposed meets all of the required categorical exemptions as identified. No further environmental analysis is warranted.

Signed: _____

Date: _____

John Alfred, Acting Senior Environmental Planner
County of Riverside, Economic Development Agency

RIVERSIDE COUNTY CLERK & RECORDER

**AUTHORIZATION
TO BILL
BY JOURNAL VOUCHER**

Project Name: Monterey Surplus, located in the City of Palm Desert

Accounting String: 524830-47220-7200400000- FM0417200214

DATE: October 28, 2015

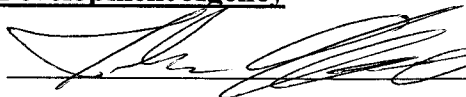
AGENCY: Riverside County Economic Development Agency

THIS AUTHORIZES THE COUNTY CLERK & RECORDER TO BILL FOR FILING AND HANDLING FEES FOR THE ACCOMPANYING DOCUMENT(S).

NUMBER OF DOCUMENTS INCLUDED: One (1)

AUTHORIZED BY: John Alfred, Acting Senior Environmental Planner, Economic Development Agency

Signature:



PRESENTED BY: James Force, Supervising Real Property Agent, Economic Development Agency

-TO BE FILLED IN BY COUNTY CLERK-

ACCEPTED BY: -

DATE: -

RECEIPT # (S) -



Date: October 28, 2015

To: Mary Ann Meyer, Office of the County Clerk

From: John Alfred, Acting Senior Environmental Planner, Project Management Office

Subject: **County of Riverside Economic Development Agency Project # FM0417200214**
Monterey Surplus, located in the City of Palm Desert

The Riverside County's Economic Development Agency's Project Management Office is requesting that you post the attached Notice of Exemption. Attached you will find an authorization to bill by journal voucher for your posting fee.

After posting, please return the document to Mail Stop #1330 Attention: John Alfred, Acting Senior Environmental Planner, Economic Development Agency, 3403 10th Street, Suite 400. Riverside, CA 92501. If you have any questions, please contact John Alfred at 955-4844.

Attachment

cc: file

Assessor's Parcel No.: 685-020-014

Property Location: Monterey Avenue & Gateway Drive, Palm Desert, CA.

OFFER AND AGREEMENT TO PURCHASE REAL PROPERTY

Table of Contents

1. TERM OF OFFER.....	1
2. REJECTION OR WITHDRAWAL OF OFFER	1
3. ESCROW.....	2
4. ADDITIONAL DEPOSITS	2
5. CONTINGENCY PERIOD.....	2
6. BUYER'S COSTS	3
7. SELLER'S COSTS.....	4
8. DELIVERY OF DOCUMENTS AND FUNDS.....	4
9. TITLE.....	5
10. VESTING.....	5
11. PRORATIONS.....	5
12. TAXES.....	6
13. POSSESSION.....	6
14. PROPERTY SOLD IN "AS-IS" CONDITION	6
15. TRANSFER DISCLOSURE.....	6
16. LIQUIDATED DAMAGES	7
17. NON-DISCRIMINATION AND PROPERTY USE	7
18. PERMITS AND LICENSES.....	7
19. ASSIGNMENT.....	7
20. SUCCESSORS IN INTEREST.....	7
21. PARTIAL INVALIDITY.....	8
22. NOTICES.....	8
23. BROKERS.....	8
24. TIME.....	8
25. INTEGRATION; AMENDMENTS	8
26. JOINT REPRESENTATIONS AND WARRANTIES.....	9
27. ATTACHMENTS.....	9

Assessor's Parcel No.: 685-020-014

Property Location: Monterey Avenue & Gateway Drive, Palm Desert, CA.

OFFER AND AGREEMENT TO PURCHASE REAL PROPERTY

BUYER: FOUNTAINHEAD SHRUGGED, LLC, a California limited liability company

SELLER: COUNTY OF RIVERSIDE, a political subdivision of the State of California

For valuable consideration, BUYER has made an offer and agrees to purchase and SELLER agrees to sell the real property, hereinafter referred to as the "Property," consisting of approximately 17.11 acres of vacant land, depicted on Exhibit "A" attached hereto, upon the terms and conditions as stated herein for the Purchase Price of:

**SEVEN MILLION, TWO HUNDRED FIFTY THOUSAND DOLLARS
(\$7,250,000.00) ("Purchase Price")**

BUYER shall deliver to SELLER a Good Faith Initial Deposit in the amount of Fifty Thousand Dollars (\$50,000.00) payable to Lawyers Title within five (5) days of SELLER'S execution of this agreement. Initial Deposit shall become non-refundable but applicable to the Purchase Price on the one hundred twenty first (121) day after SELLER'S execution of this agreement.

