

ASSIGNMENT OF REAL PROPERTY PURCHASE AND SALE AGREEMENT

This Assignment of Real Property Purchase and Sale Agreement (“Assignment Agreement”) is made and entered into this 19 day of July, 2016 (“Effective Date”), by and between the Redlands Conservancy, a California non-profit public benefit corporation (“Assignor”), and the City of Redlands, a California general law city and municipal corporation (“Assignee”). Assignor and Assignee are sometimes individually referred to herein as a “Party” and, together, the “Parties.”

RECITALS

WHEREAS, Assignor has entered into a certain Real Property Purchase and Sale Agreement (“Purchase/Sale Agreement”) with Thomas Arthur Hudson, Successor Trustee of the Hudson Survivor’s Trust, as to an undivided 56% interest and Thomas Arthur Hudson, Successor Trustee of the Hudson Family Trust, as to an undivided 44% interest, together as “Seller,” and Assignor as “Buyer,” which Purchase/Sale Agreement is dated April, 12, 2016, for the purchase and sale of certain real property (the “Property”) situated in the City of Redlands and more particularly described in the Agreement, a copy of which is attached hereto as Exhibit “A;” and

WHEREAS, Assignor desires to assign, transfer, sell and convey to Assignee, all of Assignor’s right, title, and interest in, to and under the Purchase/Sale Agreement; and

WHEREAS, Assignee is desirous of receiving all of Assignor’s right, title and interest in, to and under the Purchase/Sale Agreement;

NOW THEREFORE, in consideration of the mutual promises contained herein, and for such good and other valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

Section 1. Assignor’s Assignment. Assignor hereby assigns, transfers, sells and conveys unto Assignee all of Assignor’s right, title and interest in, to and under the Purchase/Sale Agreement, with the exception of the “Charitable Pledge Agreement” referenced in Section 2.2 of the Purchase/Sale Agreement.

Section 2. Assignee’s Assumption. Assignee hereby assumes all of Assignor’s rights, duties and obligations under the Purchase/Sale Agreement, except as may be expressly provided otherwise herein.

Section 3. Return of Deposit. At the Close of Escrow under the Purchase/Sale Agreement, Assignee shall cause Escrow Holder to return the Deposit to Assignor. If the Agreement and escrow are terminated prior to the closing date and the Purchase/Sale Agreement provides for a return of the Deposit to the Buyer, then Assignee shall cause Escrow Holder to return the Deposit to Assignor. If the Agreement and escrow are terminated prior the closing date and the

Purchase/Sale Agreement provides for a retention of the Deposit by Seller, then no funds will be refunded to Assignor and Assignee is not responsible to reimburse Assignor for any non-reimbursed Deposit funds.

Section 4. Charitable Pledge Agreement. Notwithstanding the assignment of the Purchase/ Sale Agreement by Assignor to Assignee, the parties acknowledge that the Charitable Pledge Agreement shall not be assigned, and shall continue in full force and effect between Assignor and Seller. Assignee shall cause Escrow Holder to pay the charitable contribution to Assignor at the close of Escrow.

Section 5. Defense and Indemnity. Assignor shall defend, indemnify and hold harmless Assignee and its elected officials, employees and agents from and against any and all claims, causes of action, damages, losses or liability, including attorneys' fees, which Assignee may be subjected to including, but not limited to, injury or death to persons or damage to property, which are occasioned by or result from any act, omission or failure to act by Assignee, or its officers, employees and agents relating to the exercise of any of Assignee's rights under the Purchase/Sale Agreement attributable to any period time prior to the date of this Assignment Agreement. Assignee shall defend, indemnify and hold harmless Assignor and its employees and agents from and against any and all claims, causes of action, damages, losses or liability, including attorneys' fees, which Assignor may be subjected to including, but not limited to, injury or death to persons or damage to property, which are occasioned by or result from any act, omission or failure to act by Assignor, or its officers, employees and agents relating to the exercise of any of Assignor's rights under the Purchase/Sale Agreement attributable to any period time after the date of this Assignment Agreement.

Section 6. Binding Effect. This Assignment Agreement shall be binding upon Assignor and inure to the benefit of Assignee and its successors and assigns.

Section 7. Governing Law. This Assignment Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 8. Entire Agreement/Amendment. This Assignment Agreement contains the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior negotiations, verbal and written agreements between the Parties regarding the same. This Assignment Agreement may be amended only by written instrument executed by the Parties.

Section 9. No third Party Beneficiaries. Nothing expressed or implied in this Assignment Agreement is intended to confer upon any person, other than the Parties, or their respective successors or permitted assigns, any right, remedies, obligations, or liabilities under, or by reason of, this Assignment Agreement.

Section 10. Attorney's Fees. In the event any action is commenced to enforce or interpret any of the terms or conditions of this Assignment Agreement the prevailing party shall, in addition to any costs and other relief, be entitled to the recovery of its reasonable attorneys' fees, including fees for the use of in-house counsel by a Party.

IN WITNESS WHEREOF, this Assignment Agreement has been signed and delivered by Assignor and Assignee as of the date and year first above written.

CITY OF REDLANDS

THE REDLANDS CONSERVANCY

Paul Foster, Mayor

Robert Dawes, President

ATTEST:

Sam Irwin, City Clerk

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement ("Agreement") is entered into this 12th day of April, 2016 ("Effective Date"), by and between The Redlands Conservancy, a California non-profit public benefit corporation ("Buyer"), and Thomas Arthur Hudson, Successor Trustee of the Hudson Survivor's Trust, as to an undivided 44% interest and Thomas Arthur Hudson, Successor Trustee of the Hudson Family Trust, as to an undivided 56% interest (together "Seller"). Buyer and Seller are sometimes individually referred to herein as a "Party" and, together, as the "Parties." In consideration of the mutual covenants and agreements, the Parties agree to the following terms and conditions:

ARTICLE I AGREEMENT OF SALE

1.1 **Parties' Status.** Buyer is a California non-profit public benefit corporation with the power to acquire real and personal property. Seller is sole Successor Trustee of both the Hudson Survivor's Trust and the Hudson Family Trust.

1.2 **Property.** (a) Seller owns certain real property consisting of approximately 12.32 acres and consisting of portions of land of located in the County of San Bernardino bearing Assessor Parcel Nos. 0300-231-36, 0300-241-24 and 0300-241-25; ("Property"), more particularly described in Exhibit "A" and plotted in Exhibit "B" attached hereto and incorporated herein by reference.

(b) The Property shall include all surface and sub-surface mineral rights, including any water rights appurtenant to the Property, but without any representation or warranty from Seller relating to the existence, extent or nature of any such surface, sub-surface or water rights, which are in all events subject to easements and other matters of record, along with agreements for sharing access to and costs for the water produced on the Property. Additionally, the Property shall include all buildings, fixtures, mechanical systems and other improvements located on the Property.

1.3 **Incomplete Legal Description.** If the legal description of the Property is not complete or is inaccurate, this Agreement shall not be invalid and the legal description shall be completed or corrected to meet the requirements of the Title Company (as defined in Section 2.5 below) to issue the Title Policy hereinafter described.

1.4 **Agreement of Purchase and Sale.** Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, upon the terms and for the considerations set forth in this Agreement, the Property.

1.5 **Other Grants.** Except as specifically otherwise permitted hereunder, it is agreed that Seller, or its successors in interest, will not grant an interest in the Property, or any part thereof, including, but not limited to, a fee simple interest, easements, lease or any other conveyances and/or construct improvements or make Material Changes (as hereinafter defined in

Section 4.2 below) upon or to the Property during the period between the Effective Date and the Close of Escrow.

1.6 **Possession.** Seller agrees that the Property will be available to Buyer and free from all tenancies and occupants upon the Close of Escrow.

1.7 **Existing Tenant.** Buyer acknowledges that there is an existing tenant that resides in a house located on a portion of the Property as of the Effective Date ("**Existing Tenant**"). With respect to such Existing Tenant:

(a) Within two (2) business days of the execution of this Agreement, Seller shall provide to Buyer a complete copy of the lease, together with all amendments, between Seller and such Existing Tenant ("**Existing Lease**");

(b) Within thirty (30) days of the execution of this Agreement, Seller shall procure an estoppel certificate executed by the Existing Tenant in a form reasonably acceptable to Buyer confirming the term, rent, and existence of any defaults under the Existing Lease with such Existing Tenant;

(c) Seller represents that there are no defaults under the Existing Lease; and

(d) Seller shall notify Buyer within one (1) business day of receiving any notice of default from Existing Tenant. Seller further covenants and agrees not to enter into any amendment extending the Existing Lease.

Seller shall use commercially reasonable efforts to obtain possession of the Property from the Existing Tenant, on or before June 30, 2016. Such Existing Tenant vacating the Property at least thirty (30) days prior to the Closing Date hereunder shall be a contingency to Buyer's obligations hereunder. Buyer's sole remedy at law or equity in the event such tenants remain in possession as of the date that is thirty (30) days prior to the Closing Date shall be to terminate this agreement, after which termination the Deposit shall be returned to Buyer, and neither party shall have any further liability to the other except where such liability expressly survives the termination of this Agreement before the conveyance of the Property.

1.8 **As Is.** (a) Except for any representation or warranty of Seller specifically stated in this Agreement, Buyer acknowledges and agrees that Buyer is purchasing the Property in its "As Is" condition with all faults, and that neither Seller nor anyone acting for or on behalf of Seller has made any representation, statement, or warranty to Buyer concerning the value and marketability, physical aspects and condition of any of the Property, compliance with applicable laws or regulations, any dimensions or specification of any of the Property, the permissibility, feasibility, desirability, or convertibility of any of the Property for any particular use, or any other matter pertaining to the Property. In entering into this Agreement, Buyer has not relied on any representation, statement, warranty, failure to disclose or other absence of disclosure by Seller, or anyone acting for or on behalf of Seller unless specifically stated herein. Buyer is an experienced purchaser of real estate for conservation purposes and Buyer's purchase of the Property is based upon its own inspection and examination thereof for Buyer's intended purposes, with full knowledge of the physical and environmental aspects and conditions thereof

that have been disclosed by such inspection and Buyer assumes the risk that adverse physical or environmental conditions may not have been revealed by its inspection.

