

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



ITEM  
3.8  
(ID # 3679)

**MEETING DATE:**

Tuesday, March 21, 2017

**FROM :** ECONOMIC DEVELOPMENT AGENCY (EDA):

**SUBJECT:** ECONOMIC DEVELOPMENT AGENCY (EDA): Third Amendment to Offer and Agreement to Purchase Real Property, Palm Desert, California; CEQA Exempt, District 4 [\$0] 100% Sale Proceeds

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

1. Find that the Third Amendment to Offer and Agreement to Purchase Real Property does not constitute a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378;
2. Approve the Third Amendment to Offer and Agreement to Purchase Real Property and authorize the Chairman of the Board of Supervisors to execute the same; and
3. 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.

**ACTION: (Policy)**

Robert Field, Assistant County Executive Officer/EDA

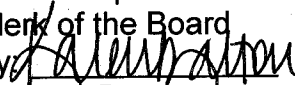
3/6/2017

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Tavaglione, seconded by Supervisor Jeffries and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione and Washington  
Nays: None  
Absent: Ashley  
Date: March 21, 2017  
xc: EDA

Kecia Harper-Ihem  
Clerk of the Board  
By   
Deputy

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<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> 100% Sale Proceeds			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b>	2016/2017

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

**BACKGROUND:**

**Summary**

On November 10, 2015, Minute Order 3-21, the Board of Supervisors adopted Resolution 2015-102, which approved an Offer and Agreement to Purchase Real Property (Original Agreement). The property which consists of 17.11 acres of commercially zoned County owned vacant land is located on the northeast corner of the intersection of Monterey Avenue and Dinah Shore Drive in the City of Palm Desert, County of Riverside, State of California, specifically identified as Assessor Parcel Number 685-020-020 (formerly identified as APN 685-020-014).

Under the Original Agreement, Fountainhead Shrugged, LLC, (Buyer) deposited \$50,000 into escrow. The agreement stipulated that the deposit would become non-refundable after 121 days but applicable to the purchase price. On April 12, 2016, Minute Order 3-26, the Board of Supervisors approved the First Amendment to Offer and Agreement to Purchase Real Property (First Amendment), which extended and modified the period for the deposit to become non-refundable from 121 days to 301 days. The term extension allowed the Buyer additional time to resolve title and development issues without having to relinquish their deposit. On September 13, 2016, Minute Order 3-17, the Board of Supervisors approved the Second Amendment to Offer and Agreement to Purchase Real Property (Second Amendment), which extended the Contingency Period and escrow for one additional six month period.

Additionally, under the Original Agreement, the Buyer was granted a period of two-hundred and seventy days from the execution of the agreement (Contingency Period) to complete its due diligence for the purchase, with the option to extend it by two periods of thirty days and the Buyer has fully exercised these options. The property is being sold "As-Is" with no guarantees as to condition and title. The Buyer has requested additional time to complete their due diligence, and under the proposed Third Amendment to Offer and Agreement to Purchase Real Property (Third Amendment) the County shall grant Buyer one final extension of the Contingency Period for one additional six month period.

Pursuant to California Environmental Quality Act Guidelines Section 15378, a project is defined by the whole of an action, which has a potential for resulting in a direct or indirect physical change in the environment. Furthermore, it can be seen with certainty that (as it only involves an

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extension of time) the attached Third Amendment to Offer and Agreement to Purchase Real Property will result in no physical change to the environment and is not a "project" under CEQA.

The attached Third Amendment to Offer and Agreement to Purchase Real Property has been reviewed and approved as to form by County Counsel.

**Impact on Citizens and Businesses**

The sale of this site by the County will generate important revenue for County purposes and services. The eventual and proposed development of the site will generate property and sales tax revenue as well as create hundreds of short-term construction jobs, and long-term service jobs for this area of the County.

**Attachments:**

Third Amendment to Offer and Agreement to Purchase Real Property (4)  
Aerial Image

RF:JWW:VC:VY:VY:tg 214FM 18.668 13516  
Minute Traq ID 3679

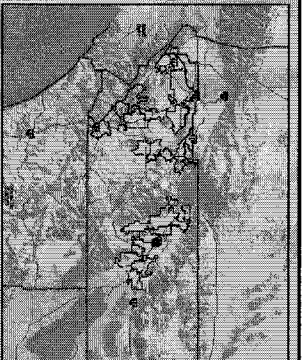
  
Rohini Dasika, Principal Management Analyst 3/13/2017

  
Gregory V. Priamos, Director County Counsel 3/7/2017

  
Gregory V. Priamos, Director County Counsel 3/7/2017

# Third Amendment to Offer and Agreement to Purchase

## Between Monterey Avenue and Dinah Shore Drive, Palm Desert



### Legend

- roadsanno
- highways
- HWM
- INTERCHANGE
- INTERSTATE
- OFFRAMP
- ONRAMP
- USHWY
- counties
- cities
- hydrography/lines
- waterbodies
- Lakes
- Rivers



**\*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.

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### Notes

APN: 885-020-020

**THIRD AMENDMENT TO OFFER AND AGREEMENT TO  
PURCHASE REAL PROPERTY**

THIS THIRD AMENDMENT TO OFFER AND AGREEMENT TO PURCHASE REAL PROPERTY ("**Amendment**"), dated as of February 27, 2017, is entered into by and between the **County of Riverside**, a political subdivision of the State of California, as "**Seller**", and **Fountainhead Shrugged, LLC**, a California limited liability company, as "**Buyer**", sometimes collectively referred to as the "**Parties**".