1. TERM OF OFFER

This offer will remain open and will not be revoked by BUYER for the period commencing with the date of execution of this agreement by BUYER and ending on the earlier of:

- A. 60 days thereafter; or
- B. Receipt of written notice from SELLER that the offer has been rejected.

Within 60 days after the execution of this agreement by BUYER, SELLER's Board of Supervisors shall consider this offer and accept or reject it. SELLER's failure to consider the offer and accept or reject it within the 60 day period shall neither subject SELLER to any liability, nor constitute an acceptance of the offer.

SELLER may accept this offer after expiration of such 60 day period, subject to BUYER's right to withdraw the offer as set forth in Clause 2 (Rejection or Withdrawal of Offer).

BUYER acknowledges that no rights or interests in the Property are created by submission of this offer. This agreement is not binding upon SELLER until the offer is accepted in the manner prescribed herein, the Agreement is approved by the Board of Supervisors and BUYER complies fully with each and every term and condition contained herein.

2. REJECTION OR WITHDRAWAL OF OFFER

Should this offer be rejected, the Bid Deposit paid by BUYER shall be refunded.

Should SELLER fail to accept or reject this offer within the 60 day period specified in Clause 1 (Term of Offer), BUYER may withdraw the offer by providing written notice to SELLER. In such event, the Deposit paid by BUYER shall be refunded, provided BUYER withdraws the offer prior to SELLER's acceptance of the offer as set forth in Clause 1 (Term of Offer).

3. ESCROW

BUYER and SELLER shall open an escrow (the "**Escrow**") with Escrow Holder within ten (10) business days after the parties have both approved and executed the Agreement by delivery to Escrow Holder a fully executed original or originally executed counterparts of this Agreement and this date shall be the official Opening Date of Escrow, referenced herein. BUYER and SELLER agree to execute escrow instructions reasonably required by Lawyers Title Company, hereinafter referred to as the "Escrow Holder". The BUYER and SELLER shall deliver the signed escrow instructions to the Escrow Holder within sixty (60) days after receipt of the escrow instructions by the Escrow Holder or the Opening Date of Escrow, whichever date is later. The escrow instructions shall provide for close of Escrow within three hundred thirty (330) days after full execution of this Agreement inclusive of any options to the Contingency Period exercised by BUYER, or sooner if it is mutually desirable to BUYER and SELLER. Escrow Holder will prepare written escrow instructions for review and approval by BUYER and SELLER, including Escrow Holder's General Provisions, all of which will be consistent with the provisions of this Agreement. In the event of any inconsistency between any escrow instructions provided by Escrow Holder and this Agreement, the terms of this Agreement will govern. The term of Escrow shall not be extended unless authorized in writing by SELLER. In the event that BUYER does not exercise any or all of the options to extend the Contingency Period, Escrow may close sooner than 330 days provided all conditions precedent to the close of Escrow have been satisfied by the Parties.

The balance of the Purchase Price, in excess of the Good Faith Initial Deposit, shall be paid in cash through Escrow as provided in Clause 8 (Delivery of Documents and Funds).

Close of Escrow shall be the date that the documents are recorded. If Escrow does not close within the maximum 330-day term, SELLER may cancel Escrow. In such event, the Escrow Holder shall remit to SELLER all deposits or Escrow payments made by BUYER, except an amount equal to escrow and title cancellation fees which shall be retained by the Escrow Holder. SELLER shall disburse this remittance in accordance with Clause 16 (Liquidated Damages).

4. ADDITIONAL DEPOSITS

Prior to the close of Escrow, BUYER shall pay into Escrow an amount hereinafter referred to as the "Additional Deposit," equal to the escrow and title cancellation fees. These fees shall be applied to BUYER's closing costs, provided Escrow is not canceled.

In the event BUYER fails, for any reason whatsoever, to pay into Escrow within such period the amounts specified in this clause, SELLER may cancel Escrow and retain any Deposit as liquidated damages in accordance with Clause 16 (Liquidated Damages).

The Good Faith Initial Deposit paid by BUYER whether paid in or outside of Escrow and the Additional Deposit specified in this clause shall constitute a portion of the Purchase Price. The balance of the Purchase Price shall be paid into Escrow by BUYER as provided in Clause 8 (Delivery of Documents and Funds).

5. CONTINGENCY PERIOD

SELLER shall grant BUYER a period of Two Hundred Seventy (270) days from the full execution of the agreement ("Contingency Period") to complete its due diligence for the purchase the Property and for its own reasons including the following:

- A. **Title:** title condition of the Property including title exceptions and underlying documents, as evidenced by a Preliminary Report issued by Lawyers Title (such report to be delivered to BUYER by SELLER within fifteen days of the execution of this agreement), with any property approval subject to BUYER's reservation of title approval as a condition of closing with regard to any exceptions appearing on title subsequent to the expiring of the Contingency Period.