(b) As used herein, the term "Natural Hazard Area" shall mean those areas identified as natural hazards in the Natural Hazard Disclosure Act, California Government Code Sections 8589.3, 8589.4, and 51183.5, and California Public Resources Code Sections 2621.9, 2694, and 4136, and any successor statutes or laws (the "Act"). Seller shall provide Buyer with a Natural Hazard Disclosure Statement ("**Disclosure Statement**") as provided in Section 2.3 below. Buyer acknowledges that such Disclosure Statement fully and completely discharges Seller from its disclosure obligations under the Act, and, for the purpose of this Agreement, the provisions of Civil Code Section 1103.4 regarding the non-liability of Seller for errors or omission not within its personal knowledge shall be deemed to apply and the preparer of the Disclosure Statement shall be deemed to be an expert dealing within the scope of its expertise with respect to the examination and Disclosure Statement unless Buyer objects within ten (10) days following receipt of the Disclosure Statement. Buyer acknowledges and agrees that nothing contained in the Disclosure Statement shall release Buyer from its obligation to fully investigate the condition of the Property, including, without limitation, whether the Property is located in any Natural Hazard Area. Buyer further acknowledges and agrees that the matters set forth in the Disclosure Statement may change on or prior to the Closing Date and that Seller has no obligation to update, modify, or supplement the Disclosure Statement. Buyer shall be solely responsible for preparing and delivering its own Natural Hazard Disclosure Statement to subsequent prospective buyers of the Property.

1.9 **Due Diligence.** At its sole expense, Buyer may conduct a Phase I Environmental Site Assessment (the "**Phase I**") of the Property through the engagement of a professional consultant to complete the Phase I on or before the date that is ninety (90) days from the Effective Date ("**Contingency Date**"). Prior to the Contingency Date, Buyer shall also have the right to perform, in its sole discretion, its due diligence review of the condition of Property and all other matters concerning the Property, including without limitation, title status, economic, financial, and accounting matters relating to or affecting the Property or its value, the suitability of the Property for Buyer's intended purpose, and the physical and environmental condition of the Property. Buyer shall also seek and obtain approval and ratification of this Agreement by Buyer's Board of Directors during such time period. On or before the Contingency Date, or such date as the Contingency Date may be extended pursuant to Section 10.5 below, Buyer shall deliver written notice to Seller accepting the Property, or terminating this Agreement. If Buyer fails to give such notice on or before the Contingency Date, Buyer shall be deemed to have accepted the Property and proceed with this Agreement. In the event that Buyer terminates this Agreement prior to the Contingency Date, or such date as the Contingency Date may be extended: (i) there shall be no liability on the part of Buyer or Seller except where such liability expressly survives the termination of this Agreement before the Closing Date; (ii) this Agreement shall otherwise become null and void and of no further force and effect except for such provisions which expressly survive the termination of this Agreement before the Closing Date; and (iii) Escrow Holder shall cancel the Escrow immediately and return all money and/or documents to the Buyer.

1.10 **Funding Contingency.** Seller specifically acknowledges and agrees that Buyer's ability to purchase the Property is contingent on Buyer's ability to obtain independent third party

grants or donations to provide funding for the acquisition contemplated by this Agreement ("**Funding Contingency**"). Accordingly, Buyer's obligations under this Agreement are expressly contingent upon the satisfaction of such Funding Contingency. In the event the Funding Contingency is not satisfied on, or before, the Closing Date, Buyer shall have the right to terminate the Agreement, provided that Five Thousand and No/100 Dollars (\$5,000) of the Deposit shall be retained by Seller, the balance of the Deposit shall be returned to Buyer, and thereafter neither Buyer nor Seller shall have any further rights or obligations hereunder.

ARTICLE II PURCHASE PRICE, TITLE AND ESCROW

2.1 Purchase Price and Deposit. (a) Buyer shall pay to the Seller the sum of Four Hundred Thirty-Three Thousand and No/100 Dollars (\$433,000.00) ("**Purchase Price**") for the Property. Within five (5) days of the full execution of this Agreement, Buyer shall deposit the sum of Twelve Thousand Five Hundred and No/100 Dollars (\$12,500.00) in Escrow (as defined in Section 2.3 below) (the "**Deposit**"). Should the Deposit not be paid when required, then unless Buyer cures such default within seven (7) days of Seller's notice of default, Seller may elect to unilaterally terminate this transaction, whereupon (i) there shall be no liability on the part of Buyer or Seller except where such liability expressly survives the termination of this Agreement before the Closing Date; (ii) this Agreement shall otherwise become null and void and of no further force and effect except for such provisions which expressly survive the termination of this Agreement before the Closing Date; and (iii) Escrow Holder shall cancel the Escrow immediately and return all money and/or documents to the Buyer. Except for the sum of Five Hundred Dollars (\$500.00) (the "**Independent Consideration**") and subject to the other contingencies set forth herein, the Deposit shall be refundable until 11:59 p.m. Pacific Standard Time on the Contingency Date, and shall be applicable to the Purchase Price at the Close of Escrow. The Purchase Price shall represent full and complete compensation for all rights and interests being acquired herein by Buyer, including, without limitation, real property and such other compensation, damages and benefits, excluding those identified in Section 3.7 of this Agreement. The Purchase Price, after application of the Deposit, shall be payable to Seller, upon the Close of Escrow, in immediately available funds in accordance with the provisions and requirements of this Agreement.

(b) The Parties agree that Buyer's right to terminate this Agreement on the terms and conditions provided in Section 1.8, and Seller's right to extend the Close of Escrow as provided in Section 3.3 below, constitute material consideration for this Agreement.

2.2 Charitable Contribution. Concurrently with the execution of this Agreement, Seller is entering into a Charitable Pledge Agreement with The Redlands Conservancy, a California non-profit public benefit corporation ("**Charitable Pledge Agreement**"), pursuant to which Seller has agreed to make a charitable contribution to The Redlands Conservancy at the Close of Escrow in an amount equal to four percent (4%) of the Purchase Price, payable hereunder.

In the event that Seller believes that the Purchase Price for the Property is below fair market value at the time of closing, Seller may elect to make charitable contribution of land value to Buyer equal to all or a portion of the difference between the Purchase Price and fair

market value. Seller may obtain a "qualified" appraisal as defined under the Internal Revenue Code and shall be responsible for compliance with all laws and rules of the IRS related to claiming the contribution. Buyer makes no representation to Seller as to the tax consequences of such an election. Seller will obtain independent tax counsel and be solely responsible for compliance with the gift value substantiation requirements of the Internal Revenue Code and California Franchise Tax Board. At Seller's option and after Buyer purchases the Property, Buyer agrees to promptly complete Part IV (Donee Acknowledgement) of IRS Form 8233 (Non-cash Charitable Contributions) upon receipt of a completed Form 8283 from Seller (Part III, Declaration of Appraiser, may be completed upon return of Form from Buyer).

2.3 Escrow. Upon execution of this Agreement by the Parties, Buyer shall open an escrow ("**Escrow**") with Commonwealth Land Title Company for the purpose of consummating this Agreement. The Parties shall execute and deliver to Escrow Holder such escrow instructions prepared by Escrow Holder as may be required to complete this transaction. Any such instructions shall not conflict with, amend, or supersede any provision of this Agreement. If there is any inconsistency between such instructions and this Agreement, this Agreement shall control. Further, Escrow Holder shall order a natural hazard disclosure statement for the Property, as more specifically described in Section 1.7(b) above, to be delivered to Seller and Buyer within ten (10) days.

2.4 Conduct of Escrow. Escrow Holder is hereby authorized and instructed to conduct the Escrow in accordance with this Agreement, applicable law, custom and practice of the community in which Escrow Holder is located, including any reporting requirements of the State of California and the Internal Revenue Service.

2.5 Condition of Title. Seller shall convey title to the Property to Buyer as evidenced by an ALTA Owner's standard form of Title Insurance (the "**Title Policy**") in an amount equal to the Purchase Price issued by Commonwealth Land Title Insurance Company (the "**Title Company**"), subject only to those exceptions disclosed on a preliminary report or commitment provided to Buyer before the Contingency Date and not expressly disapproved in accordance with this Agreement. The Title Policy shall show title to the Property vested in the Buyer free and clear of all monetary liens, encumbrances, delinquent governmental assessments or taxes, and recorded or unrecorded leases. Any exceptions to title representing monetary liens or encumbrances are hereby disapproved by Buyer and Escrow Holder is hereby authorized and instructed to cause the reconveyance of any such monetary exceptions at or prior to the Close of Escrow. Except for such monetary exceptions, Seller is under no obligation to cure or otherwise address any other encumbrance or exception to coverage in the Title Policy.

(b) Within ten (10) days following the execution of this Agreement by both parties, Buyer shall cause Escrow Agent to issue to Buyer (with a copy to Seller) a preliminary report for an ALTA Standard Policy of Title Insurance for the Property, setting forth all liens, encumbrances, easements, restrictions, conditions, pending litigation, judgments, administrative proceedings, and other matters of record affecting Seller's title to the Property ("**Preliminary Report**"), together with copies of all documents relating to title exceptions referred to in the Preliminary Report.

(c) Seller agrees to deliver to Buyer, promptly following the full execution and delivery of this Agreement, copies of any survey of the Property in the possession of Seller.

(d) Buyer shall approve or disapprove, in writing to Seller with a copy to Escrow Agent, each exception shown on the Preliminary Report and each encroachment, overlap, or boundary line dispute, or any other matter that materially and adversely affects title to the Property or that violates any law, rule, or regulation (each an "Exception") within sixty (60) days following the receipt of the Preliminary Report or the execution of this Agreement, whichever is later ("Review Period"). Buyer's failure to approve or disapprove within the Review Period shall be deemed to be a disapproval of the Exceptions. The Exceptions approved by Buyer hereunder shall be referred to as the "Approved Exceptions." All monetary liens or monetary encumbrances on the Property except for liens for general and special taxes and assessments not yet due and payable (collectively, "Monetary Liens") are disapproved and Seller shall eliminate the same prior to or upon the Closing Date.

