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



11.1 (iD # 9224)

MEETING DATE:

Tuesday, March 26, 2019

FROM: FLOOD CONTROL DISTRICT:

SUBJECT: FLOOD CONTROL DISTRICT: Approve Agreement for Purchase and Sale of Real Property and Right of Entry and Temporary Construction Easement Agreement in Certain Real Property Located in the County of Riverside, State of California, Palm Springs MDP Line 41, Stage 3 Project, Project No. 6-0-00160-3, CEQA Nothing Further Required, District 4. [\$231,000 - District Funds 100%] (4/5 VOTE REQUIRED)

RECOMMENDED MOTION: That the Board of Supervisors:

- 1. Finds that the acquisition of the easement interests in real property by the District will not have a significant effect on the environment, ; nothing further is required pursuant to CEQA because all potentially significant effects have been adequately analyzed in a Mitigated Negative Declaration adopted by the Board on April 25, 2006 and a subsequent Mitigated Negative Declaration adopted on September 16, 2008;
- 2. Approve the attached Agreement for Purchase and Sale of Real Property (Agreement) between the Riverside County Flood Control and Water Conservation District (District) and Grit Development, LLC (formerly known as Wessman Holdings, LLC) and authorize the Chairman of the Board to execute the Agreement on behalf of the District;

Continued on page 2

ACTION:4/5 Vote Required, Policy

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes:

Jeffries, Spiegel, Washington, Perez and Hewitt

Navs:

None

Bob Cullen, Assistant Chief Engineer

Absent:

None

Date:

March 26, 2019

XC:

Flood

11.1

Kecia Harper

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RECOMMENDED MOTION: That the Board of Supervisors:

- 3. Authorize the Clerk of the Board to certify acceptance of any documents running in favor of the District as part of this transaction; and
- 4. Authorize the General-Manager-Chief Engineer or his designee to execute any other related documents and administer all actions necessary to complete this transaction.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Y	ear:	Total Cost:	Ongoing Cost
COST	\$ 231,000	\$	0	\$ 231,000	\$0
NET COUNTY COST	\$0	\$	0	\$0	\$ 0
SOURCE OF FUNDS	S: Land - Zone 6 540040 25160		nt/Misc	Budget Adjus	tment: No
				For Fiscal Yea	ar: 18/19

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

In 1982, the Palm Springs Master Drainage Plan (MDP), the Line 41 system, Eagle Retention and Debris Basin, and Line 43 system together were planned to collect and convey the tributary 100-year storm runoff into existing Cathedral Canyon Channel. In the late 1980s and early 1990s, Line 41, Stages 1 and 2 were constructed from Cathedral Canyon North Channel to Golf Club Drive. However, due to various constraints, this portion of the MDP facility was constructed as an underground storm drain with less than 100-year flow capacity. In the late 90s, community growth prompted the need to implement the remainder of the Line 41 system. A new study was initiated with the intent of formulating a project that would fulfill the intent of the original MDP and remove the Federal Emergency Management Agency 100-year floodplain despite the limited capacity of the existing portion of Line 41. To attain the greatest public benefit, the District has been consulting with the City of Palm Springs for the retention basin alternative. The proposed MDP Line 41, Stage 3 project will consist of the construction and maintenance of a storm drain in Golf Club Drive, an earthen 6.7-acre detention basin and approximately 6,000 linear feet of an underground reinforced concrete pipe storm drain ranging from 66 to 96 inches in diameter. The proposed storm drain facility will begin at the terminus of the existing Palm Springs MDP Line 41, Stage 2 inlet and generally extend in a westerly direction along East Palm Canyon Drive, Gene Autry Trail, Matthew Drive, Cherokee Way and Santa Monica Drive. The proposed storm drain will extend westerly for approximately 100 feet, past the intersection of Carmel Drive and Santa Monica Drive and terminate with a concrete lined inlet structure. Additional capacity will also be provided at Golf Club Drive by increasing the size of the existing storm drain under Golf Club Drive and reconstructing the concrete lined inlet structure just to the north of Palm Canyon Drive. The project will be designed to convey the estimated 100-year flow rate. The purpose of the proposed project is to collect the 100-year tributary storm floes and convey them to the existing Palm Springs MDP Line 41, Stage 2 facility near Golf Club Drive.

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The project will consist of the construction, operation and maintenance of approximately 6,000 lineal feet of storm drain, collection structures, appurtenances and a detention basin. District staff obtained an independent appraisal for the property interests needed for the project and presented an offer to purchase the right of way from the property owner.

Acquisition agreements have been negotiated with Grit Development, LLC (formerly known as Wessman Holdings, LLC) for the purchase price of \$231,000 for the following interest:

Assessor's Parcel Number (portion)	Parcel Nos.	Interest
681-480-008	6160-13A, -13B	Permanent Easement – 41,502 sq. ft.
681-480-008	6160-13T, -13T1	Temporary Construction Easement

Prev. Agn. Ref.: 11.3 of 04/25/06

11.6 of 09/16/08

Environmental Findings

Pursuant to the California Environmental Quality Act (CEQA), on April 25, 2006, the Board of Supervisors approved Resolution No. F2006-08, finding that the Palm Springs MDP Line 41, Stage 3 project will not have significant adverse effect on the environment, adopting a Mitigated Negative Declaration (MND), and authorizing the District to proceed with the project. A CEQA Notice of Determination was filed by the Clerk of the Board upon the Board of Supervisors' approval on April 25, 2006.