- B. **Physical Inspection:** feasibility of the Property for BUYER's intended purposes. In this regard, SELLER shall grant BUYER the right to conduct engineering studies and other such feasibility studies regarding the condition of the Property, as it may consider necessary, at a mutually convenient time upon three (3) business days prior notice to SELLER.
- C. **Governmental Regulations:** zoning, land use, and other governmental regulations, laws, permits, and approvals that apply to the Property.
- D. **Documents:** contracts, rent rolls, plan studies, and reports, if any, which bind the Property or will affect the use of the Property after the close of Escrow.
- E. **Entitlements:** BUYER's ability to secure the required entitlements for BUYER's intended development.
- F. **Environmental:** environmental condition of the Property. In this regard, BUYER shall have the right to conduct an environmental audit of the Property and such other environmental studies and investigations regarding the environmental condition of the Property as BUYER deems prudent, at mutually convenient times upon no less than three (3) business days prior notice to SELLER. BUYER, its agents and consultants, are hereby granted a right of entry upon the Property in order to conduct such environmental studies and investigations

If the condition of the Property is approved, BUYER shall notify SELLER and Escrow Agent in writing of such approval prior to the expiration of the Contingency Period, and in such event, BUYER's Deposit and any extension payments shall become non-refundable, subject to the terms of this Agreement. In the event that BUYER does not approve the condition of the Property, BUYER shall notify SELLER and Escrow Agent in writing of such disapproval prior to the expiration of the Contingency Period; Escrow will be terminated and BUYER's Deposit will be refunded subject to the terms of this Agreement.

If no notice of approval or disapproval is received from BUYER after the Contingency Period but prior to the expiration of a Contingency Period extension, the Property shall be deemed approved by the BUYER, and in such event, the BUYER shall be bound under the Purchase Agreement to consummate this transaction.

BUYER shall have the right to extend the Contingency Period for two (2) periods of thirty (30) days each by providing SELLER and Escrow Agent notice to extend prior to the expiration of the Contingency Period or subsequent extension periods and depositing into Escrow an additional five thousand dollars (\$5,000.00) for each extension. These Contingency Period extensions shall be immediately non-refundable but shall be applicable toward the Purchase Price at the close of Escrow.

6. BUYER'S COSTS

BUYER shall pay the following closing costs in connection with this purchase:

- A. Any endorsements or an ALTA extended policy of title: if BUYER desires to purchase;
- B. One half of the escrow fees;
- C. All other closing costs and recording fees applicable to this purchase, including, without limitation, preliminary change of ownership fees. If all conditions of this offer are met by SELLER, but BUYER does not complete the purchase, BUYER will be responsible for payment of any escrow and title cancellation fees.

7. SELLER'S COSTS

SELLER shall pay the following closing costs in connection with this purchase:

- A. SELLER will cause the title company to issue to BUYER a CLTA standard coverage owner's policy of title;
- B. One half of the escrow fees;
- C. Documentary transfer tax.

8. DELIVERY OF DOCUMENTS AND FUNDS

- A. BUYER'S Payments and Documents. No less than one (1) business day prior to Closing, BUYER shall pay or tender (as applicable) to the Escrow Holder the following described funds and documents (in recordable form, as necessary):
 - 1) The Purchase Price;
 - 2) Funds required to pay BUYER'S portion of the Escrow fees, recording fees and notary fees attributable to the conveyance of the Property, and, if applicable, the additional costs associated with an Extended Policy, and any Title endorsements requested by BUYER payable by BUYER pursuant to Section 6 of this Agreement.
 - 3) Funds required to pay any additional charges customarily charged to buyers in accordance with common escrow practices in County, at the discretion of Escrow Holder.
 - 4) Preliminary Change of Ownership form.
 - 5) Documentary Transfer Tax Affidavit.
 - 6) Such other documents and funds required of BUYER under this Agreement and by Escrow Holder in the performance of its contractual or statutory obligations.
- B. SELLER'S Payments and Documents. No less than one (1) business day prior to Closing, SELLER shall pay or tender (as applicable) to the Escrow Holder the following described funds and documents (in recordable form, as necessary); provided, however, that SELLER shall not be obligated to deposit any funds in Escrow and all payment obligations of SELLER set forth below shall be paid from the proceeds of the Purchase Price due to SELLER hereunder:
 - 1) Funds required to pay SELLER'S portion of the Escrow fees, recording fees and notary fees attributable to the conveyance of the Property, and the costs associated with the CLTA Title Policy pursuant to Section 9 of this Agreement as set forth in the closing statement approved by SELLER.
 - 2) Any additional charges customarily charged to sellers in accordance with common escrow practices in Riverside County, as set forth in the closing statement approved by SELLER.
 - 3) A fully executed and acknowledged Grant Deed in the form attached hereto as Exhibit "B".
 - 4) FIRPTA Certificate in the form attached hereto as Exhibit "C" and appropriate California Form 593.