(e) If any Exception is disapproved or deemed disapproved (each a "Disapproved Exception"), Seller shall have the right, but not the obligation to cause each Disapproved Exception to be discharged, satisfied, released, or terminated, as the case may be, of record, and in a form that is reasonably satisfactory to Buyer and Escrow Agent, all at Seller's sole cost and expense, and Seller shall notify Buyer of its election to do so not later than ten (10) days before the Contingency Date. Seller's failure to so notify Buyer shall be deemed Seller's notification to Buyer that it will not discharge, satisfy, release or terminate any Disapproved Exception, provided that Seller authorizes Escrow Agent to disburse from the cash portion of the Purchase Price and proceeds otherwise disburseable to Seller upon Closing the sum sufficient to discharge any Disapproved Exception that may be discharged only by the payment of money. If Seller is unable or unwilling to obtain a discharge, satisfaction, release, or termination of any Disapproved Exception within the period specified above, then this Agreement shall automatically terminate on the Contingency Date unless Buyer waives in writing such Disapproved Exception, in which event such Disapproved Exception shall be deemed an Approved Exception under this Agreement. If this Agreement terminates pursuant to the foregoing sentence, then Seller shall pay all charges of the Escrow Agent in connection with this transaction, including the charges of the surveyor and environmental engineering company, the parties shall be relieved of all further obligations and liabilities to each other under this Agreement except as otherwise provided herein, and all funds and documents deposited with Escrow Agent shall be promptly refunded or returned, as the case may be, by Escrow Agent to the depositing party. Anything above to the contrary notwithstanding, it is understood and agreed that Buyer's indemnity obligations under Section 8 shall not terminate upon termination of this Agreement pursuant to this or any other provision hereof.

(f) If a supplemental report is issued prior to the Close of Escrow which shows new matters, Buyer reserves the right to object in writing to any new matters ("New Matters"). Seller agrees to assist with the removal of any such New Matters to the extent they were created by it after the Effective Date, for all other objections Seller shall respond in writing to any written objections within ten (10) days of receipt of Buyer's written objections, provided that Seller's failure to respond shall be deemed to be Seller's election to not cure Buyer's objections to any such New Matter. Buyer shall have five (5) days after Seller responds or is deemed to have responded to Buyer's objections to the New Matter to either: (a) approve such New

Matters, or (b) to terminate this Agreement, and upon such termination (i) there shall be no liability on the part of Buyer or Seller except where such liability expressly survives the termination of this Agreement before the Closing Date; (ii) this Agreement shall otherwise become null and void and of no further force and effect except for such provisions which expressly survive the termination of this Agreement before the Closing Date; and (iii) Escrow Holder shall cancel the Escrow immediately and return all money and/or documents to the Buyer. Buyer's failure to make an election of (a) or (b) above with respect to any New Matter, Seller shall provide notice to Buyer requesting it to make an election. If Buyer fails to make an election within five (5) days of the receipt of such notice from Seller, Buyer shall be deemed to have elected to disapprove such New Matter and to terminate this Agreement pursuant to subsection (b).

2.6 Reports, Studies and Agreements. Within ten (10) calendar days of the Effective Date, Seller shall provide Buyer with copies of the documents concerning the property enumerated in Exhibit "D.". Seller did not prepare such materials or conduct any investigation pertaining to such materials, and such materials are not necessarily current and have not been updated. Therefore, Seller makes no warranty or representation regarding the truth, accuracy, scope or completeness of any such materials and Buyer agrees to waive any claim or damage against Seller related to Buyer's review, use or reliance upon such materials.

ARTICLE III

CONDITIONS TO PERFORMANCE

3.1 Conditions to Buyer's Performance. Buyer's obligation to perform under this Agreement is subject to the following conditions:

- (a) Buyer's approval of the condition of the Property as provided in Section 5.;
- (b) The satisfaction of the Funding Contingency pursuant to Section 1.10 herein.
- (c) Seller's representations and warranties in this Agreement being correct as of the date of this Agreement and as of the Close of Escrow;
- (d) No adverse material change shall have occurred with respect to the condition of the Property from the Contingency Date to the Closing Date;
- (e) Seller's performance of all obligations under this Agreement;
- (f) Escrow Agent being prepared to issue the Title Policy on the Close of Escrow, subject only to the Approved Exceptions; and
- (g) This Agreement shall be expressly contingent upon formal acceptance and approval by the Buyer's Board of Directors of this Agreement, which approval shall be obtained before expiration of the Contingency Date.

3.2. **Conditions to Seller's Performance.** Seller's obligation to perform under this Agreement is subject to Buyer's performance of all of the obligations which it is required to perform pursuant to this Agreement.

ARTICLE IV CLOSING

4.1 **Closing.** Subject to the satisfaction of any contingencies described herein, Escrow Holder shall close this Escrow by recording the Grant Deed attached hereto as Exhibit "C", and by disbursing the funds and documents in accordance with this Agreement.

4.2 **Closing Date.** Subject to Seller's right to extend the Closing pursuant to Section 4.3 below, and also subject to the Closing coordination provisions of Section 4.4 below, Escrow shall close on a date designated by Buyer upon at least fifteen (15) days' notice to Seller, but in all events on or before September 30, 2016 ("**Close of Escrow**"). If the Escrow is not in a condition to close by the Close of Escrow and has not been extended hereunder, any Party who is not then in default, upon notice in writing to the Escrow Holder and the other Party, may demand the return of their documents and/or money and cancellation of the Escrow. Unless objected to in writing within ten (10) days from the receipt of the notice of cancellation, the Escrow will automatically be canceled. If no demand for cancellation is made, then Escrow will close as soon as possible.

4.3 **Seller's Right to Extend Closing.** Seller may unilaterally extend the Close of Escrow for a period of up to sixty (60) days. Any such election to extend shall be accomplished by providing written notice to Buyer and Escrow Holder not less than five (5) days prior to the then-scheduled Close of Escrow.

4.4 **Concurrent Closing Condition.** Concurrently with the execution of this Agreement, Buyer and Seller have entered into a substantially similar purchase and sale agreement pursuant to which Buyer has agreed to purchase and Seller has agreed to sell certain real property located in the County of Riverside ("**Concurrent PSA**"). It is Buyer's and Seller's intention that the Closing hereunder shall take place concurrently with the Close of Escrow under the Concurrent PSA. Buyer and Seller's obligations hereunder shall be contingent upon the occurrence of the Closing hereunder and the concurrent closing of the transaction subject of the Concurrent PSA. In the event the Concurrent PSA terminates, then this Agreement shall also terminate, and in the event the transaction contemplated in the Concurrent PSA is not in a position to close, there shall be no Closing with respect to the Property that is the subject of this Agreement..

4.5 **Closing Documents.**

4.5.1 Seller, prior to the Close of Escrow, shall deliver to Escrow Holder each of the following items, the delivery of each of which shall be a condition to the performance by Buyer of its obligations under this Agreement:

- (a) The Grant Deed, duly executed and acknowledged; and
- (b) A Certificate of Non-Foreign Status required under Section 1445(b) of

the Internal Revenue Code.

(c) A Certificate (or application for exemption, if applicable) pursuant to California Revenue and Taxation Code Section 18662 pertaining to Seller's status as a resident of California or as having a corporate permanent place of business in California.

(d) All additional documents, instruments and sums which may be reasonably necessary for the Close of Escrow, including the amendment to the Stipulated Judgment, and the other documents described in Section 1.2(c) above, and to consummate the sale of the Property in accordance with the terms of this Agreement.

4.3.2 Buyer, prior to the Close of Escrow, shall deliver to Escrow Holder each of the following items, the delivery of each of which shall be a condition to the performance by Seller of its obligations under this Agreement:

(a) The Purchase Price; and

(b) All additional documents and instruments which may be reasonably necessary for the Close of Escrow, including the documents described in Section 1.2(c) above, and to consummate the sale of the Property in accordance with the terms of this Agreement.

4.6 Mortgages and Deeds of Trust. Any and all monies payable under this Agreement, up to and including the total amount of unpaid principal and interest on any note secured by a mortgage or deed of trust, or other security instrument if any, shall, upon demand, be made payable to the mortgagee or beneficiary entitled thereunder; and such mortgagee or beneficiary shall be required to furnish Buyer with good and sufficient receipt showing said monies were credited against the indebtedness secured by said mortgage, deed of trust, or other security instrument. Escrow Holder shall notify the Title Company of such payments and secure and cause any necessary full or partial conveyances to be prepared, signed and recorded as required by the title company to eliminate any encumbrances or exceptions from the Title Policy issued pursuant to this Agreement.

4.7 Taxes, Title, and Escrow Costs. Buyer and Seller shall each pay one half of all costs for the Title Policy, provided that Seller shall pay for any extended coverage or endorsements, all recording costs incurred herein, all reconveyance fees, trustees fees, or forwarding fees, and any prepayment charges for any full or partial reconveyance or full or partial release of any mortgage or deed of trust, and any escrow fees. Seller shall pay full costs for all taxes for periods prior to Close of Escrow.

4.8 Brokerage Commissions. The Parties acknowledge that neither Party has been represented by a real estate broker, with respect to this transaction. Both Parties hereby agree that neither Party shall owe any real estate brokerage commissions or finder's fee to the other Party, provided that each Party shall indemnify the other for any and all claims for brokerage

commissions or finder's fees from any third party that may arise or be alleged to arise out of the acts of that Party.

4.9 Proration of Taxes.

(a) **Real Estate Taxes.** In the event that Buyer assigns its rights under this agreement to the City of Redlands, then Seller shall pay real property taxes at the Close of Escrow based on the most current real property tax bill available, including any additional property taxes that may be assessed after the Close of Escrow, regardless of when notice of those taxes is received or who receives the notice. Seller may seek reimbursement from the San Bernardino County Tax Assessor's office for any property taxes that have been assessed for a period after the Close of Escrow as Buyer in that case will be a public agency exempt from payment of such taxes. Buyer further agrees to cooperate with Seller to provide any necessary information to the Assessor's office in connection with such request for refund. In the event that this Agreement is not assigned to the City of Redlands, or is further assigned to a non-public agency, then real property taxes, special taxes, and assessments shall be prorated as of the Close of Escrow based upon the latest available tax information. Seller shall be responsible for all special taxes and assessments accrued against the Property to and including the day prior to the Close of Escrow based upon payment of such assessments in installments to the greatest extent permitted and Buyer shall be responsible for all such special taxes and assessments accrued against the Property from and after the day prior to the Close of Escrow

(b) **Bonds, and Assessments.** All present and future installments of any bond or assessment that constitutes a lien on the Property as of the Close of Escrow shall be paid by Seller.

