

**SUBMITTAL TO THE FLOOD CONTROL AND  
WATER CONSERVATION DISTRICT  
BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM  
11.10  
(ID # 7652)

**MEETING DATE:**  
Tuesday, July 31, 2018


**FROM :** FLOOD CONTROL DISTRICT:

**SUBJECT:** FLOOD CONTROL DISTRICT: Adopt Resolution No. F2018-19, Authorization to Purchase Real Property with Assessor's Parcel Number 394-040-006 Located in an Unincorporated Area of Lake Elsinore, County of Riverside, California, within the Temescal Creek Floodplain, Project No. 2-0-00052, CEQA Findings of Exemption, District 1. [\$480,000 total - District Funds 64%; TLMA-Code Enforcement Abatement Funds 30%; Net County Cost NPDES 6%] (Companion Item to MT 7504)

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

1. Finds that the proposed acquisition is exempt from the California Environmental Quality Act ("CEQA") as it has been determined to qualify as a "Class 25 Categorical Exemption" pursuant to Article 19 of the State CEQA Guidelines: Sections 15325(a) and (d), 15330(b) and the General Rule Section 15061(b)(3); and
2. Adopt Resolution No. F2018-19, Authorization to Purchase Real Property with Assessor's Parcel Number 394-040-006, located in an unincorporated area of Lake Elsinore, County of Riverside, California, within the Temescal Creek Floodplain; and
3. Approve the Agreement for Purchase and Sale of Real Property between the Riverside County Flood Control and Water Conservation District and GS Strategies, Inc., a California corporation, in its capacity as a court appointed Receiver and authorize the Chairman of the Board to execute the same on behalf of the District; and

**ACTION:** Policy

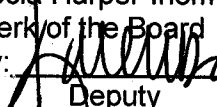
  
\_\_\_\_\_  
Bob Cullen, Assistant Chief Engineer 7/26/2018

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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, Washington and Perez  
Nays: None  
Absent: Ashley  
Date: July 31, 2018  
xc: Flood, Recorder

Kecia Harper-Ihem  
Clerk of the Board  
By:   
Deputy

**SUBMITTAL TO THE FLOOD CONTROL AND WATER CONSERVATION DISTRICT BOARD  
OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

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

4. Authorize the Chairman of the Board to certify acceptance of any documents running in favor of the District as part of this transaction; and
5. Authorize the General Manager-Chief Engineer, or his designee, to administer and take all actions necessary to complete this transaction and executing any other related documents, including any additional escrow instructions and amendments to authorize additional funds up to a total purchase price of \$480,000 consistent with the Board's approvals; and
6. File the Notice of Exemption with the County Clerk within five working days of approving the project.

<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>	\$480,000	\$0	\$480,000	\$0
<b>NET COUNTY COST</b>	\$28,000	\$0	\$28,000	\$0
<b>SOURCE OF FUNDS:</b> Flood: \$308,000 Temescal Creek Floodplain 540040 25120 947420 (Land) 64%; Code: \$144,000 Code Enforcement Abatement Fund 30%; County: \$28,000 NPDES Fund 6%;				<b>Budget Adjustment: No</b>
				<b>For Fiscal Year: 18/19</b>

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

**BACKGROUND:**

**Summary**

The Board of Supervisors for the Riverside County Flood Control and Water Conservation District ("District") may purchase lands pursuant to the District Act and as authorized in its approved budget. A Purchase and Sale Agreement to acquire the fee simple interest in real property with Assessor's Parcel Number 394-040-006 ("Property") has been negotiated with the GS Strategies, Inc., a California corporation, in its capacity as a court appointed Receiver ("Receiver") as the Seller for the subject property, at the cost of no more than \$480,000. In addition to the \$480,000 purchase price, the County Department of Waste Resources is contributing \$20,000 in kind toward the nuisance abatement related to illegal dumping, which brings the total project cost to \$500,000. The Property is located in the unincorporated Lake Elsinore area, County of Riverside, California, within the Temescal Creek floodplain. This action is necessary to protect the existing bank of the Temescal Creek in its natural state for water conservation and habitat mitigation. The District is working with other County Departments to alleviate the public nuisance and community degradation caused by this blighted property. More regarding the interdepartmental collaboration is shown below under "Additional Fiscal Information."

**CEQA**

The project qualifies for a "Class 25 Categorical Exemption" pursuant to Article 19, Section 15325 of the CEQA Guidelines because project will preserve the existing natural conditions at

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the site and prevent encroachment of development into an existing floodplain. Preservation of existing natural conditions and prevention of development in the floodplain are both activities that are consistent with the intent of the Class 25 Categorical Exemption. In addition, the project qualifies for a "Class 30 Categorical Exemption" pursuant to Article 19, Section 15330 of the CEQA Guidelines because it involves cleanup actions that will prevent, minimize, mitigate and eliminate hazardous waste/substances present onsite by disposal of hazardous wastes at an appropriate facility, installation of fencing to minimize/prevent future hazardous wastes from being dumped on the property and onsite treatment of contaminated soils.

The project is also consistent with CEQA Guidelines Section 15061(b)(3), the "General Rule" or "Common Sense Exemption", because it can be seen with certainty that there is no possibility that acquisition of the property will have a significant effect on the environment.

Based upon the exemptions identified above, the District hereby concludes that no physical environmental impacts are anticipated to occur, and the project as proposed is exempt under CEQA. No further environmental analysis is warranted.

Resolution No. F2018-19 and the Agreement for the Purchase and Sale of Real Property have been approved as to form by County Counsel.

**Impact on Residents and Businesses**

Residents will be positively impacted by the project because it will relieve an existing public nuisance, disallow subsequent dumping, improve water quality, and generally improve area conditions. In addition, the acquisition will prevent encroachment of development into an existing floodplain.

**Additional Fiscal Information**

The District intends to fund the majority of the total cost; the County intends to contribute using Code Enforcement funds toward the site remediation; and NPDES contributed funding toward the site remediation. Waste Resources is making an in kind contribution toward the site remediation.

The total cost of the project will be authorized as a not-to-exceed amount of \$500,000 and will be funded as follows:

Flood Control	\$308,000	Flood Control funds	Purchase Price: Not-to-exceed \$480,000
Code Enforcement	\$144,000	See companion item MT 7504	
County NPDES	\$28,000	Previously provided in FY 17/18	
Waste Resources	\$20,000	In kind contribution; see companion item MT 7504	
<b>Total Project Cost</b>	<b>\$500,000</b>	<b>Total cost expected to execute the project</b>	

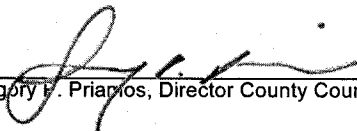
Sufficient funds were budgeted and are available in the District's Zone 2 fund for FY 2018-2019. The project is expected to be completed during this Fiscal Year.

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On behalf of the County Transportation Department, companion item MT 7504 appears on the County of Riverside's Agenda this same date.

**ATTACHMENTS:**

1. Resolution No. F2018-19
2. Regional Map of subject area
3. Purchase and Sale Agreement
4. Notice of Exemption (NOE) and Authorization to Bill to pay NOE filing fee

  
\_\_\_\_\_  
Gregory P. Priamos, Director County Counsel 7/26/2018

1 **BOARD OF SUPERVISORS**

**RIVERSIDE COUNTY FLOOD CONTROL  
AND WATER CONSERVATION DISTRICT**

2  
3  
4 **RESOLUTION NO. F2018-19**

5 **AUTHORIZATION TO PURCHASE REAL PROPERTY**  
6 **TEMESCAL CREEK**  
7 **PROJECT NO. 2-0-00052**  
8 **ASSESSOR'S PARCEL NUMBER 394-040-006**

9 **WHEREAS**, the Board of Supervisors for the Riverside County Flood Control and Water  
10 Conservation District ("District") has the authority to purchase real property pursuant to its Act and pursuant  
11 to the intent of the Temescal Wash Floodplain Buyout program; and

12 **WHEREAS**, the majority of Assessor's Parcel Number 394-040-006 is located within  
13 Temescal Wash floodplain and floodway; and

14 **WHEREAS**, the Temescal Wash floodplain and floodway is a natural resource of value to  
15 the District and County, and has not been significantly encroached upon by development to date; and