- 5) Such other documents and funds required of SELLER under this Agreement and by Escrow Holder in the performance of its contractual or statutory obligations. All payments specified in this clause shall be by cash, cashier's check, or wire transfer such that the funds are immediately available for the Escrow Holder to disburse cash proceeds accrued to SELLER at close of Escrow.

9. TITLE

At the Close of Escrow, at the SELLER's expense, the Title Company will issue a Title CLTA Owner's Standard Coverage Policy of Title Insurance in the amount of the Purchase Price. If BUYER elects to purchase an ALTA extended policy of title insurance, it shall be supplied by Lawyers Title Company and BUYER shall be liable for the difference in premium costs between the standard and extended coverage.

Title shall be subject to:

- A. Exceptions shown in Schedule B of the Preliminary Report, except 1) any delinquent taxes shown in said report which shall be paid through Escrow and 2) any title exceptions to which BUYER objects in writing not later than thirty (30) days prior to the expiration of the Contingency Period and which SELLER thereafter agrees in writing to cause the objectionable exception to be deleted;
- B. Any deed of trust or other documents needed to perfect the security interest of the lender, if any, providing purchase money for this purchase.

If SELLER is unable to deliver title to the Property as set forth above, BUYER shall have the option to:

- C. Accept title in the condition it exists, without a reduction in the Purchase Price. Acceptance of such title by BUYER shall constitute full satisfaction of the terms of this agreement as they relate to title, and SELLER shall in no way be liable for failure to deliver title as set forth above; or
- D. Terminate this agreement by delivering written notice thereof to SELLER and to the Escrow Holder. In such event, BUYER shall receive a refund of all money paid hereunder except costs already expended by the BUYER for initiating the sale. BUYER and SELLER shall be relieved of further obligation to one another. If the agreement is terminated as provided for in this paragraph, all escrow and title fees incurred shall be paid by SELLER, and BUYER shall not be liable therefore.

10. VESTING

Title to the Property to be conveyed pursuant to this agreement shall be vested as set forth by BUYER below or to the nominee designated by BUYER pursuant to Section 19 of this Agreement.

Fountainhead Shrugged LLC

Verify and initial (G)

BUYER IS AWARE THAT THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES AND HAS GIVEN THIS MATTER SERIOUS CONSIDERATION.

11. PRORATIONS

Property taxes shall not be prorated to the close of Escrow. BUYER acknowledges that SELLER is a public entity and exempt from payment of any real property taxes. BUYER will be responsible for payment of real property taxes that are due and payable at Close of Escrow; provided, however, that since the Property has been exempt from real property taxation under SELLER'S ownership, BUYER shall have the right to apply for a refund to the County Tax Collector/Assessor, outside of and after the Close of Escrow, for any real property taxes payable with respect to a period prior to Close of

Escrow. SELLER will cooperate with respect to filing any necessary documentation with the County Tax Collector/Assessor to assist the BUYER in obtaining a refund if eligible for such refund.

12. TAXES

THE PROPERTY WILL BE REASSESSED UPON CHANGE OF OWNERSHIP. THIS WILL AFFECT THE AMOUNT OF PROPERTY TAXES. After close of Escrow, a Supplemental Tax Bill will be issued which shall be the responsibility of BUYER to pay.

13. POSSESSION

Possession and occupancy of the Property shall be delivered to BUYER at close of Escrow.

14. PROPERTY SOLD IN "AS-IS" CONDITION

BUYER acknowledges that the Property is sold in "as-is" condition, as of the date of this Agreement, without warranty, and that SELLER is not responsible for making corrections or repairs of any nature. BUYER further acknowledges that SELLER has made no representations or warranties regarding the Property, including, but not limited to:

- A. Property lines and boundaries;
- B. Possible absence of required governmental permits, inspections, certificates, or other determinations affecting the Property; limitations, restrictions, and requirements affecting the use of the Property, future development, zoning, building, and size;
- C. Governmental restrictions which may limit the amount of rent that can lawfully be charged and/or the maximum number of persons who can lawfully occupy the Property;
- D. Water and utility availability and use restrictions;
- E. Potential environmental hazards, including asbestos, formaldehyde, radon, methane, other gases, lead-based paint, other lead contamination, fuel or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions;
- F. Neighborhood or area conditions, including schools, proximity and adequacy of law enforcement, proximity to commercial, industrial, or agricultural activities, crime statistics, fire protection, other governmental services, existing and proposed transportation, construction, and development which may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, or other nuisances, hazards, or circumstances; and
- G. Geologic/seismic conditions, soil and terrain stability, suitability, and drainage; and
- H. Conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements, and preferences of BUYER.