ARTICLE V RIGHT OF ENTRY AND DAMAGE TO PROPERTY

5.1 **Right of Entry.** (a) Seller grants to Buyer, its agents, employees or nominees, the right to enter into and upon the Property for the purpose of conducting the Phase I , soil testing, environmental and engineering studies, and such further non-invasive engineering, grading, archeological, geological or survey work as may be required by Buyer. Buyer shall give Seller reasonable notice of such entry, and shall not unreasonably interfere with any occupant's use of the Property or any of Seller's other operations on the Property. Buyer shall keep the Property free and clear of any liens or encumbrances that may arise out of Buyer's inspection of and activities on the Property. Any invasive or destructive testing shall require Seller's advance written consent, which Seller may withhold in its sole discretion. In the absence of an express waiver of Seller's rights under this Section 4.1(a), Buyer shall repair or restore any damage or changes caused to the property by Buyer's investigation testing and surveying of the Property. All costs, expenses, liabilities or charges incurred in or related to the performance of any and all such studies and work on the Property, including any required repairs or restoration, shall be at the sole cost and expense of, and shall be paid by, Buyer.

(b) Buyer's right of entry provided for in subsection (a) above shall be subject to Buyer's obligation to provide to Seller reasonable proof of liability insurance from both Buyer and each third party acting at Buyer's direction covering such entry onto the Property in an

amount not less than \$1,000,000.00 with Seller being named as an additional insured. Buyer shall use care and consideration in connection with any of its inspections and no destructive testing shall be conducted without Seller's written consent. The cost of any inspections, investigations, tests and studies shall be borne solely by Buyer.

(c) Buyer shall indemnify, defend, and hold Seller and the Property harmless from any and all costs, expenses (including attorneys' fees), liabilities, liens and damages arising out of or resulting from the actions of Buyer, its agents, contractors and/or subcontractors in connection with such entry and/or activities upon the Property, including any use, storage, transportation, or disposal of and Hazardous Substance (as defined in Section 10.4 below) and such obligation shall survive the termination of this Agreement.

5.2 Material Change, Destruction or Damage. Seller warrants that Seller shall not cause any Material Change in the condition of the Property prior to the Close of Escrow unless such Material Change has been approved in writing by Buyer. The closing of this Escrow is contingent upon the fact that no Material Change shall have occurred with respect to the Property that has not been approved in writing by Buyer. For purposes of this Agreement, a "Material Change" shall be a change in the status of the use, title, occupancy, or condition of the Property that occurs subsequent to the Effective Date of this Agreement. In the event there is a Material Change to the Property after the Effective Date, Buyer may elect to (i) pursue any and all remedies available at law or in equity in the event the Material Change caused by Seller is a default by Seller hereunder, or (ii) terminate the Agreement and receive a refund of any earnest money. A Material Change shall not include any physical damage to the Property or any improvement thereon costing less than \$10,000 to repair, and with respect to any physical damage to the Property or any improvements thereon, Buyer expressly waives Section 1662 of the California Civil Code and shall be obligated to consummate the purchase of the Property without any adjustment in Purchase Price.

ARTICLE VI WAIVER AND RELEASE

6.1 Acknowledgment of Full Benefits. By execution of this Agreement, Seller, on behalf of itself and its successors and assigns, hereby acknowledges that this Agreement provides full payment for the acquisition of the Property by Buyer, and Seller hereby expressly and unconditionally waives any and all claims for damages or any other compensation or benefits, other than as already expressly provided for in this Agreement.

6.2 Acknowledgment of Just Compensation. Subject to and including Seller's rights pursuant to Sections 2.1 and 2.2, the Parties acknowledge and agree that the consideration provided to Seller hereunder shall be deemed to be "Just Compensation" for the Property. Seller, on behalf of itself and its successors and assigns, hereby fully releases Buyer, its successors, agents, representatives, and assigns, and all other persons and associations, known or unknown, from all claims and causes of action by reason of any damage which has been sustained, or may be sustained, as a result of Buyer's efforts to acquire the Property as evidenced by or culminating in this Agreement, and any preliminary steps thereto. Seller hereby waives the right to further and greater compensation and to have the adequacy of compensation determined in a court of law or equity, by a judge or a jury. Seller understands and knowingly agrees that this

waiver shall extend to constitutional claims of whatever kind or nature that may be brought under the California and United States Constitutions and the federal civil rights statutes including, without limitation, claims arising under 42 U.S.C. Section 1983. Under no circumstances shall Buyer be entitled to any adjustment of the Purchase Price.

6.3 **Waivers.** Upon the Close of Escrow Seller waives the right to further and greater compensation and to have the adequacy of compensation determined in a court of law or equity, by a judge or a jury. Seller understands and knowingly agrees that this waiver shall extend to constitutional claims of whatever kind or nature that may be brought under the California and United States Constitutions and the federal civil rights statutes including, without limitation, claims arising under 42 U.S.C. Section 1983. Upon the Close of Escrow Seller further waives the right to raise affirmative defenses and to attack by way of answer, complaint or collaterally, Buyer's right to acquire the property for public uses and purposes, and to challenge the findings made in any resolution of necessity.

6.4 **Enforcement.**

6.4.1 **BUYER'S DEFAULT.** IF BUYER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY AS PROVIDED IN THIS AGREEMENT BY REASON OF ANY DEFAULT OF BUYER, SELLER'S SOLE REMEDY, OTHER THAN ENFORCEMENT OF BUYER'S OBLIGATIONS PURSUANT TO SECTION 4.1(a), (b), and (c), SHALL BE TO TERMINATE THIS AGREEMENT AND RECEIVE THE DEPOSIT AS LIQUIDATED DAMAGES AND SHALL BE RELEASED FROM ITS OBLIGATION TO SELL THE PROPERTY TO BUYER. BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO ESTIMATE THE DAMAGES WHICH SELLER MAY SUFFER IN THE EVENT BUYER DEFAULTS HEREUNDER AND FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED. BUYER AND SELLER THEREFORE AGREE THAT A REASONABLE PRESENT ESTIMATE OF THE NET DETRIMENT THAT SELLER WOULD SUFFER IN THE EVENT OF BUYER'S DEFAULT OR BREACH HEREUNDER IS AN AMOUNT OF MONEY EQUAL TO THE DEPOSIT, WHICH SHALL BE THE FULL, AGREED AND LIQUIDATED DAMAGES. THE PARTIES ACKNOWLEDGE THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS ~~1671, 1676 AND~~ 1677.



SELLER'S INITIALS

BUYER'S INITIALS

6.4.2 **SELLER'S DEFAULT.** IN THE EVENT THAT SELLER SHALL FAIL TO PERFORM SELLER'S OBLIGATIONS HEREUNDER, BUYER'S REMEDIES AT LAW OR EQUITY SHALL BE LIMITED AS SET FORTH IN THIS PARAGRAPH 4.2 TO: (I) SEEK SPECIFIC PERFORMANCE AND/OR DAMAGES FOR SELLER'S BREACH, (II) EXTEND THE CLOSING FOR SUCH TIME, NOT TO EXCEED THIRTY (30) DAYS AS BUYER CHOOSES TO ALLOW SELLER TO REMEDY SUCH DEFAULT, (III) WAIVE SUCH DEFAULT IN WRITING AND PROCEED TO CLOSING, OR (IV) TERMINATE

waiver shall extend to constitutional claims of whatever kind or nature that may be brought under the California and United States Constitutions and the federal civil rights statutes including, without limitation, claims arising under 42 U.S.C. Section 1983. Under no circumstances shall Buyer be entitled to any adjustment of the Purchase Price.

6.3 **Waivers.** Upon the Close of Escrow Seller waives the right to further and greater compensation and to have the adequacy of compensation determined in a court of law or equity, by a judge or a jury. Seller understands and knowingly agrees that this waiver shall extend to constitutional claims of whatever kind or nature that may be brought under the California and United States Constitutions and the federal civil rights statutes including, without limitation, claims arising under 42 U.S.C. Section 1983. Upon the Close of Escrow Seller further waives the right to raise affirmative defenses and to attack by way of answer, complaint or collaterally, Buyer's right to acquire the property for public uses and purposes, and to challenge the findings made in any resolution of necessity.

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THIS AGREEMENT BY WRITTEN NOTICE TO SELLER AND ESCROW HOLDER. IN THE EVENT OF TERMINATION OF THE AGREEMENT PURSUANT TO THIS SECTION 6.4.2 OR OTHERWISE AS A RESULT OF SELLER'S DEFAULT, THE DEPOSIT SHALL BE REMITTED TO BUYER. UPON SUCH TERMINATION AND THE RETURN OF THE DEPOSIT, THE PARTIES SHALL BE DISCHARGED FROM ANY FURTHER OBLIGATIONS AND LIABILITIES HEREUNDER EXCEPT AS SURVIVE SUCH TERMINATION. IN ANY ACTION FOR DAMAGES BUYER SHALL BE ONLY ENTITLED TO DAMAGES ARISING FROM SELLER'S DEFAULT AND THE RESULTING TERMINATION OF THIS AGREEMENT IN AN AMOUNT NOT TO EXCEED TWENTY THOUSAND DOLLARS (\$20,000.00) TO REIMBURSE, OR PARTIALLY REIMBURSE, BUYER FOR ITS OUT-OF-POCKET PROPERTY INVESTIGATION AND DUE DILIGENCE EXPENSES RELATED TO THIS AGREEMENT. BUYER'S RIGHT TO SEEK SPECIFIC PERFORMANCE OF THIS AGREEMENT UPON SELLER'S DEFAULT SHALL CEASE IF SUCH ACTION HAS NOT BEEN FILED IN AN APPROPRIATE COURT WITHIN THIRTY (30) DAYS AFTER THE OCCURRENCE OF THE EVENTS OR CIRCUMSTANCES GIVING RISE TO THE CLAIM FOR SPECIFIC PERFORMANCE UNLESS CHANGED BY MUTUAL WRITTEN AGREEMENT OF THE BUYER AND SELLER.

SELLER'S INITIALS 
BUYER'S INITIALS

These acknowledgments, waivers and releases shall survive the Close of Escrow.