RECITALS

A. Seller and Buyer have entered into that certain Offer and Agreement to Purchase Real Property, dated November 10, 2015, as amended by that certain First Amendment to Offer and Agreement to Purchase Real Property, dated April 14, 2016, and that certain Second Amendment to Offer and Agreement to Purchase Real Property, dated September 13, 2016, (collectively, the "**Agreement**") pursuant to which Seller has agreed to sell to Buyer and Buyer has agreed to purchase from Seller approximately 17.11 acres of vacant land located at Monterey Avenue and Dinah Shore Drive, in Palm Desert, California, specifically identified as Assessor's Parcel Number 685-020-020 (formerly identified as APN: 685-020-014), consisting of approximately 17.11 acres of vacant land (the "**Property**").

B. The Parties now desire to amend the Agreement to provide a final Contingency Period extension and a new closing date.

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

1. **CONTINGENCY PERIOD**. In addition to any extension of the Contingency Period exercised and paid for by the BUYER or previously provided by the SELLER, SELLER hereby grants BUYER one final extension of the Contingency Period which shall expire on October 5, 2017 (the "**Final Extension**"). BUYER acknowledges that the SELLER has elected not to remove any exceptions to title and that the Property is being sold "as is". This Final Extension provides BUYER with time for extended due diligence to satisfy itself as to the acceptability of title, the condition of the Property and all other matters related to the Property. No further extensions shall be considered or available and none will be granted by the SELLER for any reason.

2. **CLOSE OF ESCROW**. Escrow shall close on or before October 5, 2017. If the close of Escrow does not occur on or before the expiration of the Final Extension, BUYER or SELLER may terminate this Agreement by providing written notice to Escrow. Consent from the other party shall not be a requirement for such termination. All references in the Agreement to the "maximum 330-day term" or any variations thereof are hereby amended to refer to the Final Extension. To the extent necessary, BUYER and SELLER hereby agree to amend any escrow instructions executed by the parties to reflect the new Final Extension.

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3. CAPITALIZED TERMS; AMENDMENT TO PREVAIL. Unless defined herein or the context requires otherwise, all capitalized terms herein shall have the meaning defined in the Agreement. The provisions of this Amendment shall prevail over any inconsistency or conflicting provisions of the Agreement, and shall supplement the remaining provisions thereof.

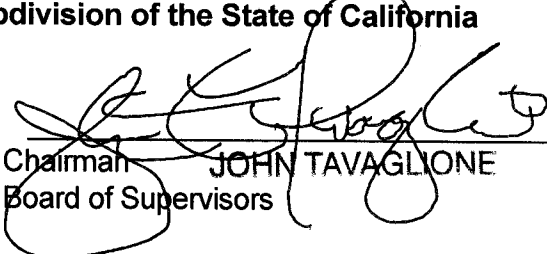
4. MISCELLANEOUS. Except as amended or modified herein, all the terms of the Agreement, including but not limited to the "as is" condition of the sale pursuant to Section 14 of the Agreement, shall remain in full force and effect and shall apply with the same force and effect. Time is of the essence in this Amendment and the Agreement and each and all of their respective provisions. Subject to the provisions of the Agreement as to assignment, the agreements, conditions and provisions herein contained shall apply to and bind the heirs, executors, administrators, successors and assigns of the parties hereto. If any provision of this Amendment shall be determined to be illegal or unenforceable, such determination shall not affect any other provision hereof and all such other provisions shall remain in full force and effect. The language in all parts of the Agreement shall be construed according to its normal and usual meaning and not strictly for or against either SELLER or BUYER.

5. EFFECTIVE DATE. This Amendment shall not be binding or consummated until its approval by the Riverside County Board of Supervisors and fully executed by the Parties.

**SIGNATURE PAGES FOLLOW**

IN WITNESS WHEREOF, the parties have executed this Third Amendment as of the date first written above.

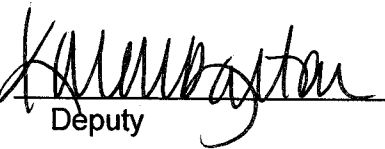
**SELLER:**  
**COUNTY OF RIVERSIDE, a political  
subdivision of the State of California**

By:   
Chairman **JOHN TAVAGLIONE**  
Board of Supervisors

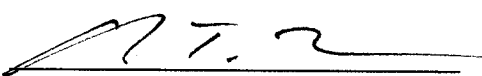
**BUYER:**  
**FOUNTAINHEAD SHRUGGED, LLC, a California  
limited liability company**

By:   
Craig Smith, Managing Member

**ATTEST:**  
Kecia Harper-Them  
Clerk of the Board

By:   
Deputy

**APPROVED AS TO FORM:**  
Gregory P. Priamos, County Counsel

By:   
R. Todd Frahm  
Deputy County Counsel