BUYER represents and warrants to SELLER that BUYER and/or BUYER's representatives and employees will make their own independent inspections, investigations, tests, surveys, and other studies of the Property and agrees to purchase the Property in "as-is" condition.

15. TRANSFER DISCLOSURE

This provision is not applicable to this transaction.

16. LIQUIDATED DAMAGES

IF BUYER FAILS TO PROCEED WITH THE PURCHASE AS HEREIN PROVIDED BY REASON OF ANY DEFAULT OF BUYER, SELLER SHALL BE RELEASED FROM SELLER'S OBLIGATION TO SELL THE PROPERTY TO BUYER. BY INITIALING THIS PARAGRAPH, BUYER AND SELLER AGREE THAT, IN SUCH EVENT, SELLER SHALL RETAIN AS LIQUIDATED DAMAGES THE TOTAL DEPOSITS ACTUALLY PAID BY BUYER AND ALL OTHER SELLER REMEDIES BEING WAIVED.

SELLER's Initials _____ / _____

BUYER's Initials C. I

Failure to initial the paragraph above renders this offer non-responsive and the offer will be returned to BUYER without consideration of SELLER.

17. NON-DISCRIMINATION AND PROPERTY USE

BUYER agrees that there shall be no discrimination against, or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the subsequent sales, leases, subleases, transfers, uses, occupancy, tenure, or enjoyment of the Property. BUYER, or any person claiming under or through BUYER, shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or, occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property.

BUYER acknowledges that the covenants and restrictions contained in this clause shall be included as covenants and restrictions in the Grant Deed conveying title to the Property.

18. PERMITS AND LICENSES

BUYER shall be required to obtain any and all permits and/or licenses which may be required in connection with the purchase of the Property. No permit, approval, or consent given to BUYER by SELLER, in its governmental capacity, shall affect or limit BUYER's obligations hereunder. No approvals or consents given by SELLER, as a party to this agreement, shall be deemed approval as to compliance or conformance with applicable governmental codes, laws, or regulations.

19. ASSIGNMENT

This agreement shall not be sold, assigned, or otherwise transferred by BUYER without the prior written consent of SELLER. Failure to obtain SELLER's written consent shall render such sale, assignment, or transfer void. BUYER may assign or designate a nominee to acquire the Property, provided, however, 1) that any such assignment or designation shall not relieve BUYER of any of its obligations under this Agreement, 2) the BUYER provides advance written notice to the SELLER and the Escrow Holder of the designation and the nominee's full and correct legal name, and 3) the nominee is a duly created entity and has the capacity to hold and acquire the real property at the time close of Escrow shall occur. Without SELLER'S written consent but subject to compliance by BUYER with requirements (2) and (3) above, BUYER may assign its rights under this Agreement to an affiliate of BUYER. An "affiliate" is an entity that controls, is controlled by or under common control with BUYER.

20. SUCCESSORS IN INTEREST

Subject to the restrictions in Clause 19 (Assignment), this agreement shall inure to the benefit of, and be binding upon, BUYER and SELLER and their respective heirs, successors, and assigns.

21. PARTIAL INVALIDITY

This agreement shall be governed by and construed according to the laws of the State of California. The invalidity of any provision in this agreement, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

22. NOTICES

All notices, documents, correspondence, and communications concerning this transaction shall be addressed as set forth in this clause, or as the parties may hereafter designate by written notice, and shall be sent through the United States mail, duly registered or certified with postage prepaid. Any such mailing shall be deemed served or delivered 24 hours after mailing. Notwithstanding the above, SELLER may also provide notices, documents, correspondence, or such other communications to BUYER by personal delivery or by regular mail and, so given, shall be deemed to have been given upon receipt if provided by personal delivery or 48 hours after mailing if provided by regular mail.

SELLER

County of Riverside
3403 10th Street, Suite 400
Riverside, CA 92501
Attn: Vincent Yzaguirre
Email: vyzaguirre@rivcoeda.org
Phone: (951) 955-4820

BUYER

Fountainhead Development
1401 Quail Street, Suite 100
Newport Beach, CA 92660
Attn: Tina Prater
Email: tprater@fountainheaddev.com
Phone: (949) 752-2515

ESCROW HOLDER

Lawyers Title Company
3480 Vine Street, Suite 300
Riverside, CA 92507
Telephone: (951) 774-0825

23. BROKER'S

BUYER and SELLER each represent to the other that no brokers, agents, finders or any other person have been used in connection with this transaction and that no brokerage or any other commission or fee will be payable. Each party agrees to defend, indemnify and hold harmless the other party from any and all claims, expenses, costs, or liabilities arising in connection with a claim by a broker for any such fees or commissions.