**ARTICLE VII
REPRESENTATIONS AND WARRANTIES**

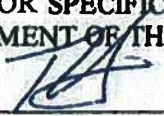
7.1 **Seller Representations, Warranties and Covenants.** Seller hereby represents, warrants and covenants to Buyer as of the Effective Date, and upon the Close of Escrow, as follows, all of which shall survive the Close of Escrow for a period of one (1) year only:

7.1.1 **Authority:** Seller is the owner of the Property and has the full right, power and authority to sell, convey and transfer the Property to Buyer as provided herein, and to perform Seller's obligations hereunder. The person signing this Agreement and any documents and instruments in connection herewith on behalf of Seller has full power and authority to do so.

7.1.2 **Bankruptcy:** There are no attachments, assignments for the benefit of creditors, receiverships, conservatorships or voluntary or involuntary proceedings in bankruptcy or any other debtor relief actions contemplated by Seller or filed by Seller, or to the best of Seller's knowledge, pending in any current judicial or administrative proceeding against Seller. Further, Seller has no notice or knowledge that any tenant of the Property is the subject of a bankruptcy proceeding.

7.1.3 **Other Agreements:** Seller has not entered into any other written contracts or agreements for the sale or transfer of any portion of the Property, except as (a) disclosed in the preliminary report or title commitment, and (b) the rights of the owners

THIS AGREEMENT BY WRITTEN NOTICE TO SELLER AND ESCROW HOLDER. IN THE EVENT OF TERMINATION OF THE AGREEMENT PURSUANT TO THIS SECTION 6.4.2 OR OTHERWISE AS A RESULT OF SELLER'S DEFAULT, THE DEPOSIT SHALL BE REMITTED TO BUYER. UPON SUCH TERMINATION AND THE RETURN OF THE DEPOSIT, THE PARTIES SHALL BE DISCHARGED FROM ANY FURTHER OBLIGATIONS AND LIABILITIES HEREUNDER EXCEPT AS SURVIVE SUCH TERMINATION. IN ANY ACTION FOR DAMAGES BUYER SHALL BE ONLY ENTITLED TO DAMAGES ARISING FROM SELLER'S DEFAULT AND THE RESULTING TERMINATION OF THIS AGREEMENT IN AN AMOUNT NOT TO EXCEED TWENTY THOUSAND DOLLARS (\$20,000.00) TO REIMBURSE, OR PARTIALLY REIMBURSE, BUYER FOR ITS OUT-OF-POCKET PROPERTY INVESTIGATION AND DUE DILIGENCE EXPENSES RELATED TO THIS AGREEMENT. BUYER'S RIGHT TO SEEK SPECIFIC PERFORMANCE OF THIS AGREEMENT UPON SELLER'S DEFAULT SHALL CEASE IF SUCH ACTION HAS NOT BEEN FILED IN AN APPROPRIATE COURT WITHIN THIRTY (30) DAYS AFTER THE OCCURRENCE OF THE EVENTS OR CIRCUMSTANCES GIVING RISE TO THE CLAIM FOR SPECIFIC PERFORMANCE UNLESS CHANGED BY MUTUAL WRITTEN AGREEMENT OF THE BUYER AND SELLER.



SELLER'S INITIALS

BUYER'S INITIALS

These acknowledgments, waivers and releases shall survive the Close of Escrow.

ARTICLE VII REPRESENTATIONS AND WARRANTIES

7.1 **Seller Representations, Warranties and Covenants.** Seller hereby represents, warrants and covenants to Buyer as of the Effective Date, and upon the Close of Escrow, as follows, all of which shall survive the Close of Escrow for a period of one (1) year only:

7.1.1 **Authority:** Seller is the owner of the Property and has the full right, power and authority to sell, convey and transfer the Property to Buyer as provided herein, and to perform Seller's obligations hereunder. The person signing this Agreement and any documents and instruments in connection herewith on behalf of Seller has full power and authority to do so.

7.1.2 **Bankruptcy:** There are no attachments, assignments for the benefit of creditors, receiverships, conservatorships or voluntary or involuntary proceedings in bankruptcy or any other debtor relief actions contemplated by Seller or filed by Seller, or to the best of Seller's knowledge, pending in any current judicial or administrative proceeding against Seller. Further, Seller has no notice or knowledge that any tenant of the Property is the subject of a bankruptcy proceeding.

7.1.3 **Other Agreements:** Seller has not entered into any other written contracts or agreements for the sale or transfer of any portion of the Property, except as (a) disclosed in the preliminary report or title commitment, and (b) the rights of the owners

and occupants of the property located a 31111 Live Oak Canyon, Redlands, California, to access and use of the water produced at the well located on the Property.

7.1.4 **Condition of Property:** Seller warrants and covenants that through the date possession is made available to Buyer, Seller shall not cause a Material Change to the condition of the Property prior to Close of Escrow.

7.1.5 **Violation of Codes:** Seller warrants that Seller has no knowledge of any notice of any violations of city, county, state, federal, building, zoning, fire, health codes or ordinances, or other governmental regulations filed or issued against the Property. Seller further warrants that it has no knowledge of any aspect or condition of the Property which violates applicable laws, rules, regulations, codes, or covenants, conditions or restrictions, or of any unfulfilled order or directive of any applicable governmental agency, that any work, investigation, remediation, repair, maintenance or improvement is to be performed on the Property.

7.1.6 **Maintenance of the Property:** Except as provided in other provisions hereof dealing with destruction, damage or loss, Seller shall not cause Material Change to the condition of the Property prior to Close of Escrow.

7.1.7 **Possessory Rights:** To the best knowledge of the Seller, except for tenant's in possession as disclosed to Buyer before the Contingency Date, no one has any right to possession of the Property superior to the right of the Buyer and Seller will not grant any additional rights prior to Close of Escrow which will survive the Close of Escrow.

7.1.8 **Actions:** To the best of Seller's knowledge, no actions suits, or proceedings are pending or threatened before any governmental department, commission, board, bureau, agency, court, or instrumentality that would materially adversely affect the Property.

7.1.9 **Notice of Changes:** Seller shall promptly notify Buyer in writing of any Material Change affecting the Property that becomes known to Seller prior to the Close of Escrow.

7.1.10 **Not a Foreign Person.** Seller is not, and never has been, a "foreign person" within the meaning of Sections 1445(f)(3) and 7701(a)(30) of the Internal Revenue Code of 1954, as amended, or California Revenue and Taxation Code Section 18662, and Seller will furnish to Buyer, prior to the Close of Escrow, an affidavit in form satisfactory to Buyer confirming the same.

7.1.11 **Leases.** No recorded or unrecorded leases, licenses, or other agreements allowing any third party rights to use or rights of possession in the Property are or will be in force as of the Closing.

7.1.12 **Litigation and Investigations.** To the best of Seller's knowledge, there is no pending or threatened litigation, administrative proceeding, or other legal or governmental action with respect to the Property, and Seller has received no notice,

warning, administrative complaint, judicial complaint, or other formal or informal notice alleging that conditions on the Property are or have been in violation of any Laws or Environmental Laws, or informing Seller that the Property is subject to investigation or inquiry regarding the violation of any Laws or Environmental Laws.

“Environmental Laws” means all federal, state, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any government authority regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance (as defined subsequently in this Agreement), or pertaining to occupational health or industrial hygiene (and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property), occupational or environmental conditions on, under, or about the Property, as now in effect, including without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) and the Superfund Amendments and Reauthorization Act of 1986 (SARA) [42 U.S.C.A. §§ 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 (RCRA) and the Solid Waste Disposal Act [42 U.S.C.A. §§ 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act (FWPCA) [33 U.S.C.A. §§ 1251 et seq.]; the Toxic Substances Control Act (TSCA) [15 U.S.C.A. §§ 2601 et seq.]; the Hazardous Materials Transportation Act (HMTA) [49 U.S.C.A. §§ 1801 et seq.]; the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) [7 U.S.C.A. §§ 136 et seq.]; the Clean Air Act (CAA) [42 U.S.C.A. §§ 7401 et seq.]; the Safe Drinking Water Act (SDWA) [42 U.S.C.A. §§ 300f et seq.]; the Surface Mining Control and Reclamation Act of 1977 (SMCRA) [30 U.S.C.A. §§ 1201 et seq.]; the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA or EPCRTKA) [42 U.S.C.A. §§ 11001 et seq.]; the Occupational Safety and Health Act of 1970 (OSHA) [29 U.S.C.A. §§ 655, 657]; the California laws regarding the underground storage of hazardous substances [H & S C §§ 25280 et seq.]; the Hazardous Substance Account Act [H & S C §§ 25300 et seq.]; the California laws regarding hazardous waste control [H & S C §§ 25100 et seq.]; the Safe Drinking Water and Toxic Enforcement Act of 1986 [H & S C §§ 25249.5 et seq.]; the Porter-Cologne Water Quality Control Act [Wat C §§ 13000 et seq.], and any amendments of or regulations promulgated under the statutes cited above and any other federal, state, or local law, statute, ordinance, or regulation now in effect that pertains to occupational health or industrial hygiene, and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property, or the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water, or land use.

Any warranties made as to the “knowledge of Seller” or using similar language shall be based on the actual knowledge, without duty of inquiry, of Thomas Arthur Hudson, to whom the knowledge of no person or organization shall be imputed. The material truth and accuracy of the foregoing representations and warranties shall be a condition of Buyer's obligations hereunder. At least five (5) calendar days prior to the Close of Escrow, Seller shall notify Buyer, in writing, of any facts or circumstances which are contrary to the foregoing representations and warranties. If Buyer learns before the Close that a representation or warranty from Seller might be untrue

and elects to proceed to the Close of Escrow, then Buyer waives any rights it may have to bring an action or proceeding against Seller on account of such representation or warranty.

ARTICLE VIII BUYER'S REPRESENTATIONS AND WARRANTIES

8.1 Buyer's Representations and Warranties. Buyer hereby represents, warrants and covenants to Seller as of the Effective Date, and upon the Close of Escrow, as follows, all of which shall survive the Close of Escrow:

8.1.1 Authority: Buyer is a non-profit conservation entity recognized by the taxing authorities of the State of California and the United States as being exempt pursuant to 501(c)(3) of the Internal Revenue Code and has the full power and authority to enter into and carry out the agreements contained in, and the transactions contemplated by this Agreement. The persons signing this Agreement and any documents and instruments in connection herewith on behalf of Buyer have full power and authority to do so.