16 **WHEREAS**, the District has developed a floodplain buyout program for Temescal Wash to  
17 protect adjacent residents and properties from the unintended consequences of development encroachment  
18 upon the flood prone lands, to preserve and restore the natural floodplain functions of the wash, to protect  
19 and restore the environment, to utilize the lands for future environmental mitigation of other District  
20 projects and to preclude the need for future structural flood improvements that would ultimately exceed the  
21 cost of purchasing and preserving the floodplain; and

22 **WHEREAS**, the County has been pursuing code enforcement actions against the record  
23 owner of this parcel for utilizing the parcel for illegal dumping of construction and other waste, creating  
24 both an environmental hazards and public nuisance; and

25 **WHEREAS**, as a result of the County's code enforcement actions the Courts have  
26 transferred control of the property to a Court-ordered Receiver (GS Strategies, Inc.) to act as its agent; and

27 **WHEREAS**, GS Strategies, Inc. is willing to restore the property by removing the gypsum  
28 piles, remediating soils, capping the onsite well, removing the majority of loose debris and tires and

FORM APPROVED COUNTY COUNSEL  
BY: *Synthia M. Gunzel* 07.31.18  
DATE: \_\_\_\_\_  
SYNTHIA M. GUNZEL

1 conveying ownership to the District in a condition satisfactory to the District for the cost of its expenses;  
2 and

3           **WHEREAS**, County Code Enforcement is willing to contribute funds to the District to  
4 facilitate the clean-up; and

5           **WHEREAS**, Waste Resources is willing to provide an in-kind contribution by giving a  
6 discount on certain gate fees to its landfills to reduce the cost of disposal of waste and debris from the  
7 property; and

8           **WHEREAS**, the County contributed an additional \$28,000 from the National Pollution  
9 Discharge Elimination System (NPDES) fund to the clean-up in order to abate future water quality impacts  
10 to Temescal Wash from the illegal dumping; and

11           **WHEREAS**, through this partnership the District, County and Court Ordered Receiver will  
12 be able to abate an environmental hazard and nuisance to the community, acquire, protect and restore flood  
13 prone lands within the Temescal Wash floodplain, and manage the property to prevent it from reverting to  
14 illegal uses; and

15           **WHEREAS**, the District and Receiver agree to incorporate the clean-up into the terms of  
16 the Agreement for Purchase and Sale of Real Property, and

17           **WHEREAS**, the District desires to acquire from Seller and the Seller desires to sell to the  
18 District the Property pursuant to the terms of an Agreement for Purchase and Sale of Real Property;

19           **NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the  
20 Board of Supervisors ("Board") of the Riverside County Flood Control and Water Conservation District, in  
21 regular session assembled on or after July 31, 2018, at or after 9:00 a.m., in its meeting room located on the  
22 1<sup>st</sup> Floor of the County Administrative Center, 4080 Lemon Street, Riverside, California, finds that the  
23 environmental impacts of the project have been sufficiently assessed and have been determined that the  
24 activity in question will not have a significant effect on the environment; and the proposed action qualifies  
25 for a "Class 25 Categorical Exemption" and a "Class 30 Categorical Exemption" and the "Common Sense  
26 Exemption" pursuant to Article 19 of the CEQA, State CEQA Guidelines: Sections 15325, 15330 and  
27 15061(b)(3), respectfully.

28

1           **BE IT FURTHER RESOLVED, DETERMINED AND ORDERED** that this Board  
2 authorizes the purchase of certain real property in the unincorporated Lake Elsinore area, County of  
3 Riverside, State of California, identified with Assessor's Parcel Number 394-040-006 in fee, more  
4 particularly described on Exhibit "A", attached hereto and by this reference incorporated herein, for a  
5 purchase price of \$480,000 from GS Strategies, Inc., a California corporation, in its capacity as a court  
6 appointed Receiver ("Receiver") as the Seller for the subject parcel.

7           **BE IT FURTHER RESOLVED, DETERMINED AND ORDERED** that the Agreement  
8 for Purchase and Sale of Real Property between the District and Receiver as Seller is hereby approved and  
9 the Chairman of the Board of Supervisors of the District is authorized to execute the same on behalf of the  
10 District.

11           **BE IT FURTHER RESOLVED, DETERMINED AND ORDERED** that the Chairman  
12 certify acceptance on any documents conveying the real property interest in favor of the District to complete  
13 the purchase and for recordation.

14           **BE IT FURTHER RESOLVED, DETERMINED AND ORDERED** that the General  
15 Manager-Chief Engineer or his designee is authorized to execute any other documents and administer all  
16 actions necessary to complete the purchase of the real property and this transaction.

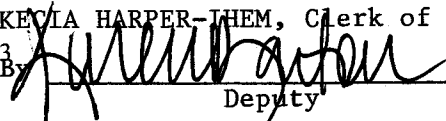
17           **BE IT FURTHER RESOLVED, DETERMINED AND ORDERED** that the District  
18 reserves any and all rights and remedies, including the right to pursue recovery of costs from Walter Pinto,  
19 the record property owner that was found to have committed the public nuisance and County code  
20 violations.

21           **BE IT FURTHER RESOLVED, DETERMINED AND ORDERED** that the Clerk of  
22 Board is directed to file the Notice of Exemption with the County Clerk within five (5) working days of  
23 approval by the Board.

24       ROLL CALL:

25       Ayes:           Jeffries, Tavaglione, Washington and Perez  
26       Nays:           None  
27       Absent:         Ashley

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

KECIA HARPER-IHEM, Clerk of said Board  
By   
Deputy

## Exhibit "A"

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

**Parcel 1:**

That portion of the West half of the Northwest quarter of the Southeast quarter of Section 16, Township 5 South, Range 5 West, San Bernardino Base and Meridian, lying Southerly of lands conveyed to Corona Santa Fe Railway Company by deed recorded August 13, 1926 in Book 684 Page 578 of Deeds, records of Riverside County, California.

**Parcel 2:**

That portion of the Southwest quarter of the Southeast quarter of said Section 16, Township 5 South, San Bernardino Base and Meridian, described as follows:

Beginning at the Northwest corner of the Southwest quarter of the Southeast quarter of said Section;

Thence South along the West line of said Southwest quarter of the Southeast quarter 175 feet;

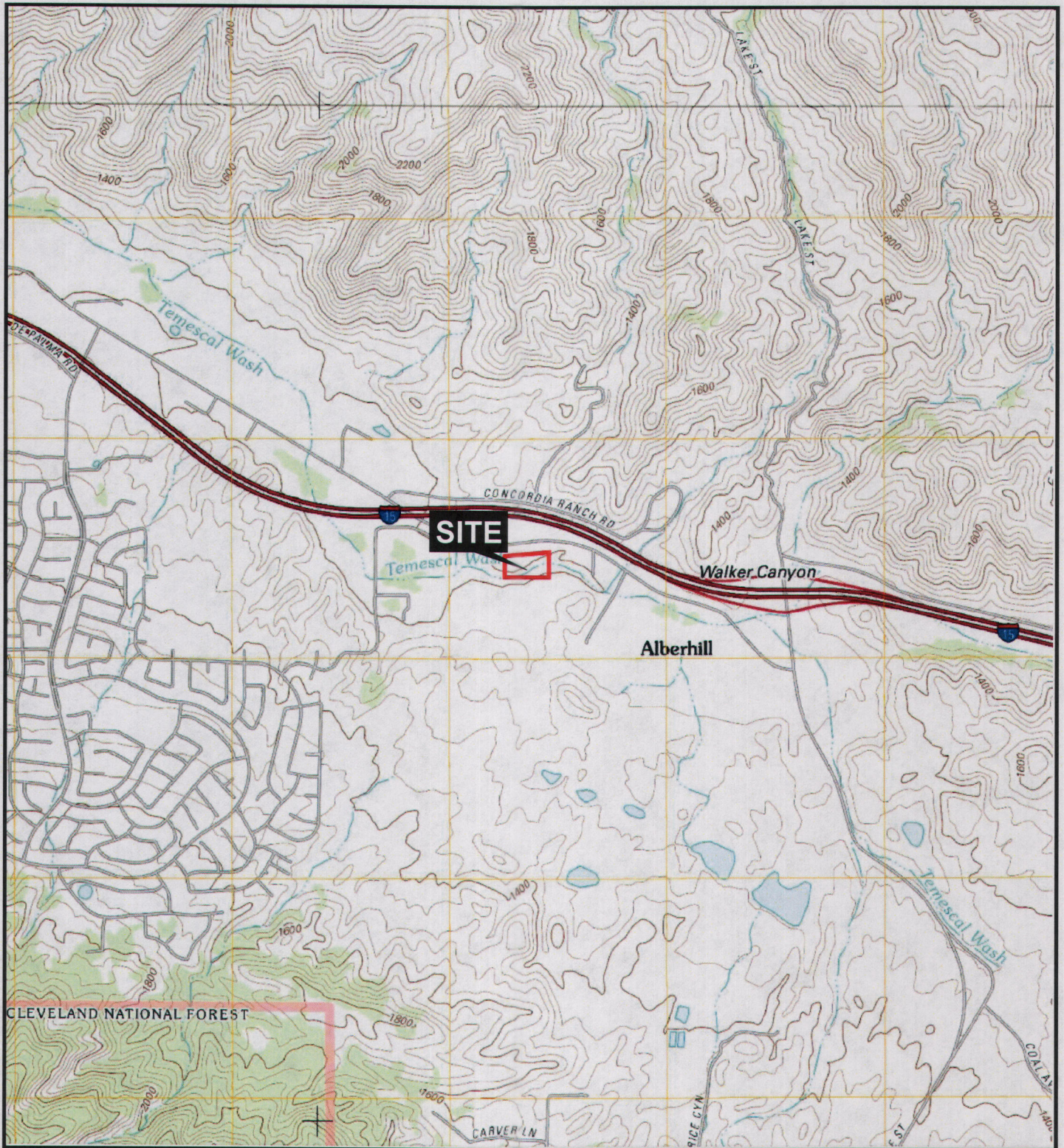
Thence East, 660 feet;