24. TIME

Time is of the essence in the performance of BUYER's and SELLER's respective obligations contained in this agreement. Failure to comply with any time requirement contained herein shall constitute a material breach of this agreement.

25. INTEGRATION; AMENDMENTS

This agreement contains the sole and only agreement between BUYER and SELLER relating to this offer and agreement to purchase the Property described herein. All negotiations and agreements between BUYER and SELLER are merged into this agreement. Any amendments or modifications to this agreement must be in writing and executed by both parties. Any oral representations or modifications are of no force and effect unless contained in a subsequent instrument made in writing and signed by both BUYER and SELLER.

26. JOINT REPRESENTATIONS AND WARRANTIES. In addition to any express agreements of the parties contained herein, the following constitute representations and warranties of the parties each to the other:

A. Each party has the legal power, right and authority to enter into this Agreement and the instruments referenced herein.

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

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

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

E. At Closing, SELLER shall convey the Property to BUYER with good and marketable title to the Property.

27. ATTACHMENTS

This agreement includes the following, which are attached and made a part hereof:

- Exhibit "A" : Legal Description
- Exhibit "B" : Grant Deed
- Exhibit "C": FIRPTA Certificate

BUYER hereby submits this offer with full cognizance of the terms and conditions contained herein.

(Signatures on the following page)

BROKER N/A

BUYER

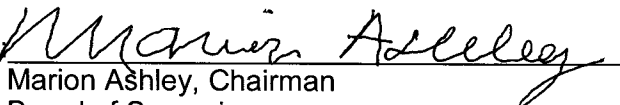
Fountainhead Shrugged, LLC, a California limited liability company

By: 
Craig Smith, Managing Member

SELLER has considered and accepts this offer on this date of November 10, 2015

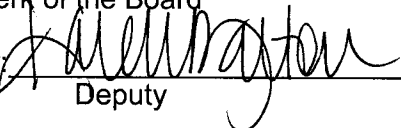
SELLER

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

By: 
Marion Ashley, Chairman
Board of Supervisors


ATTEST:

Kecia Harper-Ihem
Clerk of the Board

By: 
Deputy

APPROVED AS TO FORM:

Gregory P. Priamos, County Counsel

By: 
Cynthia M. Gunzel
Deputy County Counsel

VY:ra/042315/214FM/17.535 S:\Real Property\TYPING\Docs-17.500 to 17.999\17.535.doc

EXHIBIT "A"

LEGAL DESCRIPTION

That certain real property in the City of Palm Desert, County of Riverside, State of California, described as follows:

BEING THE PARCELS DESCRIBED IN EXHIBITS "A", "B" AND "C" OF QUITCLAIM DEED TO THE COUNTY OF RIVERSIDE RECORDED MARCH 18, 2015 AS DOCUMENT NUMBER 2015-0108084, OFFICIAL RECORDS OF THE RECORDER OF RIVERSIDE COUNTY, CALIFORNIA, THE PARCEL DESCRIBED IN EXHIBIT "A" OF QUITCLAIM DEED TO THE COUNTY OF RIVERSIDE RECORDED MARCH 18, 2015 AS DOCUMENT NUMBER 2015-0108085, OFFICIAL RECORDS OF SAID RECORDER, ALL THAT PART EXCEPTED OUT OF PARCEL 3 AS DESCRIBED IN A QUITCLAIM DEED TO THE CITY OF PALM DESERT RECORDED MARCH 18, 2015 AS DOCUMENT NUMBER 2015-0108083, OFFICIAL RECORDS OF SAID RECORDER, AND A PORTION OF THE REMAINDER PARCEL AS SHOWN ON PARCEL MAP NUMBER 22635 ON FILE IN BOOK 166, PAGES 74 THROUGH 79, INCLUSIVE, OF PARCEL MAPS, RECORDS OF SAID RECORDER, LYING WITHIN THE SOUTHWEST QUARTER OF SECTION 20 AND THE NORTHWEST QUARTER OF SECTION 29, TOWNSHIP 4 SOUTH, RANGE 6 EAST, SAN BERNARDINO MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 20; THENCE S 89°59'29" E ALONG THE SOUTH LINE OF SAID SOUTHWEST QUARTER, A DISTANCE OF 1561.40 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHERN PACIFIC RAILROAD RIGHT-OF-WAY AS SHOWN ON SAID PARCEL MAP NUMBER 22635, ALSO BEING THE MOST NORTHEASTERLY CORNER OF SAID PARCEL DESCRIBED ON EXHIBIT "A" IN DOCUMENT UMBER 2015-0108085 AND THE TRUE POINT OF BEGINNING;