8.1.2 Bankruptcy: There are no attachments, assignments for the benefit of creditors, receiverships, conservatorships or voluntary or involuntary proceedings in bankruptcy or any other debtor relief actions contemplated by Buyer or filed by Buyer, or to the best of Buyer's knowledge, pending in any current judicial or administrative proceeding against Buyer.

The material truth and accuracy of the foregoing representations and warranties shall be a condition of Seller's obligations hereunder. At least five (5) calendar days prior to the Close of Escrow, Buyer shall notify Seller of any facts or circumstances which are contrary to the foregoing representations and warranties.

ARTICLE IX DEFAULT AND TERMINATION

9.1 Default. A Party shall be deemed in default hereunder if it fails to meet, comply with, or perform any covenant, agreement, or obligation on its part required within the time limits and in the manner required in this Agreement for any reason other than a default by the other Party hereunder or termination of this Agreement prior to Close of Escrow.

9.2 Opportunity to Cure. No act, failure to act, event or circumstance which might be deemed to be a default by either Party shall be deemed to be a default under any of the provisions of this Agreement, unless and until, notice thereof is first given by the non-defaulting Party to the Party alleged to be in default and said Party fails to cure the alleged default within fifteen (15) calendar days in the case of a non-monetary default, or five (5) calendar days in the case of a monetary default.

9.3 Termination upon Default. After notice and an opportunity to cure, if the defaulting Party fails to cure the default, the non-defaulting Party may terminate this Agreement by giving written notice to the defaulting Party and the Escrow Holder. Upon receipt of the notice to terminate, the Escrow Holder shall immediately cancel the Escrow and return all money

and/or documents to the respective Party depositing same, subject to Seller's right to retain the Deposit pursuant to Section 5.4.1 above upon a default by Buyer. Any termination by Buyer on account of Seller's default is subject to Section 5.4.2 above.

ARTICLE X MUTUAL AGREEMENTS

10.1 Studies. Seller hereby authorizes Buyer, its agents, employees, contractors and representatives, at Buyer's sole cost and expense, to conduct the Phase I as well as any and all other environmental studies as Buyer may reasonably require. In connection with such studies, Seller hereby grants to Buyer, its agents, employees, contractors and representatives, a right of entry as more specifically set forth in Section 4.1 above.

10.2 Soil Inspection. Subject to the requirements of Section 4.1 above, at any time prior to the Contingency Date, Buyer shall have the right to obtain a soil report concerning the Property. Said report shall be obtained at Buyer's discretion and expense.

10.3 Other Agreements Affecting Property. Seller and Buyer have entered into this Agreement upon the belief that there are no other agreements, which will affect the Property beyond the Close of Escrow except as disclosed in this Agreement of any preliminary report or title commitment. If Seller determines that such agreements or exceptions exist which are not revealed herein, Seller shall provide Buyer with a copy immediately upon Seller's learning of its existence and Buyer may thereafter, prior to the Close of Escrow, terminate this Agreement in Buyer's sole discretion. After Close of Escrow, Seller shall be liable to Buyer for any damage or expense including attorney's fees and costs incurred by Buyer by reason of any agreement that is not disclosed to Buyer prior to Close of Escrow.

ARTICLE XI HAZARDOUS SUBSTANCES

11.1 Hazardous Substances Disclosure. The Property is subject to a disclosure as designated under Section 25359.7 of the Health and Safety Code, whereby Seller is required to disclose if there are any hazardous substances, as defined in Health and Safety Code Section 25316, et seq., located on or beneath the property or adjacent thereto. It is understood and agreed between Buyer and Seller that closing of this Escrow is subject to and contingent upon receipt and approval of a written disclosure by Seller. Said review and approval will not be unreasonably withheld or delayed by Seller.

11.2 Hazardous Substances. Buyer acknowledges that it is aware that the property was used for agricultural purposes, including applications of pesticides and herbicides, and that Seller's predecessor in interest maintained a fuel storage tank on the property and Seller has no actual knowledge as to the location or status of such fuel storage tank.

11.3 Hazardous Substance Conditions Report. Subject to Section 4.1 above, Buyer shall have the right to obtain a Hazardous Substance Conditions report(s) or other environmental studies concerning the Property and relevant adjoining properties. Such report(s) will be obtained at Buyer's discretion and expense. If Buyer elects to secure such reports, Buyer shall use reasonable diligence to obtain such a report on a timely basis. If Seller has such a report, they

shall provide Buyer with a copy thereof. If Seller has knowledge of any hazardous substance condition report that was prepared by any other person or entity including any governmental agency, Seller shall inform Buyer of the existence of such a report and its location within fifteen (15) calendar days from the Effective Date.

11.4 Hazardous Substances Defined. "Hazardous Substances" for purposes of this Agreement shall mean and refer to any (a) hazardous or toxic wastes, materials or substances or chemicals and other pollutants or contaminants which are or become regulated by applicable local, state, regional and/or federal orders, ordinances, statutes, rules, regulations (as interpreted by judicial and administrative decisions) and laws, (b) asbestos, asbestos-containing materials or urea formaldehyde, (c) polychlorinated biphenyls, (d) flammable, explosive, corrosive or radioactive materials, (e) medical waste and biochemical, (f) gasoline, diesel, petroleum or petroleum by-products, (g) lead-based paint or (h) any substance set forth in Health and Safety Code Section 25316, et seq., or whose nature and/or quality of existence, use, manufacture or effect, render it subject to federal, state or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare. A "Hazardous Substances Condition" for purposes of this Agreement is defined as the existence on, under or relevantly adjacent to the Property or a Hazardous Substance that would or could require remediation and/or removal under applicable federal, state or local law.

11.5 Hazardous Substances During Due Diligence Inspection Period. If conditions suggesting the presence of Hazardous Substances are discovered before the Contingency Date, Buyer may, within twenty (20) days of the discovery of such conditions, perform further tests to determine whether such Hazardous Substances constitute contamination and the Contingency Date shall be extended by thirty (30) days.

11.6 Hazardous Substances Discovered After Contingency Date. In the event that conditions indicating the presence of Hazardous Substances (other than those discovered prior to the Contingency Date) are discovered by any assignee of Buyer following the Contingency Date but before Close of Escrow, such assignee may terminate this Agreement by written notice to Seller and Escrow Holder. In the event that an assignee of Buyer terminates this Agreement pursuant to this Section 10.6: (i) there shall be no liability on the part of such assignee or Seller; (ii) this Agreement shall otherwise become null and void and of no further force and effect; and (iii) Escrow Holder shall cancel the Escrow immediately and return all money and/or documents to the respective Party depositing same.

ARTICLE XII MISCELLANEOUS

12.1 Exhibits. All Exhibits attached hereto are a part of this Agreement for all purposes and are incorporated herein.

12.2 Assignment. Seller shall not assign this Agreement nor any rights under this Agreement without the prior written consent of the Buyer. Buyer shall have the right to assign this Agreement and any rights hereunder, provided that Buyer shall pay any and all costs and expenses arising out of Buyer's assignment and Seller shall not incur any additional expenses or be obligated to provide any additional environmental reports affecting the Property. In order to

satisfy the Financing Contingency, Buyer contemplates assigning this Agreement to a public agency or a non-profit organization for the overall long term purposes of conservation and recreation. Buyer intends to assign this Agreement to the City of Redlands and Seller consents to such assignment. Following the assignment of this Agreement, the City of Redlands will have all of the rights and obligations of the Buyer of this Agreement including, without limitation, Sections 1.9 and 5.1. Further, Seller agrees that prior to such assignment, the City of Redlands may proceed to enter onto the Property pursuant to Section 5.1 in order to commence the process described in Section 1.9 herein. Upon the assignment and assumption of the rights and obligations of this Agreement to the City of Redlands, the assignor shall have no further obligations associated with this Agreement from and after the date of the assignment so long as the City of Redlands assumes all obligations hereunder arising from events or circumstances or otherwise accruing from and after the date of such assignment. Nothing contained herein shall be construed to release assignor of any liability hereunder arising from events or circumstances or otherwise accruing prior to the date of any such assignment.

12.3 Binding Effect. This Agreement shall be binding upon and inure to the benefit of Seller and Buyer, and their respective successors, heirs, agents and permitted assigns. Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the Parties, to any person or entity other than the Parties.

12.4 Captions. The captions, headings, and arrangements used in this Agreement are for convenience only and do not in any way affect, limit, amplify, or modify the terms and provisions hereof.

12.5 Number and Gender of Words. Whenever herein the singular number is used, the same shall include the plural where appropriate, and words of any gender shall include each other gender where appropriate.

12.6 Governing Law and Venue. The laws of the State of California shall govern the validity, construction, enforcement, and interpretation of this Agreement. All claims, disputes and other matters in question arising out of or relating to this Agreement, or the breach thereof, shall be decided by proceedings instituted and litigated in the state court in the County of San Bernardino, and the P-parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county.

12.7 Amendments. This Agreement may be amended or supplemented only by written documents signed by the Parties.

12.8 Notices. All notices, terminations, waivers and other communications hereunder shall be in writing and shall be delivered personally, by facsimile or shall be sent by registered or certified United States mail or a nationally recognized, overnight courier service, postage prepaid, and addressed as follows:

Buyer

Seller

The Redlands Conservancy

PO Box 855
Redlands, CA 92373

Attn: Sherli Leonard

Thomas A. Hudson, Trustee

22426 Criddle Lane
Mt. Vernon, WA 98274

With a copy to:
Paul Cliff, Esq.
Lobb & Cliff, LLP
1650 Spruce Street
Suite 410
Riverside CA 92507
Tel: 951-788-9410
Fax: 951-788-0766

Any notice in accordance herewith shall be deemed received when delivery is received or refused, as the case may be. Notices may be given by telephone facsimile transmission, provided that an original of said transmission shall be delivered to the addressee by a nationally recognized overnight delivery service on the business day following such transmission. Telephone facsimiles shall be deemed delivered on the date of such transmission, provided that proof of such transmission is generated upon the completion of such transmission.

12.9 Entirety. This Agreement embodies the entire agreement between the Parties and supersedes all prior written or oral agreements and understandings, if any, between them concerning the subject matter contained herein. There are no representations, agreements, arrangements, or understandings, oral or written, between the Parties hereto, relating to the subject matter contained in this Agreement which are not fully expressed herein.