Thence North, 175 feet to the North line of the Southwest quarter of Southeast quarter;

Thence West, along said North line, 660 feet to the point of beginning.

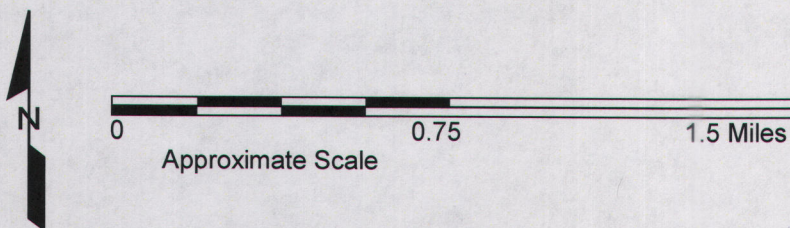
Assessor's Parcel Number(s): 394-040-006





SOURCE: EDR, 2017

## Site Location Map



**Pinto Property (APN 394-040-006)**  
Unincorporated Lake Elsinore, California

Project Name: Temescal Creek Floodplain  
Project No. 2-0-00052  
APN: 394-040-006  
Address: 14509 Temescal Canyon Road,  
Lake Elsinore, CA 92530

## AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY, (“Agreement”), is entered into this 31<sup>st</sup> day of July, 2018 by and between the RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, a body politic (hereinafter called “DISTRICT” or “BUYER”), and GS STRATEGIES, INC., a California corporation, in its capacity as a court appointed Receiver (Riverside County Superior Court Case No. RIC1703288 for the property located at 14509 Lake Street, Lake Elsinore, APN 394-040-006) (hereinafter called (“RECEIVER” or “SELLER”), for acquisition by BUYER from SELLER of certain real property interests.

### RECITALS

- A. On November 29, 2017, in Superior Court of the State of California, County of Riverside Case No. RIC 1703288 (the “Action”), SELLER was appointed receiver of certain real property of approximately 5.37 acres located in the unincorporated Lake Elsinore area, County of Riverside, State of California (Assessor’s Parcel No. 394-040-006), together with related improvements, appurtenances and certain related personal and intangible property (collectively, “PROPERTY”), Kevin K. Randolph was designated as the RECEIVER’s representative with the authority to act on behalf of the RECEIVER. A copy of the Order Appointing the RECEIVER (“Receiver’s Appointing Order”) has been previously delivered to BUYER.
- B. Walter and Emperatriz Pinto (collectively, “Pintos”) are the record owners of the PROPERTY. The Pintos maintained the PROPERTY in violation of numerous Riverside County Ordinances (“RCO”). The County of Riverside (“County”) filed the Action to cause the appointment of the RECEIVER, which has the authority under the Receiver’s Appointing Order to abate the substandard conditions and nuisances that currently exist on the PROPERTY. The RECEIVER is further authorized, subject to Court approval, to sell the PROPERTY and use the proceeds to pay cleanup and abatement costs and other receivership-related expenses set forth in the Receiver’s Appointing Order.
- C. SELLER desires to sell and BUYER desires to purchase the fee interest in the PROPERTY as specifically described herein.
- D. The PROPERTY currently in a state of condition that is unacceptable to the BUYER; therefore the SELLER, pursuant to the terms and conditions herein, shall take all necessary actions to clean and improve the condition of the PROPERTY to a condition that is acceptable by the BUYER.

JUL 31 2018 11.10

- E. SELLER and BUYER desire and intend to enter into this Agreement to provide for the terms and conditions for the purchase of the PROPERTY in a condition acceptable to the BUYER.

IT IS HEREBY MUTUALLY AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. AGREEMENT TO PURCHASE AND SALE. For good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, SELLER agrees to sell to BUYER and BUYER agrees to purchase from SELLER, upon the terms and for the consideration set forth in this Agreement, the fee interest in certain real property, located in Riverside County, California, with Riverside County Assessor's Parcel No. 394-040-006, and defined above as the PROPERTY shall include the following:
  - A. Land. Land as it is described in Recital B and in a condition accepted by the BUYER free and clear of any rubbish, trash, bulk waste, any materials deemed as hazardous, and remediated soil. Currently, the condition of the Land has piles of rubbish and waste, including drywall, trash and other debris. The presence of hazardous materials is evident and has been discovered upon the Land which has also affected and contaminated the well and groundwater. Abandoned structures and septic system is in a state of disrepair. The condition of the Land shall undergo a "Clean Up" by SELLER as defined in Sections 5, 6 and 7 prior to the Close of Escrow.
  - B. Appurtenances. All privileges, rights, easements appurtenances to the Land, including without limitation all minerals, oil, gas and other hydrocarbon substances on and under the Land; all development rights, air rights, water, water rights, and water stock relating to the Land; all right, title, and interest of SELLER in and to any streets, alleys, passages, water and sewer taps, sanitary or storm drain capacity or reservation and other easement and other rights-of-way included in, adjacent to, or used in connection with the beneficial use and enjoyment of the Land (Collectively, the Appurtenances).
  - C. Improvements. Any buildings, structures, fences, parking areas or improvements located upon the Land.
  - D. Personal Property. Certain tangible personal property and all intangible property owned by SELLER that is located on or in or is used in connection with the use or operation of any of the personal property that the BUYER has accepted.
  - E. Temporary entry and access rights prior to Close of Escrow. The BUYER shall have the right to enter and access the PROPERTY commencing upon the Effective Date of this Agreement.

Said above-listed fee interest in real property and the temporary entry and access rights will hereinafter be collectively referred to as the "PROPERTY".

The respective sections of land affected by the above listed fee interest in real property are legally described in Exhibit "A" and pictorially depicted in Exhibit "B" attached hereto and by this reference incorporated herein.

2. PURCHASE PRICE. The total Purchase Price for the fee interest and the temporary entry and access rights provided to SELLER for the PROPERTY is not to exceed the following amount:

**FOUR HUNDRED EIGHTY THOUSAND DOLLARS**  
(\$480,000.00)

The fixed amount of the Purchase Price will be calculated at the Close of Escrow and will be the sum of: the actual costs, expenses and fees associated with the abatement of the violations of the RCO and with bringing the physical and environmental conditions of the PROPERTY to a condition acceptable to the BUYER; the RECEIVER's administrative, transactional, and legal costs as described in the Receiver's Appointing Order, and the costs to place title to the PROPERTY in the condition required by the BUYER.

All payments specified in this Agreement shall be made in legal tender by cash, cashier's check, or wire transfer such that the Escrow Holder can disburse cash proceeds accrued to SELLER at the Close of Escrow.

3. PERMISSION TO ENTER ON PROPERTY. SELLER hereby grants to BUYER, or its authorized agents, permission to enter upon the PROPERTY at all reasonable times prior to close of this transaction for the purpose of conducting due diligence, including making necessary or appropriate inspections. BUYER will give SELLER reasonable written notice before going on the PROPERTY. BUYER does hereby indemnify and hold harmless SELLER, SELLER'S heirs, successors, assigns, officers, employees, agents and representatives free and harmless from and against any and all liability, loss, damages and costs and expenses, demands, causes of action, claims or judgments, arising from or that is in any way connected with BUYER'S inspections involving entrance onto the PROPERTY pursuant to this Section 3. If BUYER fails to acquire the PROPERTY due to BUYER'S default, this license will terminate upon the termination of BUYER'S right to purchase the PROPERTY. In such event, BUYER will remove or cause to be removed all of BUYER'S personal property, facilities, tools, and equipment from the PROPERTY. If BUYER does not remove all of BUYER'S personal property, facilities, tools and equipment from the PROPERTY within ten (10) business days of the date that BUYER'S license terminates under this Section, SELLER has the right to remove said personal property, facilities, tools, and equipment from the PROPERTY. In the event of BUYER fails to remove BUYER'S personal property, facilities, tools and equipment from the PROPERTY after entering the PROPERTY to perform due diligence, including to make necessary or appropriate inspections as specified in this Section 3, BUYER is responsible for all reasonable costs incurred by SELLER in any such removal by SELLER.
4. ESCROW. The parties will establish an escrow at Appian Escrow Company ("Escrow") to accommodate the transaction contemplated by this Agreement. For purposes of this Agreement, Opening of Escrow means the date on which Escrow Holder receives a fully

executed original of this Agreement. The parties shall open an escrow within ten (10) business days of the date on which this Agreement is fully executed by the parties. Close of Escrow means the date on which the Deed is recorded in the Official Records of the County of Riverside. The Close of Escrow will be upon satisfaction of all conditions precedent to Close of Escrow, but in no event shall the Close of Escrow be later than ninety (90) days after the Opening of Escrow, subject to extension as the parties may agree in writing. The parties hereto shall execute and deliver to Escrow Holder such escrow instructions prepared by Escrow Holder as may reasonably be required to consummate the transaction contemplated by this Agreement. Any such instructions shall not conflict, amend or supersede any provisions of this Agreement; this Agreement shall control unless the parties expressly agree in writing otherwise. The Escrow Instructions shall include the following terms and conditions for disbursements and other actions by Escrow Holder of this sale which shall occur at the Close of Escrow:

- A. Funds. Promptly upon Close of Escrow, disburse all funds deposited with Escrow Holder by BUYER in payment of the PROPERTY as follows: (a) deduct or credit all items chargeable to the account of SELLER and/or BUYER pursuant to Sections 5 and 9.D(3); (b) disburse the balance of the purchase price to SELLER; and, (c) disburse any excess proceeds deposited by BUYER to BUYER.
  - B. Recording. Cause the Grant Deed in favor of BUYER to be recorded with the County Recorder and obtain conformed copies thereof for distribution to BUYER and SELLER.
  - C. Title Policy. Direct the Title Company to issue the Title Policy for the PROPERTY to BUYER.
  - D. Delivery of Documents to BUYER and SELLER. Deliver to BUYER any other documents (or copies thereof) deposited into Escrow by SELLER. Deliver to SELLER any other documents (or copies thereof) deposited into Escrow by BUYER. Mail a final closing statement to BUYER and SELLER.
  - E. Time Limits. All time limits within which any matter herein specified is to be performed may be extended by mutual agreement of the parties hereto. Any amendment of, or supplement to, any instructions must be in writing.
5. TITLE AND TITLE INSURANCE. Upon the Opening of Escrow, Stewart Title Insurance Company (the "Title Company") shall obtain and issue a title commitment for the PROPERTY, together with two (2) copies each of all instruments identified as exceptions on said title commitment and deliver these instruments and the title commitment to BUYER and SELLER. Escrow Holder will insure BUYER'S fee title to the PROPERTY, which is described above in Section 1, at the Close of Escrow by a CLTA Owner's Standard Coverage Policy of Title Insurance in the amount of the Purchase Price ("Policy") provided in Section 2. BUYER shall pay for the cost of the Policy. The Policy provided for pursuant to this Section 5 will insure BUYER'S interest in the PROPERTY free and clear of all monetary liens, monetary encumbrances and other exceptions to good and clear

title, subject only to the following permitted conditions of title (“Permitted Title Exceptions”):

- A. The applicable zoning, building and development regulations of any municipality, county, state or federal jurisdiction affecting the PROPERTY.
- B. Those non-monetary exceptions not objected to by BUYER within twenty (20) business days after the date BUYER receives the title commitment and legible copies of all instruments noted as exceptions therein. If BUYER “unconditionally disapproves” any such exceptions Escrow will thereupon terminate, all funds deposited therein will be refunded to BUYER (less BUYER’S share of escrow cancellation charges) and this Agreement will be in no further force or effect. If BUYER “conditionally disapproves” any such exceptions, then SELLER will use SELLER’S best efforts to cause such exceptions to be removed by the Close of Escrow. If such conditionally disapproved non-monetary exceptions are not removed by the Close of Escrow, BUYER may, at BUYER’S option, either accept the PROPERTY subject to such exceptions, or terminate the Escrow and receive a refund of all funds deposited into Escrow (less BUYER’S share of escrow cancellation charges), if any, and this Agreement will thereupon be of no further force or effect. At the Close of Escrow, BUYER’S fee interest in the PROPERTY will be free and clear of all monetary liens and monetary encumbrances. BUYER unconditionally objects to any monetary liens and monetary encumbrances, in particular, Taxes Item C, Exceptions Items: 17, 19, 20, 23 on or before Close of Escrow listed in Schedule B of Preliminary Title Report dated July 10, 2018 (“PTR”). These items must be cleared before the BUYER will accept the PROPERTY. In the event that the aforementioned title exceptions cannot be cleared by and through no fault of either party, then the parties agree to work cooperatively to consider alternatives. In addition, Items 9, 10, 11, 12, 13, 14, 15, 16, 18, 21, 22 and 26 in Schedule B of the PTR shall be cleared or caused to be cleared by SELLER on or before Close of Escrow.
- C. Taxes: Current fiscal year, including personal property tax, if any, and any further assessment thereto under Division 1, Part 0.5, Chapter 3.5 of Revenue and Taxation Code of the State of California. All other taxes owed whether presently current or delinquent are to be CURRENT at the Close of Escrow.
- D. Quasi-public utility, public utility, public alley, public street easements and rights of way of record.

6. CONDITION AND POSSESSION OF PROPERTY.

- A. SELLER shall deliver the PROPERTY in a condition acceptable to the BUYER. SELLER shall provide proof of and have completed all work necessary to place the title and physical condition of the PROPERTY in the condition required by this Agreement, including but not limited to, the following:

- (1) Prior to Close of Escrow, provide proof of legal access, for ingress and egress, to and from the PROPERTY to a public road right of way. Such proof can be in the form of a Policy endorsement to the Title Policy insuring the PROPERTY has access to a public road right of way.
- (2) Take all necessary actions to clean up the PROPERTY to be free and clear from drywall and concrete debris, rubbish, trash, hazardous materials, septic removal, demolition and removal of any structures and any other materials.
- (3) Take all necessary actions to remediate the soil, groundwater and well water to be free of contaminants and Hazardous Materials.
- (4) Take all necessary actions to clear any title exceptions, encumbrances, liens, deeds of trusts, abstracts of judgments, and past due taxes in accordance with Section 5 of this Agreement.

BUYER has the right to modify the scope of the Clean Up work.

- B. It is mutually understood and agreed by and between the parties hereto that the right of possession and use of the PROPERTY by BUYER, shall commence upon the Close of Escrow.
- C. AS-IS WHERE-IS Sale. Upon delivery by BUYER of an acceptance notice of the condition of the PROPERTY to SELLER, or upon the Close of Escrow if BUYER does not provide an acceptance notice, the BUYER will be deemed to have unconditionally and irrevocably accepted the PROPERTY in the PROPERTY's AS IS, WHERE IS, SUBJECT TO ALL FAULTS CONDITION, WITHOUT WARRANTY AS TO QUALITY, CHARACTER, PERFORMANCE OR CONDITION and with full knowledge of the physical condition of the PROPERTY, the nature of the PROPERTY, all zoning, other land use laws and other governmental requirements affecting the PROPERTY, and relating to the PROPERTY. The BUYER's election to provide an acceptance notice will constitute the BUYER's representation and warranty to the SELLER that the BUYER has received assurances acceptable to the BUYER, by means independent of the SELLER or any agent of the SELLER, of the truth of all facts material to the BUYER's acquisition of the PROPERTY pursuant to the Agreement and that the PROPERTY is being acquired by the BUYER as a result of its own knowledge, inspection and investigation of the PROPERTY and not as a result of any representations made by the SELLER or any employee, official, consultant or agent of the SELLER. The SELLER, upon the Close of Escrow, hereby assigns any rights to representations and warranties made by any contractor hired by SELLER and any claims SELLER may have against any such contractors regarding work performed on the PROPERTY.
- D. BUYER's Assumption of Risk. The SELLER will exercise good faith efforts to promptly deliver to the BUYER any non-privileged documents and information concerning the PROPERTY as the BUYER may request in writing. Any

documents or information provided by the SELLER to the BUYER are provided without representation or warranty as to their accuracy or completeness. The SELLER's provision of these documents does not, in any way, restrict or modify the application of Section C above. The BUYER is solely responsible for the conduct and determination of all due diligence and other investigations as to the PROPERTY's condition. Upon delivery of an acceptance notice to SELLER, the BUYER specifically assumes the risk of all known and unknown conditions concerning the PROPERTY, and acknowledges and agrees that the SELLER has no liability whatsoever with respect to the PROPERTY's condition or the presence of latent or patent environmental or other defects.

7. OBLIGATIONS, WARRANTIES AND REPRESENTATIONS OF SELLER. Except as hereby previously disclosed to BUYER, including the information in the PTR, the Receiver's Appointing Order, and other documents provided by the SELLER and by BUYER's inspections of the PROPERTY, SELLER makes the following representations and warranties:

- A. There are no actions, suits, material claims, legal proceedings or any other proceedings affecting the PROPERTY or any portion thereof, at law, or in equity before any court or governmental agency, domestic or foreign, except as otherwise disclosed by the SELLER including the Action.
  - (1) **Litigation Disclosure.** The BUYER represents that it has been informed that the PROPERTY is subject to the Action and that the BUYER has, to its sole and absolute satisfaction, investigated the facts, circumstances and legal implications of the PROPERTY'S being subject to the Action. The BUYER further acknowledges that neither the SELLER nor any of his agents or representatives have made any representation concerning the legal effects, if any, of the Action upon the BUYER'S rights and interest in the PROPERTY. The BUYER represents that it has reviewed these matters to its satisfaction with legal counsel of its choosing or has elected to forego legal advice. The BUYER assumes all risks associated with the purchase of the PROPERTY under the purview of the Court in the Action.
- B. There are no encroachments onto the PROPERTY by improvements on any adjoining property, nor do any buildings or improvements on the PROPERTY encroach onto other properties.
- C. As a condition precedent to Close of Escrow, SELLER shall hire a licensed contractor to clean up the PROPERTY to a condition acceptable by the BUYER and in accordance with the Receiver's Appointing Order ("Clean Up") or any other court order subsequently obtained regarding this PROPERTY and the PROPERTY, shall be cleaned, cleared and remediated, including without limitation, clean and remediate any contaminated soil, to a condition acceptable to the BUYER. Once the Clean Up has been accomplished and until the Close of Escrow, SELLER shall maintain the PROPERTY in good condition and state of repair and maintenance,



and shall perform all of its obligations under any service contracts or other contracts affecting the PROPERTY.

- D. Pursuant to the Action, SELLER has the authority to convey good and marketable title to the PROPERTY, subject to Court approval. SELLER has no knowledge of any unrecorded or undisclosed legal or equitable interest in the PROPERTY owned or claimed by anyone other than SELLER. SELLER has no knowledge that anyone will, at the Closing, have any right to possession of the PROPERTY, except as disclosed by this Agreement or otherwise in writing to BUYER. There are no unsatisfied mechanics' or materialmen's lien rights on the PROPERTY. No assessment lien or bond encumbers the PROPERTY, and no governmental authority has undertaken any action that could give rise to an assessment lien affecting the PROPERTY and shall not do anything that would impair SELLER'S title to any of the PROPERTY.
- E. Neither the execution of this Agreement nor the performance of the obligations herein will conflict with, or breach any of the provisions of any bond, note, evidence of indebtedness, contract, lease or other agreement or instrument to which the PROPERTY may be bound.
- F. SELLER represents and warrants that until the Close of Escrow, SELLER shall, upon learning of any fact or condition that would cause any of the warranties and representations in this Section 7 not to be true as of closing, immediately give written notice of such fact or condition to BUYER.
- G. SELLER represents and warrants that it did not use, generate, release, discharge, store or dispose of any hazardous waste, toxic substances or related materials on, or under, in or about the PROPERTY; however, the presence of certain Hazardous Materials has been discovered on the PROPERTY and in the underlying groundwater and SELLER will provide documentation of completing the remediation of the soil and groundwater prior to the Close of Escrow. Except as necessary to meet its obligations under this Agreement and the Receiver's Appointing Order, SELLER represents and warrants that it shall not use, generate, release, discharge, store or dispose of any hazardous waste, toxic substances or related materials on, or under, in or about the PROPERTY prior to the Close of Escrow. The term "Hazardous Materials" shall mean any substance, material or waste which is or becomes regulated by any local governmental authority, the State of California or the United States Government, including, but not limited to, any material or substance which is (i) defined as a "hazardous waste", "extremely hazardous waste" or "restricted hazardous waste" under Section 25115, 25117 or 25122.7 or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as "hazardous material", "hazardous substance" or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances),

(v) petroleum, (vi) asbestos, (vii) polychlorinated biphenyls, (viii) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20, (ix) designated as a "hazardous substances" pursuant to Section 311 of the Clean Water Act, (33 U.S.C. §1317), (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq. (42 U.S.C. §6903) or (xi) defined as a "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, as amended by Liability Act, 42, U.S.C. §9601 et seq. (42 U.S.C. §9601).

- H. Except for matters disclosed in writing to BUYER or known to BUYER through its inspections of the PROPERTY, SELLER represents and warrants that the PROPERTY is in compliance with all applicable statutes and regulations, including environmental, health and safety requirements.
- I. This Agreement and the performance of SELLER'S obligations under it and all documents executed by SELLER that are to be delivered to BUYER at the Closing are, or on the Closing Date will be, duly authorized, executed, and delivered by SELLER and are, or at the Closing Date will be, legal, valid, and binding obligations of SELLER, and do not, and on the Closing Date will not, violate any provision of any agreement or judicial order to which SELLER is a party or to which SELLER or the PROPERTY is subject. No consent of any partner, shareholder, creditor, investor, judicial or administrative body other than the Court, government agency, or other party is required for SELLER to enter into and/or to perform SELLER'S obligations under this Agreement, except as has already been obtained. If SELLER is a corporation, it is organized, validly existing, and in good standing under the laws of the State of California.

8. WARRANTIES AND REPRESENTATIONS OF BUYER. BUYER hereby represents and warrants to SELLER the following; it being expressly understood and agreed that all such representations and warranties are to be true and correct as of the Close of Escrow and shall survive the Close of Escrow:

- A. BUYER has taken all required action to permit it to execute, deliver, and perform its obligations under this Agreement.
- B. BUYER has the power and authority to execute and deliver this Agreement and to carry out its obligations hereunder are, or at the Closing Date will be, legal, valid, and binding obligations of BUYER and can consummate the transaction contemplated herein.

9. CLOSING CONDITIONS.

- A. All obligations of BUYER under this Agreement are subject to the fulfillment, before or at Closing, of each of the following conditions:

- (1) SELLER shall convey to BUYER marketable title to the PROPERTY by execution and delivery with Escrow Holder a duly executed and acknowledged Grant Deed, subject to the Permitted Title Exceptions.
- (2) SELLER must have delivered to Escrow the documents and funds it is required to deliver through Escrow at Closing.
- (3) SELLER shall have completed all actions necessary to satisfy the obligations described in this Agreement and submit all invoices into escrow, specifically the obligations in Sections 5, 6.A and 7, to the BUYER'S satisfaction.
- (4) The physical condition of the PROPERTY must be in the condition accepted by the BUYER on or before the Closing Date, reasonable wear and tear excepted. BUYER to review work and approve as a closing condition and BUYER has completed its due diligence and accepted the PROPERTY.
- (5) All necessary agreements and consents of all parties to consummate the transaction contemplated by this Agreement will have been obtained and furnished by SELLER to BUYER.
- (6) Such proof of SELLER'S authority and authorization to enter into and perform under this Agreement, and such proof of power and authority of the individuals executing or delivering any instruments, documents, or certificates on behalf of SELLER to act for and bind SELLER as may reasonably be required by BUYER or the Escrow Holder.

BUYER'S Closing Conditions are solely for BUYER'S benefit and any or all may be waived in writing by BUYER in whole or in part without prior notice.

B. SELLER'S obligation to sell the PROPERTY is expressly conditioned on the fulfillment of each of the following condition at or before the Closing:

- (1) BUYER must have delivered the Purchase Price in the form provided in Section 2 herein to Escrow.
- (2) BUYER must have delivered to Escrow the documents and funds required to consummate this transaction and as specified in this Agreement.

SELLER'S Closing Conditions are solely for SELLER'S benefit and any or all may be waived in writing by SELLER in whole or in part without prior notice.

C. BUYER and SELLER agree to execute and provide any additional instruments or other documents as may be necessary to complete this transaction. BUYER and SELLER hereby agree to cooperate with the execution of all instruments or other documents reasonably necessary to complete the transfer of the real property

interest, including, but not limited to, any supplemental instructions required to complete the transaction.

D. Court Approval and Timelines.

- (1) The BUYER acknowledges that the SELLER's actions in connection with the PROPERTY, including the execution of the Agreement, are subject to Court approval. The BUYER further acknowledges that the Court may require that the sale of the PROPERTY be subject to overbid up to and including at the time of the hearing (if any) for the Court's approval of the PROPERTY's sale. As used in this Section, the term "Court Approval Date" means the date on which the Court has approved the sale of the PROPERTY (either by order after hearing or by stipulation of the litigants) in accord with the Purchase Agreement. If the Court Approval Date has not occurred by the thirtieth (30<sup>th</sup>) day following the date of Acceptance, then, as their sole and exclusive recourse, either the SELLER or the BUYER may terminate the Agreement without liability to either the SELLER or the BUYER, and the SELLER and the BUYER will share equally in Escrow Holder's termination costs and expenses.

MA  
BUYER's  
Initials

[Signature]  
SELLER's  
Initials

- (2) The BUYER further acknowledges that, due to Court-imposed timelines and the availability of the Court the availability of the Court's calendar, the SELLER may be unable to take certain actions required of the SELLER by the times set forth for those actions in the Agreement. The SELLER will not be in default of the Agreement or of any other obligation to the BUYER, and the BUYER may not exercise any right or remedy the BUYER may have other than to terminate the Agreement, if the SELLER's inability to perform is attributable in whole or in part to the judicial process, the need to obtain Court approval, or the Court's disapproval of any matter presented to it.

MA  
BUYER's  
Initials

[Signature]  
SELLER's  
Initials

- (3) The parties acknowledge that nothing in this Agreement is intended to or will modify the terms and provisions of the Receiver's Appointing Order. If it is later determined that there is an unintended conflict between the terms of this Agreement and the Receiver's Appointing Order, the terms of the Receiver's Appointing Order will be controlling.

10. CLOSING COSTS.

A. Costs, expenses, fees for Escrow, title and closing expenses will be allocated whereby the following will be paid or charged against the Purchase Price:

- (1) All costs associated with removing any debt, monetary liens or monetary encumbrances, encumbering the PROPERTY;
- (2) Actual costs associated with the "Clean Up" of the PROPERTY and costs to clear certain title exceptions that have been agreed to by the BUYER as further described in Sections 5, 6 and 7, including any invoices submitted in escrow by any contractors of the SELLER for any work to perform the Clean Up activities;
- (3) All costs associated with SELLER'S broker representation, including commission, if applicable;
- (4) All costs associated with SELLER'S attorney fees, including the RECEIVER'S administrative and legal costs as described in the Receiver's Appointment Court Order; and
- (5) SELLER'S share of prorations, if any.
- (6) All of Escrow fees and costs;
- (7) Cost of the CLTA Standard coverage policies;
- (8) Cost of Natural Hazard Disclosure Statement;
- (9) Cost of recording the Deed, if any; and
- (10) BUYER'S share of prorations, if any.

B. Prorations. All receipts and disbursements of the PROPERTY will be prorated as of 11:59 p.m. on the day immediately preceding the Closing Date and the Purchase Price will be adjusted on the following basis:

- (1) Tax Exempt Agency. All parties hereto acknowledge that the BUYER is a public entity and exempt from payment of any real property taxes. There will be no proration of taxes through Escrow. SELLER will be responsible for payment of any real property taxes due prior to the Close of Escrow. In the event any real property taxes are due and unpaid at the Close of Escrow, Escrow Holder is hereby authorized and instructed to pay such taxes from proceeds due the SELLER at the Close of Escrow. SELLER understands that the Tax Collector will not accept partial payment of any installment of the real property taxes due at the Close of Escrow. After the Close of Escrow, the BUYER will file any necessary documentation with the County Tax Collector/Assessor for the property tax exemption. SELLER shall have the right, after the Close of Escrow, to apply for a refund, to the County Tax Collector/Assessor outside of Escrow if eligible

to receive such refund and Escrow Holder shall have no liability and/or responsibility in connection therewith.

- (2) Utility Deposits. SELLER will notify all utility companies servicing the PROPERTY of the sale of the PROPERTY to BUYER and will request that such companies send SELLER a final bill, if warranted, for the period ending on the last day before the Close of Escrow. BUYER will notify the utility companies that all utility bills for the period commencing on the Close of Escrow are to be sent to BUYER, if applicable.

SELLER is responsible for all costs associated with the provision of utility services to the PROPERTY up to the Close of Escrow.

- (3) Method of Proration. If applicable and for purposes of calculating prorations, BUYER shall be deemed to be in title to the PROPERTY, and therefore entitled to the income therefrom and responsible for the expenses thereof, for the entire day upon which the Closing occurs. All prorations will be made as of the date of Close of Escrow based on a three hundred sixty-five (365) day year or a thirty (30) day month, as applicable. The obligations of the parties pursuant to this Section 9.D(3) shall survive the Closing and shall not merge into any documents of conveyance delivered at Closing.

11. CLOSING. When the Escrow Holder receives all documents and funds identified in this Agreement, and the Title Company is ready, willing, and able to issue the Title Policy, then, and only then, the Escrow Holder will close Escrow by performing all actions instructed to do so in the Escrow Instructions and in accordance with this Agreement.
12. INDEMNITY OF SELLER. Subject to the limitations provided in the Receiver's Appointing Order, SELLER agrees to indemnify, defend and hold BUYER harmless from and against any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage or expense (including, without limitation, attorneys' fees) of any nature whatsoever, resulting from, arising out of or based on any breach of SELLER'S representation, warranties or covenants provided in this Agreement.
13. INDEMNITY OF BUYER. BUYER agrees to indemnify, defend and hold SELLER harmless from and against any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage or expense (including, without limitation, attorneys' fees) of any nature whatsoever, resulting from, arising out of or based on any breach of BUYER'S representation, warranties or covenants provided in this Agreement.
14. DISTRICT REPRESENTATIVE. The General Manager-Chief Engineer, or his designee, serves as the representative on behalf of BUYER for the purpose of administering and performing administrative or ministerial actions necessary to complete this transaction, including executing any other related escrow forms or documents to consummate the purchase.

15. NOTICES. All notices and demands shall be given in writing by certified mail, postage prepaid, and return receipt requested, or by personal delivery. Notices shall be considered given upon the earlier of (a) personal delivery, (b) two (2) business days following deposit in the United States mail, postage prepaid, certified or registered, return receipt requested, or (c) one (1) business day following deposit with an overnight carrier service. A copy of all notices shall be sent to the Escrow Company. Notices shall be addressed as provided below for the respective party. The parties agree, however, that if any party gives notice in writing of a change of name or address to the other party, notices to such party shall thereafter be given as demanded in that notice:

SELLER: GS Strategies, Inc.  
Attention: Kevin K. Randolph  
550 East Hospitality Lane, Suite 300  
San Bernardino, CA 92408

BUYER: Riverside County Flood Control  
and Water Conservation District  
Attention: Jason Uhley  
1995 Market Street  
Riverside, CA 92501

COPY TO: Riverside County Counsel  
Attention: Synthia M. Gunzel  
Chief Deputy County Counsel  
3960 Orange Street, Suite 500  
Riverside, CA 92501-3674

ESCROW HOLDER: Appian Escrow Company  
Attention: Rhonda Gilbert  
Escrow Officer  
Appian Escrow Co. Inc.  
3771 Arlington Avenue  
Riverside, CA 92506  
951-686-4500

TITLE COMPANY: Stewart Title Company  
Kathy Crawford  
Title Officer  
Stewart Title of California, Inc.  
7065 Indiana Ave,  
Riverside, CA 92506  
(951) 276-2700

16. MISCELLANEOUS.

- A. Natural Hazard Disclosure Statement. SELLER will provide to BUYER within the time allowed by law a Natural Hazard Disclosure Statement in accordance with

California Government Code Sections 8589.3–8589.4 and 51183.5 and Public Resources Code Sections 4136, 2621.9 and 2694.

- B. Default. In the event of a material breach or material default under this Agreement by either the BUYER or SELLER, the non-defaulting party shall have, in addition to all rights available at law or equity, the right to terminate this Agreement and the Escrow for the purchase and sale of the PROPERTY, by delivering written notice thereof to the defaulting party and to Escrow Holder, and if the BUYER is the non-defaulting party, the BUYER shall thereupon promptly receive a refund of all prior deposits, if any. Such termination of the Escrow by a non-defaulting party shall be without prejudice to the non-defaulting party's rights and remedies at law or equity.
- C. Further Instructions. Each party agrees to execute such other and further escrow instructions as may be necessary or proper in order to consummate the transaction contemplated by this Agreement.
- D. Amendments. Any amendments to this Agreement shall be effective only in writing and when duly executed by both the BUYER and SELLER and deposited with Escrow Holder.
- E. Applicable Law. This Agreement shall be construed and interpreted under, and governed and enforced according to the laws of the State of California. Venue for any proceeding related to this Agreement shall be in the County of Riverside and will be subject to the jurisdiction of the Court in the Action.
- F. Entire Agreement. This Agreement contains the entire agreement between the undersigned parties respecting the subject matter set forth herein, and expressly supersedes all previous or contemporaneous agreements, understandings, representations, or statements between the parties respecting said subject matter (whether oral or in writing). No person is authorized to make, and by execution hereof SELLER and BUYER acknowledge that no person has made, any representation, warranty, guaranty or promise except as set forth herein; and no agreement, statement, representation or promise made by any such person which is not contained herein shall be valid or binding on SELLER or BUYER.
- G. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.
- H. Time of Essence. The parties acknowledge that time is of the essence in this Agreement, notwithstanding anything to the contrary in the Escrow Company's general Escrow instructions.
- I. Remedies Not Exclusive and Waivers. No remedy conferred by any of the specific provisions of this Agreement is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise.



- J. Interpretation and Construction. The parties agree that each party has reviewed this Agreement and that each has had the opportunity to have their legal counsel review and revise this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or Exhibits thereto. In this Agreement the neutral gender includes the feminine and masculine, and singular number includes the plural, and the words 'person' and 'party' include corporation, partnership, firm, trust, or association wherever the context so requires. The recitals and captions of the sections and subsections of this Agreement are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.
- K. Counterparts. This Agreement may be executed in counterparts, each of which so executed shall, irrespective of the date of its execution and delivery, be deemed an original, and all such counterparts together shall constitute one and the same instrument.
- L. Partial Invalidity. If any term or provision of this Agreement shall be deemed to be invalid or unenforceable to any extent, the remainder of this Agreement will not be affected thereby and each remaining term and provision of this Agreement will be valid and be enforced to the fullest extent permitted by law.
- M. Brokers. SELLER and BUYER each represent and warrant to one another that, such party has not engaged any broker or finder with respect to this Agreement or the transactions contemplated herein. If SELLER is in fact represented in this sale, upon and only upon the Closing, SELLER shall be solely responsible to pay a commission or fees for its broker. BUYER is not responsible or liable for any claims, changes, or commissions that may arise or be alleged to a broker or agent in connection with this Agreement or the purchase and sale of the PROPERTY whether or not Close of Escrow occurs. SELLER shall defend, indemnify and hold harmless BUYER from and against any and all liabilities, claims, demands, damages, or costs of any kind (including attorneys' fees, costs and expenses) arising from or connected with any other broker's or finder's fee or commission or charge claimed to be due by SELLER'S Broker or any arising from or by reason of SELLER'S conduct with respect to this transaction. The provisions of this Section 16.M shall survive Closing hereunder or termination of this Agreement.
- N. Attorneys' Fees. If either party hereto incurs attorneys' fees in order to enforce, defend or interpret any of the terms, provisions or conditions of this Agreement or because of a breach of this Agreement by the other party, the prevailing party may be entitled to recover reasonable attorneys' fees from the other party only if the prevailing party has fully prevailed in a judgment by a court of competent jurisdiction.

17. ASSIGNMENT. BUYER may assign its rights under this Agreement or may designate a nominee to acquire the PROPERTY, provided, however, that any such assignment or designation shall not relieve BUYER of any of its obligations under this Agreement.
18. SIGNATURES. This Agreement will have no force or effect whatsoever unless and until it is signed by each of the duly authorized agents of the transacting parties.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the day and year set forth herein.

**SELLER:**

GS STRATEGIES, INC., a California corporation

Date: 7/26/18

By: 

Kevin K. Randolph, in his capacity as the designated representative of the court-appointed receiver in Riverside County Superior Court Case No. RIC1703288 entitled County of Riverside v. Pinto, et al.

**BUYER:**

RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, a body politic

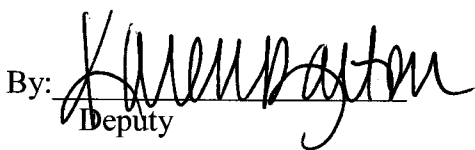
Date: JUL 31 2018

By: 

Name: MARION ASHLEY  
Chairman, Board of Supervisors for the District

ATTEST:

Kecia Harper-Ihem  
Clerk of the Board

By:   
Deputy

APPROVED AS TO FORM:  
GREGORY P. PRIAMOS  
County Counsel

Date: 7-26-18

By:   
Cynthia M. Gunzel  
Chief Deputy County Counsel

Project: Temescal Creek Floodplain  
Project No. 2-0-00052  
APNs: 394-040-006

## Exhibit "A"

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

**Parcel 1:**

That portion of the West half of the Northwest quarter of the Southeast quarter of Section 16, Township 5 South, Range 5 West, San Bernardino Base and Meridian, lying Southerly of lands conveyed to Corona Santa Fe Railway Company by deed recorded August 13, 1926 in Book 684 Page 578 of Deeds, records of Riverside County, California.

**Parcel 2:**

That portion of the Southwest quarter of the Southeast quarter of said Section 16, Township 5 South, San Bernardino Base and Meridian, described as follows:

Beginning at the Northwest corner of the Southwest quarter of the Southeast quarter of said Section;

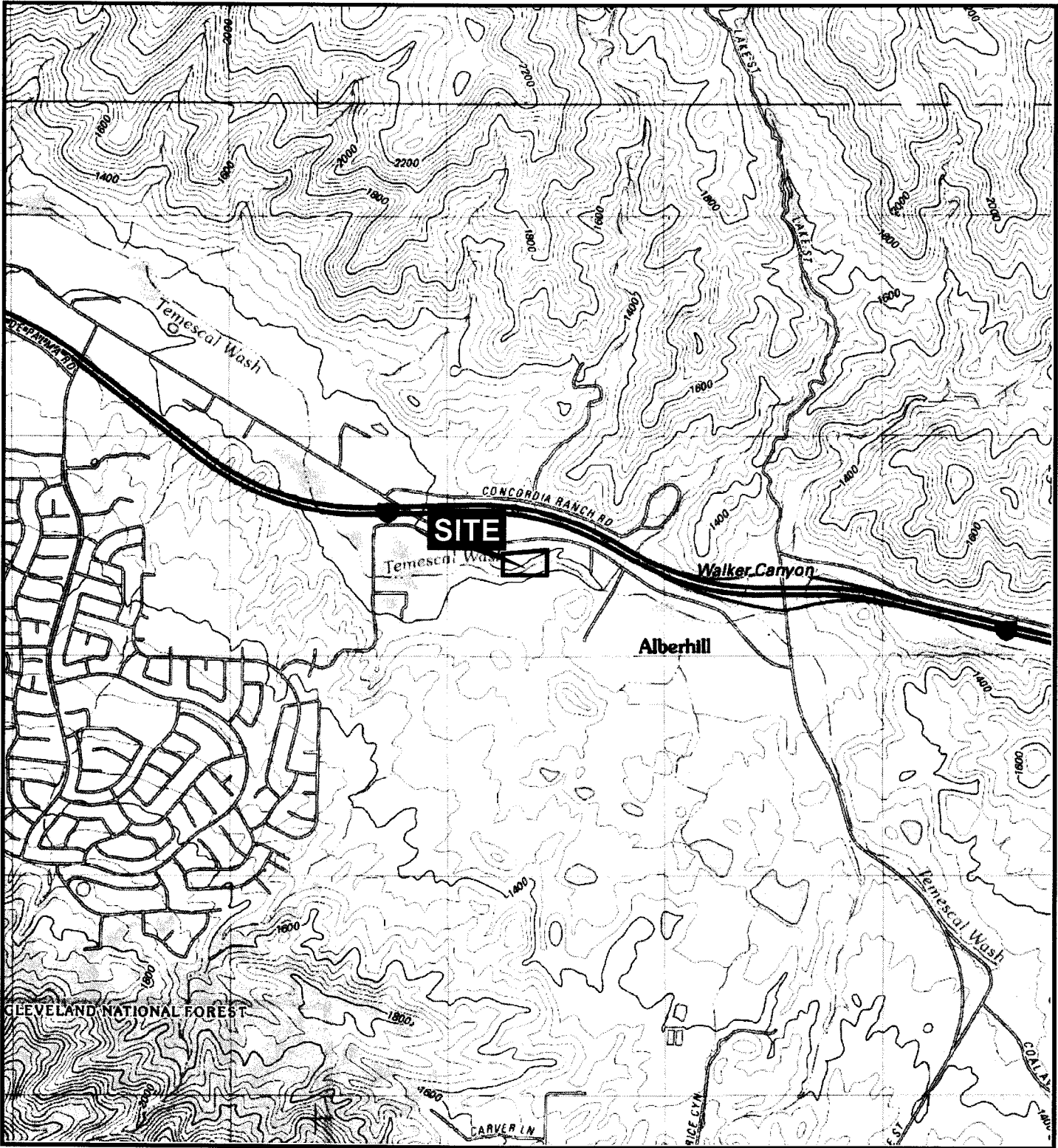
Thence South along the West line of said Southwest quarter of the Southeast quarter 175 feet;

Thence East, 660 feet;

Thence North, 175 feet to the North line of the Southwest quarter of Southeast quarter;

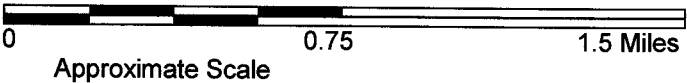
Thence West, along said North line, 660 feet to the point of beginning.

Assessor's Parcel Number(s): 394-040-006



SOURCE: EDR, 2017

### Site Location Map



Approximate Scale

Pinto Property (APN 394-040-006)  
 Unincorporated Lake Elsinore, California

**NOTICE OF EXEMPTION** Negative Declaration/Notice of Determination was routed to County Clerks for posting on.

P8\221783

To: County Clerk  
County of Riverside  
2724 Gateway Drive  
Riverside, CA 92507

8/2/18  
Date

UB  
Initial

Lead Agency: Riverside County Flood Control and Water Conservation District  
1995 Market Street  
Riverside, CA 92501  
Contact: Joan Valle, 951.955.8856

**Project Title:** Temescal Creek Floodplain Acquisition – Pinto Property APN 394-040-006

**Project Location:** The project site is located in unincorporated Riverside County along the Temescal Creek Wash between Hostettler Road and Bernard Street, south of Temescal Canyon Road. The project area is located within Township 5 South, Range 5 West, Section 16 of the Alberhill 7.5 Series USGS Topographic Quadrangle map. The site is centered at approximately 33° 43' 52.95" N, 117° 24' 25.37" W (latitude, longitude).

**Project Description:** The Pinto Property has been the subject of several code enforcement violations as a result of illegal dumping that the property owner of record had allowed to occur onsite for many years. Therefore, the site currently contains a large volume of trash, primarily consisting of construction waste, and other miscellaneous household trash. As a result of the County's code enforcement actions against the owner of record, the Courts have transferred control of the property to a Court-ordered Receiver (GS Strategies, Inc.) to act as its agent. Due to the property being located within a floodplain, the Riverside County Flood Control and Water Conservation District (District) has an inherent interest in acquiring the property in an effort to remove the existing debris and restrict any additional dumping and/or development from occurring within the floodplain. District acquisition of the subject property is contingent upon the Receiver removing bulk waste and remediating any contaminated soils that exist onsite. The project referenced in this Notice of Exemption is the discretionary approval by the District to acquire the subject property pursuant to the terms of the purchase and sale agreement between the Receiver and the District.

**Public Agency Approving and Carrying out the Project:** Riverside County Flood Control and Water Conservation District

**Exempt Status:** Class 25 Categorical Exemption [Sections 15325(a) and (d)]; Class 30 Categorical Exemption [Sections 15330(b)]; and the General Rule [Section 15061(b)(3)]

The project qualifies for a "Class 25 Categorical Exemption" pursuant to Article 19, Section 15325 of the CEQA Guidelines because it involves the transfer of ownership of interest in land to preserve existing natural conditions. The project aims to preserve the existing natural conditions at the site and prevent encroachment of development into an existing floodplain. Preservation of existing natural conditions and prevention of development in the floodplain are both activities that are consistent with the intent of the Class 25 Categorical Exemption.

In addition, the project also qualifies for a "Class 30 Categorical Exemption" pursuant to Article 19, Section 15330 of the CEQA Guidelines because it involves cleanup actions that will prevent, minimize, mitigate and eliminate hazardous waste/substances present onsite by disposal of hazardous wastes at an appropriate facility, installation of fencing to minimize/prevent future hazardous wastes from being dumped on the property and onsite treatment of contaminated soils.

The project is also consistent with CEQA Guidelines Section 15061(b)(3), the "General Rule" or "Common Sense Exemption", because it can be seen with certainty that there is no possibility that acquisition of the property will have a significant effect on the environment.

Based upon the exemptions identified above, the District hereby concludes that no physical environmental impacts are anticipated to occur and the project as proposed is exempt under CEQA. No further environmental analysis is warranted.

Lead Agency Signature: 

Date: 7/25/2018

MEKBIB-DEGAGA  
Chief of Regulatory Division  
Riverside County Flood Control  
and Water Conservation District

JUL 31 2018 11:10

**RIVERSIDE COUNTY CLERK-RECORDER**

**AUTHORIZATION TO BILL**

**TO BE FILLED OUT BY SUBMITTING AGENCY**

DATE: 7/23/2018 BUSINESS UNIT/AGENCY: FLOOD CONTROL - FCARC

ACCOUNTING STRING:

ACCOUNT: 528410 FUND: 25120  
DEPT ID: 947420 PROGRAM: \_\_\_\_\_


AMOUNT: \$50.00

REF: CDFW Filing Fees CEQA Notice of Exemption for Temescal Canyon Wash Project No. 222-2-8-00052-01-15-0000-000

THIS AUTHORIZES THE COUNTY CLERK & RECORDER TO ISSUE AN INVOICE FOR PAYMENT OF ALL DOCUMENTS INCLUDED.

NUMBER OF DOCUMENTS INCLUDED: 

1
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AUTHORIZED BY: Karinne Hansen Ext 54330   
PRESENTED BY: Kevin Cunningham Ext 51526  
CONTACT: Joan Valle Ext 59858

**TO BE FILLED OUT BY COUNTY CLERK**

ACCEPTED BY: \_\_\_\_\_

DATE: \_\_\_\_\_

DOCUMENT NO(S)/INVOICE NO(S): \_\_\_\_\_  
\_\_\_\_\_