THENCE S 54°33'45" E ALONG SAID SOUTH RIGHT-OF-WAY LINE, A DISTANCE OF 86.25 FEET TO THE SOUTH LINE OF SAID PARCEL DESCRIBED ON EXHIBIT "A" DOCUMENT NUMBER 2015-0108085, ALSO BEING A POINT ON A LINE PARALLEL WITH AND DISTANT 50.00 FEET SOUTHERLY OF AS MEASURED AT RIGHT ANGLES TO THE SOUTH LINE OF SAID SOUTHWEST QUARTER;

THENCE N 89°59'29" W ALONG SAID SOUTH LINE AND SAID PARALLEL LINE, A DISTANCE OF 697.17 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF DINAH SHORE DRIVE, 50 FOOT HALF WIDTH, AS DESCRIBED ON SAID EXHIBIT "A" DOCUMENT NUMBER 2015-0108085 AND THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 2,050.00 FEET AND AN INITIAL RADIAL BEARING OF N 17°58'43" E;

THENCE NORTHWESTERLY ALONG SAID NORTHERLY RIGHT-OF-WAY LINE AND SAID CURVE THROUGH A CENTRAL ANGLE OF 09°18'05", AN ARC DISTANCE OF 332.79 FEET TO AN ANGLE POINT ON THE WESTERLY LINE OF SAID PARCEL DESCRIBED ON EXHIBIT "B" DOCUMENT NUMBER 2015- 0108084;

THENCE N 38°04'56" W ALONG SAID WESTERLY LINE, A DISTANCE OF 36.11 FEET TO THE MOST WESTERLY CORNER OF SAID PARCEL DESCRIBED ON EXHIBIT "B" AND A POINT ON THE SOUTHERLY LINE OF SAID REMAINDER PARCEL SHOWN ON PARCEL MAP 22635;

THENCE N 89°59'29" W ALONG SAID SOUTHERLY LINE, A DISTANCE OF 172.21 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 213.50 FEET AND AN INITIAL RADIAL BEARING OF N 15°29'18" E, ALSO BEING THE MOST EASTERLY POINT AS DESCRIBED IN GRANT DEED TO THE CITY OF PALM DESERT, DOCUMENT NUMBER 2005-0396156 RECORDED MAY 18, 2005, OFFICIAL RECORDS OF SAID RECORDER;

THENCE NORTHWESTERLY ALONG THE NORTHERLY LINE OF SAID GRANT DEED TO THE CITY OF PALM DESERT AND SAID CURVE THROUGH A CENTRAL ANGLE OF 11°46'42", AN ARC DISTANCE OF 43.89 FEET;

THENCE N 86°17'24" W ALONG SAID NORTHERLY LINE, A DISTANCE OF 200.77 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 84.50 FEET AND AN INITIAL RADIAL BEARING OF S 12°35'55" W;

THENCE NORTHWESTERLY ALONG THE NORTHEASTERLY LINE OF SAID GRANT DEED TO THE CITY OF PALM DESERT AND SAID CURVE THROUGH A CENTRAL ANGLE OF 75°57'09", AN ARC DISTANCE OF 112.01 FEET;

THENCE N 01°26'56" W ALONG THE EASTERLY LINE OF SAID GRANT DEED TO THE CITY OF PALM DESERT, A DISTANCE OF 157.62 FEET TO THE MOST SOUTHERLY POINT OF SAID PARCEL DESCRIBED ON EXHIBIT "A" DOCUMENT NUMBER 2015-0108084, ALSO BEING A POINT ON A LINE PARALLEL WITH AND DISTANT 103.05 FEET EASTERLY OF AS MEASURED AT RIGHT ANGLES TO THE CENTERLINE OF MONTEREY AVENUE AS SHOWN ON SAID PARCEL MAP 22635;

THENCE N 00°00'52" W ALONG SAID PARALLEL LINE AND THE WESTERLY LINE OF SAID PARCEL DESCRIBED ON EXHIBIT "A" DOCUMENT NUMBER 2015-0108084, A DISTANCE OF 241.39 FEET TO AN ANGLE POINT THEREIN;

THENCE N 05°50'03" E CONTINUING ALONG SAID WESTERLY LINE, A DISTANCE OF 212.42 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF PARCEL 3 OF SAID PARCEL MAP 22635 AND THE MOST SOUTHERLY POINT OF THAT PART EXCEPTED OUT IN EXHIBIT "A" OF SAID QUITCLAIM DEED DOCUMENT #2015-0108083;