Additionally, on September 16, 2008, the Board of Supervisors approved Resolution No. F2008-27 again finding that the project will not have a significant adverse effect on the environment, finding that the substituted mitigation measures are equivalent or more effective than the previously proposed mitigation measures, and adopting a Subsequent Mitigated Negative Declaration. A Notice of Determination for the adoption of the Subsequent MND was filed by the Clerk of the Board upon the Board of Supervisors' approval on September 16, 2008.

Since the proposed motion in this Form 11 involves the approval of the purchase and sale of real property for the Palm Springs Line 41, Stage 3 project, which was previously analyzed in Resolution Nos. F2006-08 and F2008-27 and their associated CEQA documents, nothing further is required under CEQA.

Impact on Residents and Businesses

The Palm Springs Line 41, Stage 3 project will address flooding by collecting and safely conveying tributary storm flows from the project area. The project alignment begins at the upstream terminus of Palm Springs MDP Line 41, Stage 2 and extends westward along East

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Palm Canyon Drive and Gene Autry Trail to Matthew Drive, continuing to Cherokee Way and Santa Monica Drive. The proposed project will protect people, property and the watershed from damage or destruction from flood and storm water impact. The health and safety concerns are prompting the District to construct the proposed project.

SUPPLEMENTAL:

Additional Fiscal Information

RCFC Parcel Numbers 6160-13A, 6160-13B, 6160-13T and 616	0-13T1
Permanent Easement and Temporary Construction Easement	\$206,477
Escrow/Title Fees	\$9,000
Staff Time	\$15,000
Actual Cost	\$230,477
Total Cost (rounded)	\$231,000

ATTACHMENTS:

1. Agreement for Purchase and Sale of Real Property (2)

Gregory V. Priaryos, Director County Counsel 3/13/2019

Project: Palm Springs MDP Line 41, Stage 3

Project No. 6-0-00160 APN 681-480-008 (portion)

RCFC Parcel Nos. 6160-13A, 6160-13B, 6160-13T and 6160-13T1

AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

RECITALS

- A. SELLER is the owner of certain real property located on the southeast corner of Highway 111 and Palm Hills Drive in the City of Palm Springs, County of Riverside, State of California, consisting of approximately 5.11 acres of land, with Assessor's Parcel Number 681-480-008, being vacant land ("SELLER'S PROPERTY").
- B. SELLER desires to sell and BUYER desires to purchase easement interests in a portion of the SELLER'S PROPERTY as specifically described herein.

IT IS HEREBY MUTUALLY AGREED BETWEEN THE PARTIES AS FOLLOWS:

- 1. <u>AGREEMENT TO PURCHASE AND SALE</u>. 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 following easements in certain real property, located on southeast corner of Highway 111 and Palm Hills Drive in the City of Palm Springs, County of Riverside, State of California, with Riverside County Assessor's Parcel No. 681-480-008.
 - A. The permanent easement interest will hereinafter be referred to as RCFC Parcel No. 6160-13A. Said land consists of approximately 31,616 square feet (0.072+AC).
 - B. The access easement interest will hereinafter be referred to as RCFC Parcel No. 6160-13B. Said land consists of approximately 9,886 square feet (0.022+ AC).
 - C. A twelve (12) month Right of Entry and Temporary Construction Easement ("TCE") which affects portions of land that will hereinafter be referred as RCFC Parcel Nos. 6160-13T and 6160-13T1. Said land contains a total of approximately 20,734 square feet, with RCFC Parcel No. 6160-13T being approximately 19,727 square feet (0.044+AC) and RCFC Parcel No. 6160-13T1 being approximately 1,007 square feet.

Said above-listed interests in real property will hereinafter be collectively referred to as the "Property".

The respective land affected by the above-listed interests in real property are legally described in Exhibit "A" and depicted in Exhibit "B", both of which are attached hereto and by this reference incorporated herein. The permanent easement and access easement interests are also legally described and depicted in those certain Easement Deeds attached hereto as Exhibit "C" and incorporated by reference herein ("Easement Deeds").

2. <u>PURCHASE PRICE</u>. The total purchase price that BUYER will provide to SELLER for Parcel Nos. 6160-13A, 6160-13B, 6160-13T, and 6160-13T1 is:

TWO HUNDRED SIX THOUSAND FOUR HUNDRED SEVENTY SEVEN DOLLARS (\$206,477.00)

The \$206,477.00 purchase price is broken down as follows:

Permanent Easement: RCFC Parcel No. 6160-13A	(31,616 sq. ft.)	\$142,272
Access Easement RCFC Parcel No. 6160-13B	(9,886 sq. ft.)	\$33,415
Temporary Construction Easements RCFC Parcel Nos. 6160-13T and 61	` /	\$30,790
Total purchase price value		\$206,477

All payments specified in this section shall be made in legal tender, as such that the Escrow Holder can disburse proceeds to SELLER at the close of escrow.

3. <u>PERMISSION TO ENTER ON PROPERTY.</u> SELLER hereby grants to BUYER, or its authorized agents, permission to enter upon the SELLER'S 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 at least two (2) business days written or oral notice before going on the SELLER'S 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 or non-permanent improvements involving entrance onto the SELLER'S 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 SELLER'S PROPERTY. If BUYER does not remove all of BUYER's personal property, facilities, tools, and equipment from the SELLER'S 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 SELLER'S PROPERTY. In the event BUYER fails to remove BUYER's personal property, facilities, tools and equipment from the SELLER'S PROPERTY after entering the SELLER'S 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. <u>TEMPORARY CONSTRUCTION EASEMENTS</u>. At least forty-eight (48) hours written or oral notice shall be given to SELLER before DISTRICT initially enters upon and uses the SELLER'S PROPERTY (under the authority and rights as provided in that certain Right of Entry and Temporary Construction Easement Agreement entered into simultaneously with this Agreement). The rights therein granted to use the Temporary Construction Easements shall commence upon SELLER receiving notice by DISTRICT and expire twelve (12) months thereafter.
- 5. ESCROW. The Parties will establish an escrow at Commonwealth Land Title 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 five (5) business days of the date on which this Agreement is fully executed by the Parties. Close of Escrow means the date on which the Easement Deeds and the Grant Deed are recorded in the Official Records of the County of Riverside. The Close of Escrow will be as soon as possible after the Opening of Escrow, but in no event shall the Close of Escrow be later than one hundred eighty (180) days after the Opening of Escrow. 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. <u>Funds</u>. 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 6 and 11; (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 Easement Deeds in favor of BUYER to be recorded with the County Recorder for the County of Riverside and obtain conformed copies thereof for distribution to BUYER and SELLER.
 - C. <u>Title Policy</u>. Direct the Title Company to issue Title Policy for permanent easement and access easement interests also referred to as RCFC Parcel Nos. 6160-13A and 6160-13B to BUYER.

- D. <u>Delivery of Documents to BUYER and SELLER</u>. 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. <u>Time Limits</u>. 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.
- 6. <u>TITLE AND TITLE INSURANCE</u>. Upon the Opening of Escrow, Commonwealth Land Title Company (the "Escrow Holder") shall obtain and issue a title commitment for permanent easement and access easement interests. Escrow Holder will also request two (2) copies each of all instruments identified as exceptions on said title commitment. Upon receipt of the foregoing, Escrow Holder will deliver these instruments and the title commitment to BUYER and SELLER. Escrow Holder will insure BUYER's easement 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 \$175,000 ("Title Policy"). The Title Policy provided for pursuant to this Section 6 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 ten (10) 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 easement interests in the SELLER'S PROPERTY will be free and clear of all monetary liens and monetary encumbrances.
 - 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.

- 7. <u>POSSESSION OF PROPERTY</u>. It is mutually understood and agreed by and between the Parties hereto that the right of possession and use of the SELLER'S PROPERTY by BUYER, including the right to remove and dispose of improvements, shall commence upon the execution of this Agreement by all Parties.
- 8. <u>WARRANTIES AND REPRESENTATIONS OF SELLER</u>. SELLER makes the following representations and warranties:
 - A. To the best of SELLER's knowledge, there are no actions, suits, material claims, legal proceedings or any other proceedings affecting the SELLER'S PROPERTY or any portion thereof at law or in equity before any court or governmental agency, domestic or foreign.
 - B. To the best of SELLER's knowledge, there are no encroachments onto the SELLER'S PROPERTY by improvements on any adjoining property, nor do any buildings or improvements on the SELLER'S PROPERTY encroach onto other properties.
 - C. Until the Close of Escrow, SELLER shall maintain the SELLER'S 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 SELLER'S PROPERTY.
 - D. SELLER has good and marketable title to the SELLER'S PROPERTY. SELLER has no actual knowledge of any unrecorded or undisclosed legal or equitable interest in the SELLER'S 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 SELLER'S 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 SELLER'S PROPERTY. No assessment lien or bond encumbers the SELLER'S PROPERTY, and no governmental authority has undertaken any action that could give rise to an assessment lien affecting the SELLER'S PROPERTY and shall not do anything that would impair SELLER's title to any of the SELLER'S PROPERTY.
 - E. To the best of SELLER's knowledge, 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 SELLER'S 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 8 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 SELLER'S PROPERTY or transport any Hazardous

Materials to or from the SELLER'S PROPERTY and 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 SELLER'S 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), (iii) defined as "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (iv) petroleum, (v) asbestos, (vi) polychlorinated biphenyls, (vii) listed or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Code of Regulations, (viii) designated as a "hazardous substances" pursuant to Section 311 of the Clean Water Act, (33 U.S.C. §1317), (ix) 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 (x) defined as a "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42, U.S.C. §9601 *et seq.* (42 U.S.C. §9601).

- H. SELLER represents and warrants that the SELLER PROPERTY, to the best of SELLER's knowledge, complies with all applicable laws and governmental regulations including, without limitation, all applicable federal, state, and local laws pertaining to air and water quality, hazardous waste, waste disposal, and other environmental matters, including, but not limited to, the Clean Water, Clear Air, Federal Water Pollution Control, Solid Waste Disposal, Resource Conservation and Recovery, and Comprehensive Environmental Response, Compensation, and Liability Acts, and the California Environmental Quality Act, and the rules, regulations, and ordinances of the city within which the SELLER PROPERTY is located, the California Department of Public Health, the Regional Water Quality Control Board, the State Water Resources Control Board, the Environmental Protection Agency, and all applicable federal, state, and local agencies and bureaus.
- 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 SELLER'S PROPERTY is subject. No consent of any partner, shareholder, creditor, investor, judicial or administrative body, 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 or company, it is organized, validly existing and in good standing under the laws of the State of California.

- 9. <u>WARRANTIES AND REPRESENTATIONS OF BUYER</u>. 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 actions 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, which are, or at the Closing Date will be, legal, valid and binding obligations of BUYER, and can consummate the transaction contemplated herein.

10. <u>CLOSING CONDITIONS.</u>

- 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 Easement Deeds in the form attached to this Agreement as Exhibit "C" and by this reference incorporated herein.
 - 2) SELLER must have delivered to Escrow the documents and funds it is required to deliver through Escrow at Closing.
 - 3) The physical condition of the SELLER'S PROPERTY must be substantially the same on the Closing Date as on the Effective Date, reasonable wear and tear excepted.
 - 4) 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.
 - 5) 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 described 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 interests including, but not limited to, any supplemental instructions required to complete the transaction.
- 11. <u>CLOSING COSTS</u>. Costs for Escrow, title and closing expenses will be allocated as follows:
 - A. <u>SELLER shall pay or be charged:</u>
 - 1) All costs associated with removing any debt encumbering the Property;
 - 2) All costs associated with SELLER's broker representation, including commission, if applicable;
 - 3) All costs associated with SELLER's attorney fees; and
 - 4) SELLER's share of prorations, if any.
 - B. <u>BUYER shall pay or be charged:</u>
 - 1) All of Escrow fees and costs;
 - 2) Cost of the CLTA Standard coverage policy;
 - 3) Cost of Natural Hazard Disclosure Statement;
 - 4) Cost of recording the Easement Deeds, if any; and
 - 5) BUYER's share of prorations, if any.
 - C. <u>Prorations</u>. 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) <u>Tax Exempt Agency</u>. 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) <u>Utility Deposits</u>. If applicable, SELLER will notify all utility companies servicing the SELLER'S 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.
- 3) SELLER is responsible for all costs associated with the provision of utility services to the Property up to the Close of Escrow.
- 4) 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 11 shall survive the Closing and shall not merge into any documents of conveyance delivered at Closing.
- 12. <u>CLOSING.</u> 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.
- 13. <u>INDEMNITY</u>. 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. This indemnity shall include, without limitation, any damage, liability, fine, penalty, punitive damage, cost, or expense arising from or out of any claim, action, suit or proceeding for personal injury (including sickness, disease or death, tangible or intangible property damage, compensation for lost wages, business income, profits or other economic loss, damage to the natural resource or the environmental, nuisance, pollution, contamination,

leak, spill, release, or other adverse effect on the environment). This indemnity extends only to liability created prior to or up to the date the Close of Escrow. Neither BUYER nor SELLER shall be responsible for acts or omissions to act after close of this transaction.

- 14. <u>DISTRICT REPRESENTATIVE</u>. 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:

Grit Development, LLC

Attn: Mr. Michael Braun

201 N Palm Canyon Drive, Suite 200

Palm Springs, CA 92262

BUYER:

Riverside County Flood Control and Water Conservation District

Attn: Yolanda King, Senior Real Property Agent

1995 Market Street Riverside, CA 92501

COPY TO:

Riverside County Counsel

Attn: Thomas Oh, Deputy County Counsel

3960 Orange Street, Suite 500 Riverside, CA 92501-3674

ESCROW HOLDER:

Commonwealth Land Title Company

4100 Newport Place Drive

Suite 120

Newport Beach, CA 92660

16. MISCELLANEOUS.

A. <u>Natural Hazard Disclosure Statement</u>. 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. <u>Default</u>. 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. <u>Further Instructions</u>. 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. <u>Amendments</u>. 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. <u>Applicable Law</u>. 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.
- 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 who is not contained herein shall be valid or binding on SELLER or BUYER.
- G. <u>Successors and Assigns</u>. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the Parties hereto.
- H. <u>Time of Essence</u>. 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. <u>Remedies Not Exclusive and Waivers</u>. 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. <u>Interpretation and Construction</u>. 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. <u>Counterparts</u>. 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. <u>Partial Invalidity</u>. 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 nor 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 purchases 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. <u>Attorneys' Fees</u>. 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 prevailed in a judgment by a court of competent jurisdiction.
- 17. <u>ASSIGNMENT</u>. 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. <u>SIGNATURES</u>. This Agreement will have no force or affect whatsoever unless and until it is signed by each of the duly authorized agents of the transacting Parties.

Purc	IN WITNESS WHEREOF, the Partie chase and Sale of Real Property on(date to	es hereto have executed this Agreement for MAR 2 6 2019 be filled in by General Manager-Chief Engineer)
SEI	LLER:	GRIT DEVELOPMENT, LLC, a California limited liability company
Date	e:	By MICHAEL BRAUN Manager
BU	YER:	
RE	COMMENDED FOR APPROVAL	RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, a body politic
By:	JASON E. UHLEY General Manager-Chief Engineer	By: Karen S. Spiegel KAREN SPIEGEL, Chairman Riverside County Flood Control and Water Conservation District Board of Supervisors
Date	e: <u>3-7-19</u>	Date:
GRI Cou By:	PROVED AS TO FORM: EGORY P. PRIAMOS unty Counsel Deputy County Counsel	ATTEST: KECIA HARPER Clerk of the Board By: By: H
Date	e: <u>3-12-19</u>	Date: MAR 2 6 2019
YK: 01/1	:rlp 4/19	
Proje Proje	681-480-008 (portion) cct: Palm Springs MDP Line 41, Stage 3 cct No. 6-0-00160 C Parcel Nos. 6160-13A, 6160-13B, 6160-13T, 6160-	13T1

EXHIBIT "A"

EXHIBIT "A" LEGAL DESCRIPTION

Parcel No. 6160-13A

APN 681-480-008

In the City of Palm Springs, County of Riverside, State of California, being that portion of Parcel "B" of Lot Line Adjustment No. 05-21, as described in grant deed recorded March 2, 2006 as Instrument No. 2006-0151995 of official records of said county and shown on Record of Survey filed in book 130, pages 70 through 73, inclusive, records of said county, described as follows:

The southwesterly 32.00 feet of the northeasterly 42.00 feet of said Parcel "B".

Containing 31,616 square feet/0.726 acre.

The distances shown herein are in grid. Ground distances may be obtained by dividing the grid distance by a combination factor of 0.999973982.

See Exhibit "B" attached hereto and made a part hereof.

LS (752
Exp 12-31-19

OF CALITOR

JAMES R. McNEILL

Land Surveyor No. 7752

Date: 7/1/8

EXHIBIT "A" LEGAL DESCRIPTION

Parcel No. 6160-13B

APN 681-480-008

In the City of Palm Springs, County of Riverside, State of California, being that portion of Parcel "B" of Lot Line Adjustment No. 05-21, as described in grant deed recorded March 2, 2006 as Instrument No. 2006-0151995 of official records of said county, and shown on Record of Survey filed in book 130, pages 70 through 73, inclusive, records of said county, described as follows:

The northeasterly 10.00 feet of said Parcel "B".

Containing 9,886 square feet/0.227 acre.

The distances shown herein are in grid. Ground distances may be obtained by dividing the grid distance by a combination factor of 0.999973982.

See Exhibit "B" attached hereto and made a part hereof.

LS 7/52

Exp 12-31-19

OF CAL 1502

JAMES R. McNEILL

Land Surveyor No. 7752

Date: 5-1-18

EXHIBIT "A" LEGAL DESCRIPTION

Parcel No. 6160-13T

APN 681-480-008

In the City of Palm Springs, County of Riverside, State of California, being that portion of Parcel "B" of Lot Line Adjustment No. 05-21, as described in grant deed recorded March 2, 2006 as Instrument No. 2006-0151995 of official records of said county, and shown on Record of Survey filed in book 130, pages 70 through 73, inclusive, records of said county, described as follows:

The southwesterly 20.00 feet of the northeasterly 62.00 feet of said Parcel "B".

Containing 19,727 square feet/0.442 acre.

The distances shown herein are in grid. Ground distances may be obtained by dividing the grid distance by a combination factor of 0.999973982.

See Exhibit "B" attached hereto and made a part hereof.

LS 7752

Exp. 12-31-19

OF CALIFORNIA

JAMES R. McNEILL

Land Surveyor No. 7752

12 months

Date: 5-1-18

EXHIBIT "A" LEGAL DESCRIPTION

Parcel No. 6160-13T1

APN 681-480-008

In the City of Palm Springs, County of Riverside, State of California, being that portion of Parcel "B" of Lot Line Adjustment No. 05-21, as described in grant deed recorded March 2, 2006 as Instrument No. 2006-0151995 of official records of said county, and shown on Record of Survey filed in Book 130, Pages 70 through 73, inclusive, records of said county, described as follows:

The westerly 40.00 feet of the southwesterly 25.00 of the northeasterly 87.00 feet of said parcel.

Containing 1,007 square feet

The distances shown herein are in grid. Ground distances may be obtained by dividing the grid distance by a combination factor of 0.999973982.

See Exhibit "B" attached hereto and made a part hereof.

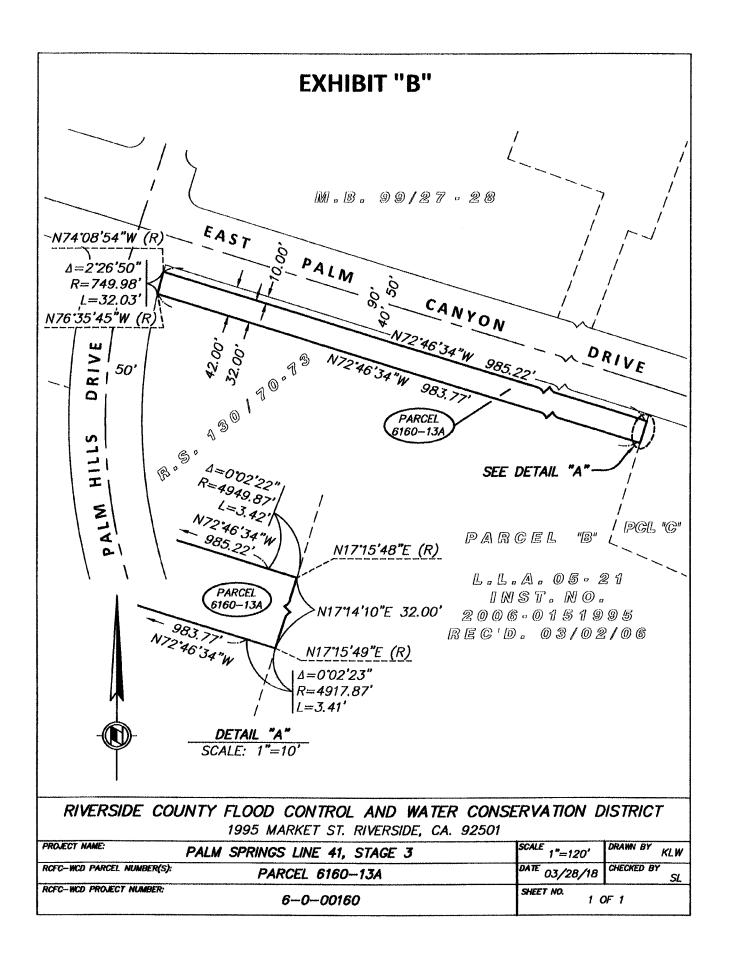
1.5 7752 Exp 12-31-19

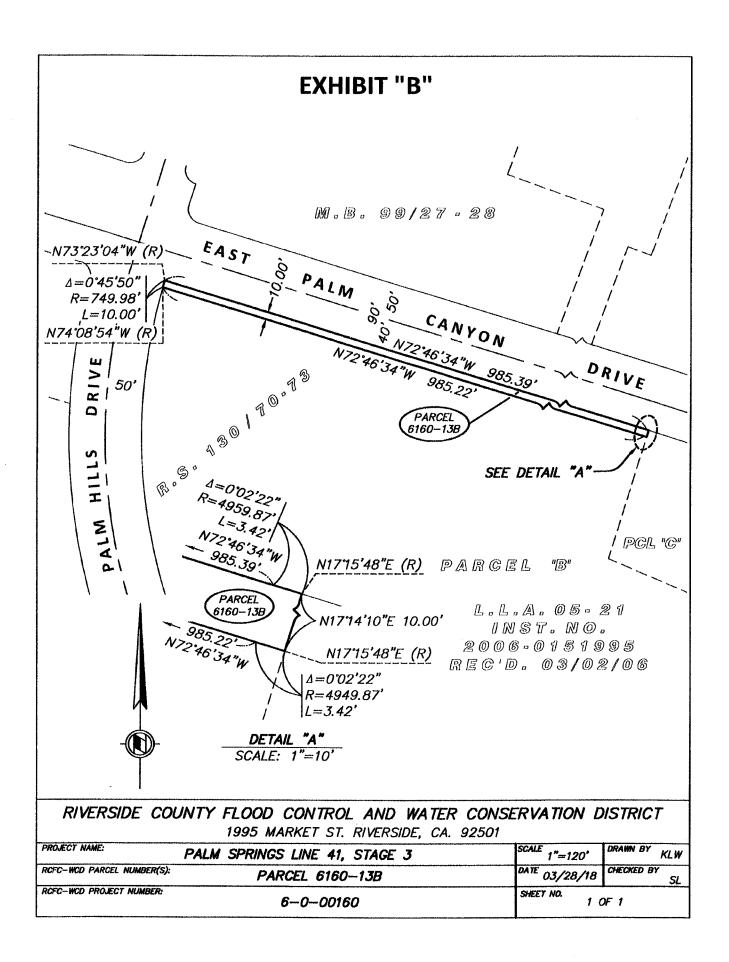
JAMES R. McNEILL

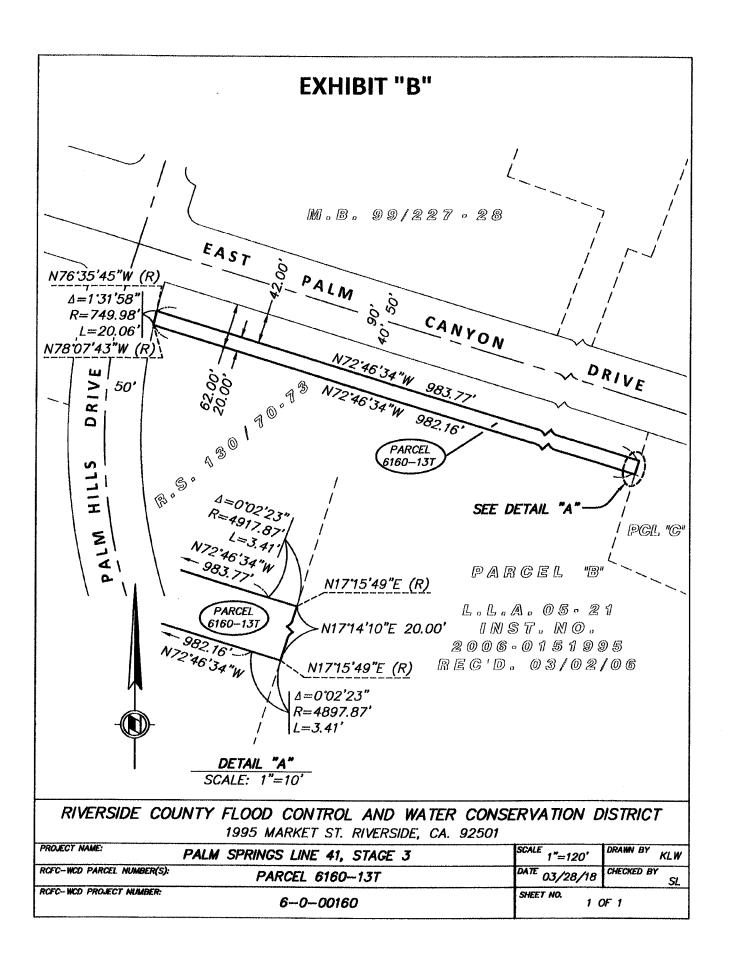
Land Surveyor No. 7752

Date: 12-578

EXHIBIT "B"







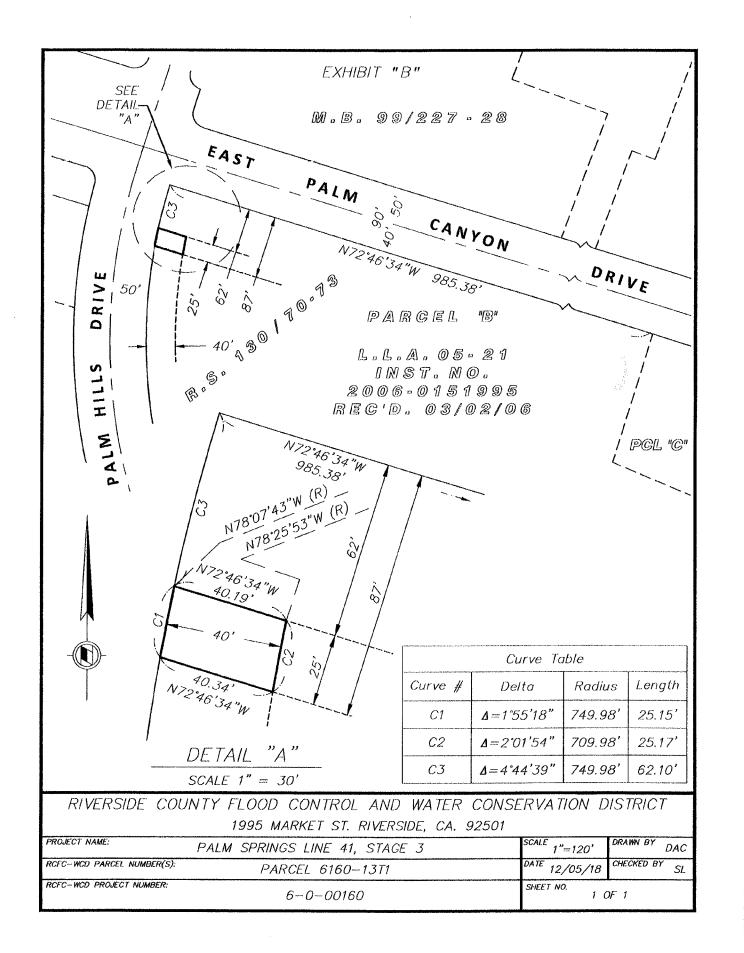


EXHIBIT "C"

Recorded at request of, and return to: Riverside County Flood Control and Water Conservation District 1995 Market Street Riverside, California 92501

NO FEE (GOV. CODE 6103)

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Palm Springs MDP Line 41, Stage 3 East Palm Canyon Drive Project No. 6-0-00160 APN 681-480-008 (portion) RCFC Parcel No. 6160-13A the undersigned grantor(s) declare(s)
DOCUMENTARY TRANSFER TAX \$NONE

(Notary Attached)

EASEMENT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, GRIT DEVELOPMENT, LLC, a California limited liability company, which acquired title to the subject property as Wessman Holdings, LLC, hereby grants to the RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, a body politic, and its successors and assigns, a permanent easement in, under, upon, over, along, and across that certain real property ("Property") situated in the City of Palm Springs, County of Riverside, State of California, as more specifically described in Exhibit "A" and shown on Exhibit "B", both of which are attached hereto and made a part hereof, for the construction, reconstruction, alteration, maintenance, operation, inspection, repair, relocation, renewal, and removal of flood control facilities, together with all necessary appurtenances thereto, including the right of pedestrian and/or vehicular ingress and egress upon, over, under, along, and across the Property for the purpose of exercising the rights herein granted.

	limited liability company
Date:	By:
	Name:
	Its:

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in	real property conveyed by Easement Deed, dated
, 2019, from G	GRIT DEVELOPMENT, LLC, a California limited
liability company, ("Grantor") which acqui	ired title to the subject property as Wessman Holdings,
LLC, to the RIVERSIDE COUNTY FLO	OD CONTROL AND WATER CONSERVATION
DISTRICT, a body politic, ("District" o	or "Grantee") is hereby accepted by the undersigned
	authority conferred by Resolution No. 474 of the Board
	on May 12, 1961, and the Grantee consents to the
recordation thereof by its duly authorized o	
• •	
	RIVERSIDE COUNTY FLOOD CONTROL
	AND WATER CONSERVATION DISTRICT
Date:	By:
	JASON E. UHLEY
	General Manager-Chief Engineer

EXHIBIT "A" LEGAL DESCRIPTION

Parcel No. 6160-13A

APN 681-480-008

In the City of Palm Springs, County of Riverside, State of California, being that portion of Parcel "B" of Lot Line Adjustment No. 05-21, as described in grant deed recorded March 2, 2006 as Instrument No. 2006-0151995 of official records of said county and shown on Record of Survey filed in book 130, pages 70 through 73, inclusive, records of said county, described as follows:

The southwesterly 32.00 feet of the northeasterly 42.00 feet of said Parcel "B".

Containing 31,616 square feet/0.726 acre.

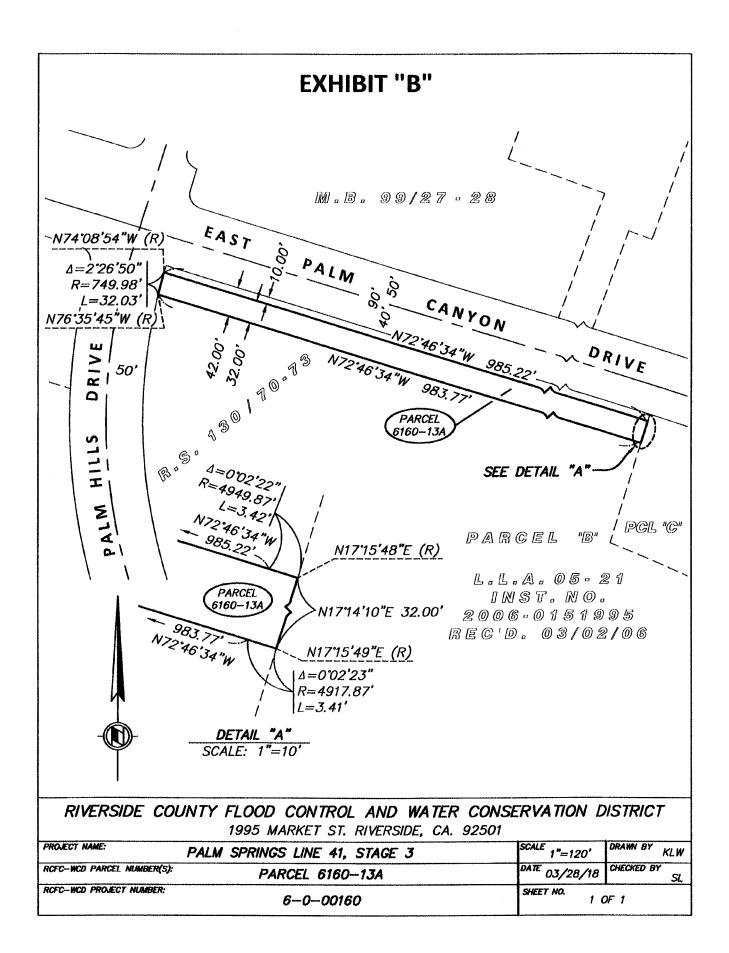
The distances shown herein are in grid. Ground distances may be obtained by dividing the grid distance by a combination factor of 0.999973982.

See Exhibit "B" attached hereto and made a part hereof.

JAMES R. McNEILL

Land Surveyor No. 7752

Date: 5-1-18



Recorded at request of, and return to: Riverside County Flood Control and Water Conservation District 1995 Market Street Riverside, California 92501

NO FEE (GOV. CODE 6103)

Palm Springs MDP Line 41, Stage 3 Project No. 6-0-00160-03 APN 681-480-008 (portion) RCFC Parcel No. 6160-13B SPACE ABOVE THIS LINE FOR RECORDER'S USE

the undersigned grantor(s) declare(s)
DOCUMENTARY TRANSFER TAX \$NONE

EASEMENT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, GRIT DEVELOPMENT, LLC, a California limited liability company, which acquired title to the subject property as Wessman Holdings, LLC, hereby grants to RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, a body politic, and its successors and assigns, a non-exclusive and permanent easement for unrestricted access to the Palm Springs MDP Line 41, Stage 3 Project, including ingress and egress thereto, over, upon, across and within that certain real property situated in the City of Palm Springs, County of Riverside, State of California, as described in Exhibit "A" and shown in Exhibit "B", attached hereto and made a part hereof.

(Notary Attached)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in re	eal property conveyed by Easement Deed, dated
, 2019, from G l	RIT DEVELOPMENT, LLC, a California limited
	d title to the subject property as Wessman Holdings,
	CONTROL AND WATER CONSERVATION
	intee) is hereby accepted by the undersigned officer on
	ty conferred by Resolution No. 474 of the Board of
	12, 1961, and the Grantee consents to the recordation
	12, 1961, and the Grantee consents to the recordation
thereof by its duly authorized officer.	
	RIVERSIDE COUNTY FLOOD CONTROL
	AND WATER CONSERVATION DISTRICT
Date:	By:
	JASON E. UHLEY
	General Manager-Chief Engineer
	General Manager Ciner Engineer

Project: Palm Springs MDP Line 41, Stage 3 – East Palm Canyon Drive Project No. 6-0-00160-03 APN 681-480-008 RCFC Parcel No. 6160-13B

EXHIBIT "A" LEGAL DESCRIPTION

Parcel No. 6160-13B

APN 681-480-008

In the City of Palm Springs, County of Riverside, State of California, being that portion of Parcel "B" of Lot Line Adjustment No. 05-21, as described in grant deed recorded March 2, 2006 as Instrument No. 2006-0151995 of official records of said county, and shown on Record of Survey filed in book 130, pages 70 through 73, inclusive, records of said county, described as follows:

The northeasterly 10.00 feet of said Parcel "B".

Containing 9,886 square feet/0.227 acre.

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See Exhibit "B" attached hereto and made a part hereof.

LS 7752

Exp 12-31-19

OF CALLYOR

JAMES R. McNEILL

Land Surveyor No. 7752

Date: 5-1-18