12.10 Severability. If any of the provisions of this Agreement, or its application to any Party or circumstance, is held to be illegal, invalid, or unenforceable under present or future laws, such provision shall be fully severable. This Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of this Agreement and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement. In lieu of such illegal, invalid, or unenforceable provision, there shall be added automatically as a part of this Agreement, a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible to make such provision legal, valid, and enforceable.

12.11 Further Acts. In addition to the acts and deeds recited herein and contemplated and performed, executed and/or delivered by Seller and Buyer, Seller and Buyer agree to perform, execute and/or deliver or cause to be performed, executed and/or delivered at the Close of Escrow or after the Close of Escrow any and all such further acts, deeds, and assurances as may be necessary to consummate the transactions contemplated herein.

12.12 Construction. No provision of this Agreement shall be construed in favor of, or against, any particular Party by reason of any presumption with respect to the drafting of this Agreement; both Parties, having the opportunity to consult legal counsel, having fully participated in the negotiation of this Agreement.

12.13 Time of the Essence. It is expressly agreed by the Parties that time is of the essence with respect to each and every provision of this Agreement.

12.14 Attorneys' Fees. In the event that any Party institutes an action or proceeding to enforce any term of this Agreement or to recover any damages for and on account of the breach of any term or condition of this Agreement, it is mutually agreed that the prevailing Party (which shall be the Party receiving the more significant relief) in such action shall recover all costs thereof, including reasonable attorneys' fees (which shall include fees for use of in-house counsel by a Party) and costs incurred, in addition to any other damages or relief awarded. This Section 11.14 shall survive any termination of this Agreement.

12.15 Waiver of Covenants, Conditions or Remedies. The waiver by one Party of the performance of any covenant, condition or promise, or of the time for performing any act under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by such Party of any other covenant, condition or promise, or of the time for performing any other act required under this Agreement. The exercise of any remedy provided in this Agreement shall not be a waiver of any other remedy provided by law, and the provisions of this Agreement for any remedy shall not exclude any other remedies unless they are expressly excluded.

12.16 Survival of Warranties. All of the warranties, representations, covenants and agreements of the Parties contained in this Agreement shall survive the Close of Escrow.

12.17 Counterparts; Signatures. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument. Copies of signatures sent by fax or email shall be deemed sufficient and binding on the Party sending such.

ARTICLE XIII 1031 EXCHANGE

13. Section 1031 Exchange. If either Party, or both, shall elect by written notice to the other Party, both Parties agree to cooperate with each other in order to facilitate utilizing the purchase/conveyance of the Property as a part of an exchange of real property qualifying for special tax treatment under Internal Revenue Code Section 1031, subject to and upon the following terms and conditions:

(a) Such exchange shall not delay the date of the Close of Escrow provided for herein. Without limiting the generality of the foregoing, any obligation of cooperation is contingent upon the electing Party providing sufficient information, advance notice and documentation on order to enable such exchange transaction to be completed at the Close of Escrow.

(b) No cooperating Party shall have any obligation to acquire any property to be exchanged for the Property.

(c) No cooperating Party shall be obligated to incur any obligation (absolute or contingent) in connection with any such exchange other than the obligations existing under this Agreement.

(d) No cooperating Party shall be caused to incur any cost, liability or expense which it would not incur under this Agreement in the absence of the inclusion herein of this Section. Without limiting the generality of the foregoing, any attorneys' fees incurred by a cooperating Party as a result of the provisions of this Section shall be paid by the requesting Party.

(e) Nothing contained in this Section shall be construed as relieving a requesting Party of its obligations and agreements hereunder in the event such Party elects not to effect, or for any reason whatsoever other than the cooperating Party's default hereunder, is unable to effect, an exchange.

(f) No cooperating Party shall have any liability with respect to any taxes the requesting Party may pay or incur as a result of any exchange.

The requesting Party hereby agrees to indemnify, defend and hold the cooperating Party harmless from any and all claims, actions, demands, obligations, losses, costs, expenses or liabilities, including, but not limited to attorneys' fees incurred as a result of the provisions of this Section.

IN WITNESS WHERE/OF, duly authorized representatives of the Parties have executed this Agreement as of the Effective Date.

SELLER:

Thomas A. Hudson, Successor Trustee

By: 

BUYER:

The Redlands Conservancy

By: _____

Robert Dawes

Its: _____

President

(c) No cooperating Party shall be obligated to incur any obligation (absolute or contingent) in connection with any such exchange other than the obligations existing under this Agreement.

(d) No cooperating Party shall be caused to incur any cost, liability or expense which it would not incur under this Agreement in the absence of the inclusion herein of this Section. Without limiting the generality of the foregoing, any attorneys' fees incurred by a cooperating Party as a result of the provisions of this Section shall be paid by the requesting Party.

(e) Nothing contained in this Section shall be construed as relieving a requesting Party of its obligations and agreements hereunder in the event such Party elects not to effect, or for any reason whatsoever other than the cooperating Party's default hereunder, is unable to effect, an exchange.

(f) No cooperating Party shall have any liability with respect to any taxes the requesting Party may pay or incur as a result of any exchange.

The requesting Party hereby agrees to indemnify, defend and hold the cooperating Party harmless from any and all claims, actions, demands, obligations, losses, costs, expenses or liabilities, including, but not limited to attorneys' fees incurred as a result of the provisions of this Section.

IN WITNESS WHERE/OF, duly authorized representatives of the Parties have executed this Agreement as of the Effective Date.

SELLER:

Thomas A. Hudson, Successor Trustee

By: _____

BUYER:

The Redlands Conservancy

By:



Robert Dawes

Its:

President

LEGAL DESCRIPTION

All that certain real property located in the City of Redlands, County of San Bernardino, State of California, as more particularly described as follows:

[ATTACHED EXHIBIT "A"]

LEGAL DESCRIPTION

All that certain real property located in the County of San Bernardino, State of California, as more particularly described as follows:

[ATTACHED EXHIBIT "A"]

EXHIBIT "A"
Legal Description



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

PARCEL A: Parcel 1 of Parcel Map No. 4930, in the City of Redlands, County of San Bernardino, State of California, as per Map recorded in Book 45, Page 70 of Parcel Maps, in the office of the County Recorder of said County. Assessor's Parcel Number: 0300-241-24-0-000

PARCEL B:

That portion of the Southwest quarter of the Southwest quarter of Section 8, Township 2 South, Range 2 West, San Bernardino Base and Meridian, in the City of Redlands, County of San Bernardino, State of California, according to the official plat on file in the office of the United States Surveyor General, dated June 28, 1883, described as follows:

BEGINNING at the Southwest corner of the Southwest quarter of the Southwest quarter of Section 8, Township 2 South, Range 2 West, San Bernardino Base and Meridian, in the City of Redlands, County of San Bernardino, State of California; Thence Easterly along the section line between Section 8 in San Bernardino County and Section 17 in Riverside County, in said Township 2 South, Range 2 West, 495 feet to a point; Thence North 506 feet, more or less, to the South line of the County Road running through Live Oak Canyon, as said South line existed June 7, 1932; Thence Southwesterly along the South line of said County Road to the intersection of the South line of said County Road, with the West section line of Section 8, in said Township 2 South, Range 2 West; Thence South along the West line of said Section 8, 270 1/2 feet, more or less, to the POINT OF BEGINNING;

Excepting therefrom Parcel Map No. 4930 as shown by Map on file in Book 45, Page 70 of Parcel Maps, in the office of the County Recorder of San Bernardino County.
Assessor's Parcel Number: 0300-241-25-0-000

Parcel C:

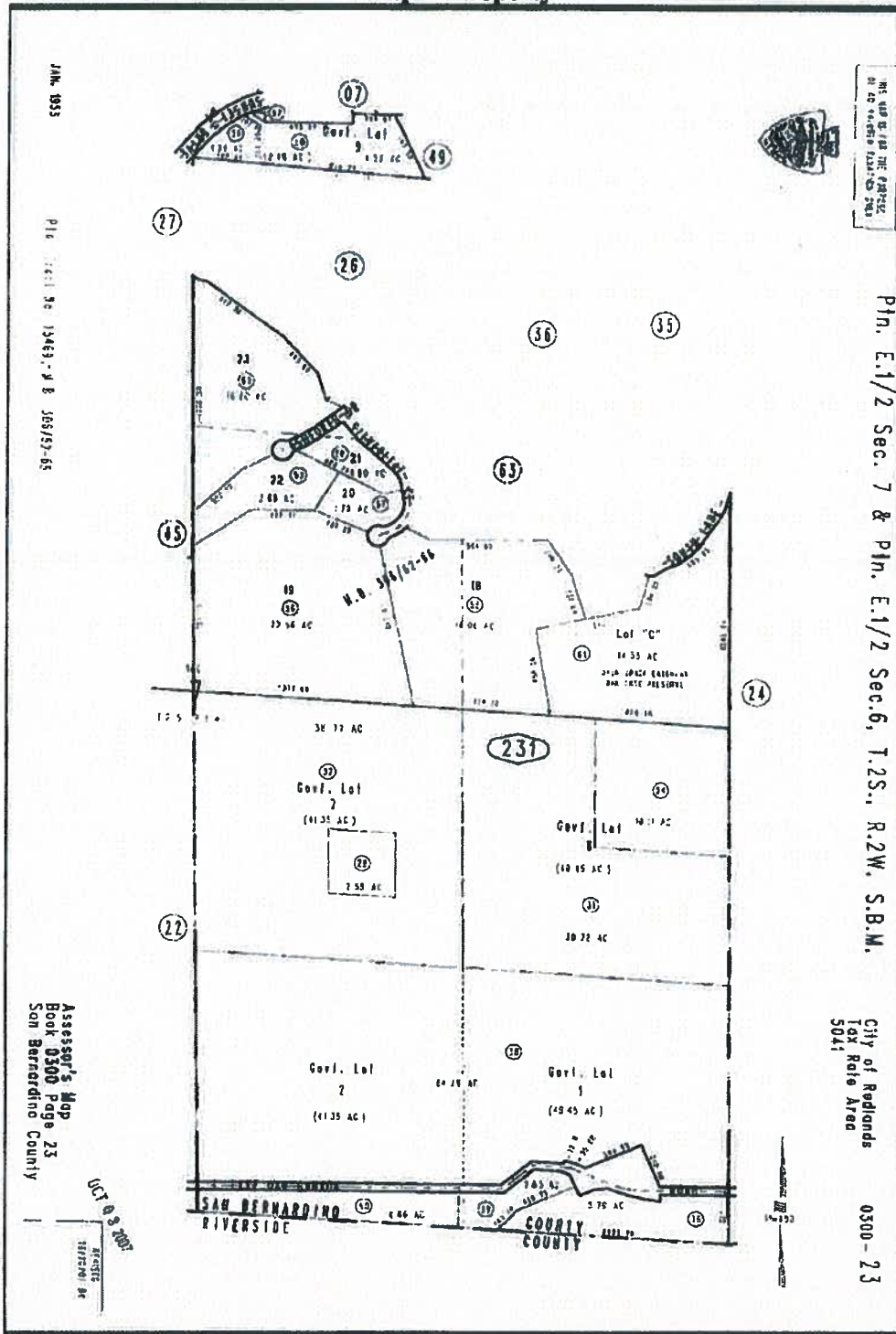
That portion of Government Lot 1, in the Southeast one-quarter of Section 7, Township 2 South, Range 2 West, San Bernardino Base and Meridian, in the City of Redlands, County of San Bernardino, State of California, according to the official plat thereof, lying Southerly of the centerline of Live Oak Canyon Road and Southeasterly of the centerline of Live Oak Canyon Creek, described as follows:

Beginning at the Southeast corner of said Section 7; Thence North 86° 54' 10" West along the Southerly line of said Section 7, a distance of 1133.70 feet; Thence North 43° 14' 00" East, a distance of 142.16 feet; Thence North 65° 41' 41" East a distance of 418.75 feet to the center line of Live Oak Canyon Road; Thence East along the center line of Oak Canyon Road to the East line of said Section 7; Thence Southerly along said Easterly line a distance of 275 feet to the point of beginning.

Excepting therefrom that portion conveyed to the County of San Bernardino by deed recorded May 17, 1979 in Book 9688, Page 453 of Official Records.

Assessor's Parcel Number: 0300-231-36-0-000 Assessor's Parcel Number: 0300-231-36; 0300-241-24 & 25

EXHIBIT "B"
Map of Property



NO. 448 OF THE PUBLIC
OF THE COUNTY OF SAN BERNARDINO

Pln. E.1/2 Sec. 7 & Pln. E.1/2 Sec. 6, T.2S., R.2W., S.B.M.

City of Redlands
Tax Rate Area
5041
0300-23

JAN. 1955

Plat No. 13463 - M.B. 308/57-65

Assessor's Map
Book 0300 Page 23
San Bernardino County

U.C.T. 0 3 2007
REGISTERED
11/13/07 BY



THIS MAP IS FOR THE PURPOSE OF ASSESSING TAXATION ONLY

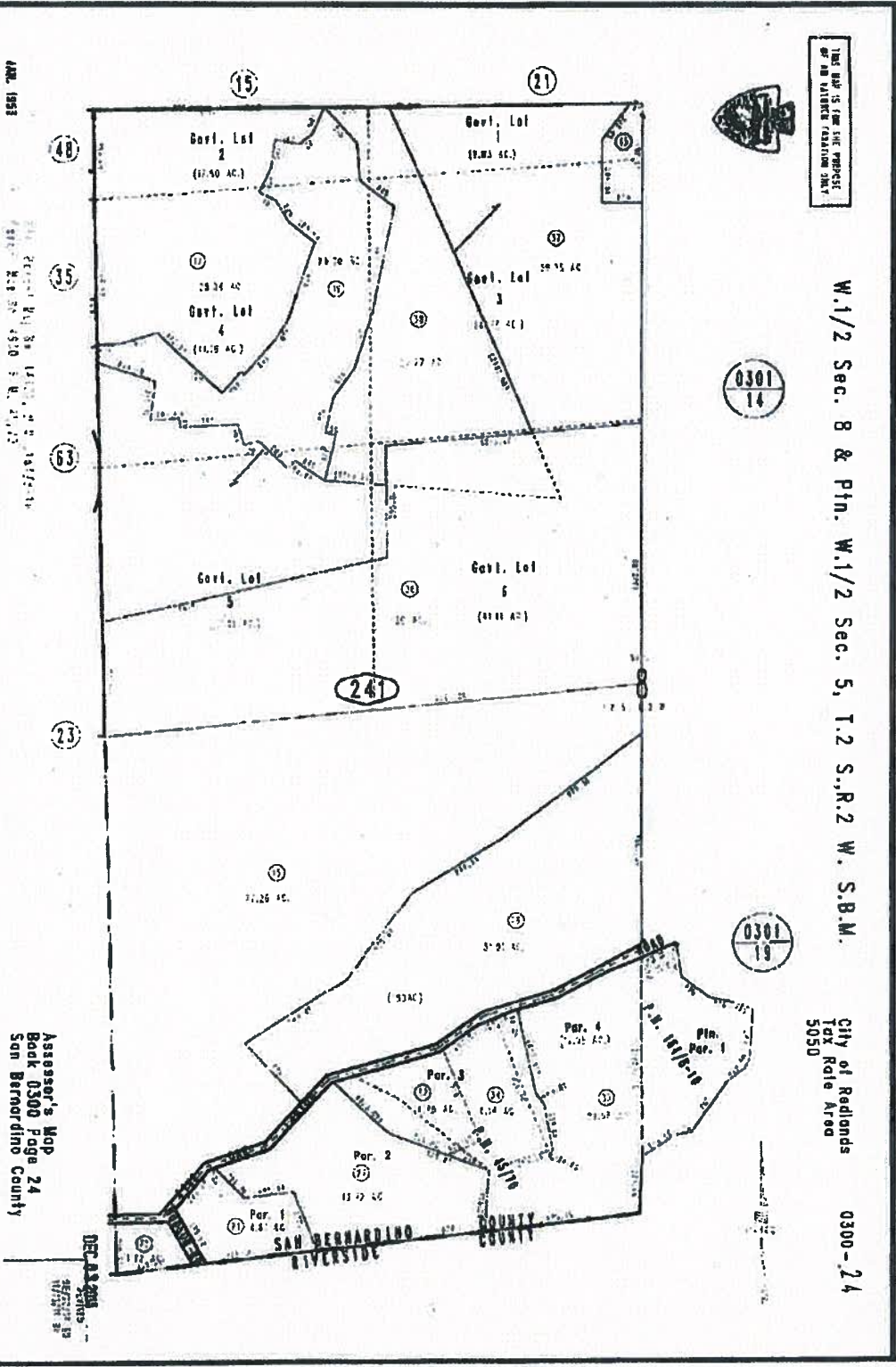
W. 1/2 Sec. 8 & Pin. W. 1/2 Sec. 5, T. 2 S., R. 2 W. S.B.M.

City of Redlands
Tax Rate Area
0300-24
5050



0301
14

0301
19



Assessor's Map
Book 0300 Page 24
San Bernardino County

DEC 2 2004
4:15 PM
19

EXHIBIT "C"

Grant Deed



**WHEN RECORDED RETURN TO:
AND MAIL TAX STATEMENTS TO**

The Redlands Conservancy
Attention: Sherli Leonard
P.O. Box 855
Redlands, CA 92373

DOCUMENTARY TRANSFER TAX:

NOT OF PUBLIC RECORD, PURSUANT TO REVENUE AND TAXATION CODE SECTION 11932

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

_____ ,

do hereby GRANT to

THE REDLANDS CONSERVANCY, a California non-profit public benefit corporation,

all that certain real property in the City of Redlands, County of San Bernardino, State of California, described on Exhibit "A", attached hereto and incorporated herein by reference.

"GRANTORS"

**WHEN RECORDED RETURN TO:
AND MAIL TAX STATEMENTS TO**

The Redlands Conservancy
Attention: Sherli Leonard
P.O. Box 855
Redlands, CA 92373

DOCUMENTARY TRANSFER TAX:

NOT OF PUBLIC RECORD, PURSUANT TO REVENUE AND TAXATION CODE SECTION 11932

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

_____ ,

do hereby GRANT to

THE REDLANDS CONSERVANCY, a California non-profit public benefit corporation,

all that certain real property in the County of San Bernardino, State of California,
described on Exhibit "A", attached hereto and incorporated herein by reference.

"GRANTORS"

STATE OF)
)
COUNTY OF)

On _____, 20____, before me, _____, a Notary Public, in and for said County and State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

_____, Notary
Public

STATE OF)
)
COUNTY OF)

On _____, 20____, before me, _____, a Notary Public, in and for said County and State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

_____, Notary
Public



EXHIBIT "D"

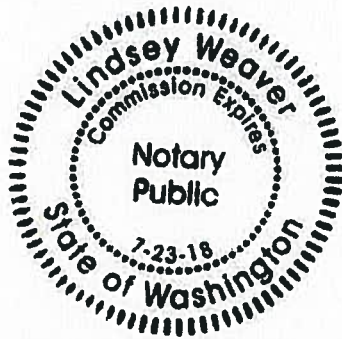
**Property Information, Agreement and Reports Deliverable in Accordance with
Section 2.6 of Agreement**

1. Documents Concerning Live Oak Canyon Water Co.
 - a. Temporary Modifications to Operating Rules Dated July 1, 1983
 - b. Trust Certificate dated February 15, 1978 in favor of Tom and Barbara Hudson, husband and wife as joint tenants
 - c. Trust Certificate dated June 24, 2003 in favor of Mondo Veldusea
 - d. Agreement of Trust Dated February 1, 1973
 - e. Easement Recorded December 18, 1978 in Book 1978, Page Number 265901 in the Official Records of Riverside County, California
 - f. Easement Recorded December 26, 1978 in Book 9584, page 1377 in the Official Records of San Bernardino County, California

STATE OF Washington)
)
COUNTY OF Skagit)

On April 12th, 2016, before me, Lindsey Weaver, a Notary Public, in and for said County and State, personally appeared Thomas A. Hudson, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Lindsey Weaver

Lindsey Weaver, Notary
Public

STATE OF)
)
COUNTY OF)

On _____, 20____, before me, _____, a Notary Public, in and for said County and State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

_____, Notary
Public