THENCE N 05°50'03" E ALONG SAID WESTERLY LINE OF THAT PART EXCEPTED OUT OF SAID QUITCLAIM DEED, A DISTANCE OF 240.35 FEET TO A POINT ON THE SOUTH LINE OF SAID RIGHT-OF-WAY FOR THE SOUTHERN PACIFIC RAILROAD AS SHOWN ON SAID PARCEL MAP NUMBER 22635;

THENCE S 54°33'45" E ALONG SAID SOUTH RIGHT-OF-WAY LINE, A DISTANCE OF 1733.62 TO THE TRUE POINT OF BEGINNING;

RESERVING TO THE CITY OF PALM DESERT THE FOLLOWING EASEMENTS:

DRAINAGE AND PUBLIC UTILITY EASEMENTS OVER ALL THAT PORTION OF PARCEL 3 OF SAID PM 22635 DESCRIBED ON DOCUMENT NUMBER 2015-0108083;

A PUBLIC UTILITY EASEMENT OVER ALL OF THE PARCEL DESCRIBED ON EXHIBIT "B" DOCUMENT NUMBER 2015-0108084;

A DRAINAGE EASEMENT 50 FEET WIDE, THE NORTHEASTERLY LINE DESCRIBED AS FOLLOWS, THE SOUTHWESTERLY RIGHT-OF-WAY FOR THE SOUTHERN PACIFIC RAILROAD AS SHOWN ON SAID PARCEL MAP NUMBER 22635, THE SIDE LINES BEING LENGTHENED OR SHORTENED TO TERMINATE AT THE SOUTHERLY LINE OF THE ABOVE DESCRIBED MERGED PARCELS AND THE NORTHWESTERLY LINE OF SAID PARCEL DESCRIBED ON EXHIBIT "A" IN DOCUMENT NUMBER 2015- 0108084.

MERGED PARCELS CONTAINING: 746,976 SQUARE FEET, OR 17.15 ACRES, MORE OR LESS.

The above legal description is subject to modification by the Title Company and, in such event, any legal description set forth in the Title Report (as approved by Buyer) shall be deemed to supersede the above legal description without the necessity of amending this document.

EXHIBIT "B"

GRANT DEED

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

ATTN: _____

APN: _____
Tax Rate Area: _____

(Space Above For Recorder's Use)

THE UNDERSIGNED GRANTOR DECLARES:

DOCUMENTARY TRANSFER TAX IS \$ _____
☐ computed on full value of property conveyed,
☐ computed on full value less value of liens or encumbrances

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
_____, ("Grantor"), hereby conveys to
_____, ("Grantee"), all of Grantor's
right, title and interest in the following described real property ("Property") in the City of Palm
Desert, County of Riverside, State of California, as described in Exhibit A attached hereto and
by this reference made a part hereof, together with all and singular rights of way, easements,
privileges, tenements, hereditaments, and all other appurtenances thereon or in any way
attached thereto, and all right, title and interest of Grantor in and to all adjoining streets, alleys,
private roads, parking areas, curbs, curb cuts, sidewalks, landscaping, sewers and public ways.

SUBJECT TO: the permitted exceptions set forth on Exhibit B attached hereto and by
this reference made a part hereof.

Executed this ____ day of _____, 2015.

"GRANTOR"

State of California }
County of _____ } ss

personally appeared _____
(NAME/S OF SIGNER/S)

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

Signature of Notary Public

EXHIBIT A to GRANT DEED

LEGAL DESCRIPTION OF REAL PROPERTY

[TO BE INSERTED]

EXHIBIT B to GRANT DEED

PERMITTED EXCEPTIONS

[TO BE INSERTED]

EXHIBIT "C"

FIRPTA

**SELLER'S CERTIFICATION OF NON-FOREIGN STATUS UNDER FOREIGN INVESTMENT IN
REAL PROPERTY TAX ACT ("FIRPTA") (26 U.S.C. 1445)**

All items in this form must be completed by each seller. All sellers must have a taxpayer identification number (TIN) even if sellers CANNOT provide this certification and FIRPTA withholding must be done. **A TIN is not an indication that the seller is a resident alien or U.S. Citizen.**

Section 1445 of the Internal Revenue Code provides that a transferee (buyer of a U.S. real property interest must withhold tax if the transferor (seller) is a foreign person.

To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by the undersigned, the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor IS NOT a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations (if you are a foreign entity, withholding will be done unless another exemption applies);
2. Transferor IS NOT a disregarded entity as defined in Section 1.1445-2(b)(2)(iii);
3. Transferor's U.S. employer identification number is:
_____;
4. Transferor's office address is:

Transferor understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

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

Date

Name:

Title: