Grantor: City of Redlands

Project: East Branch Extension, Phase II

Parcel No.: EBX-10 (APN 0168-351-05) and

EBX-17 (APN 0297-111-05)

RIGHT OF WAY CONTRACT

Document Nos. EBX-10, Units A, B, C, and EBX-17 in the form of two Easement Deeds covering that property particularly described in the above instruments have been executed and delivered to Brian Whitaker, Associate Land Agent for the State of California, acting by and through the Department of Water Resources (STATE).

In consideration of which, and the other considerations hereinafter set forth, it is mutually agreed as follows:

- The parties have herein set forth the whole of their agreement. The performance of this agreement 1. a. constitutes the entire consideration for said document and shall relieve State of all further obligation or claims on this account, or on account of the location, grade or construction of the proposed public improvement.
 - The STATE requires Parcel Nos. EBX-10 and EBX-17 for the construction of the East Branch Extension, b. Phase II Project, a public use for which STATE may exercise the power of eminent domain. Grantor is compelled to sell, and STATE is compelled to acquire said Parcels.

Both Grantor and STATE recognize the expense, time, effort, and risk to both Grantor and STATE in determining the compensation for said Parcels by eminent domain litigation; and the compensation set forth herein for said Parcels is in compromise and settlement in lieu of such litigation.

- 2. The SBVMWD shall:
 - Pay the sum of \$24,800 for the properties described in said documents to the following title company: a. Fidelity National Title Company for the account of Grantor, Escrow Nos. 08-5006558-PA, and 08-5006780-PA conditioned upon the property vesting in the STATE free and clear of all liens, leases, encumbrances, easements, (recorded and/or unrecorded), assessments, and taxes, except:
 - (1)Taxes for the tax year in which this escrow closes shall be cleared and paid in the manner required by Section 5086 of the Revenue and Taxation Code, if unpaid at the close of escrow.
 - (2)Covenants, conditions, restrictions and reservations of record, or contained in the abovereferenced document.
 - (3)Easements or rights of way over said land for public or quasi-public utility or public purposes, if any.
 - b. Pay all expenses incidental to and necessarily incurred for the conveyance of the real property to the STATE, including but not limited to recording fees, title insurance charges, reconveyance fees, trustee's fees, forwarding fees and prepayment penalties.
- Pursuant to Section 1263.025 of the Civil Code of Procedure, you are entitled to obtain an independent appraisal 3. and to be reimbursed for the actual reasonable cost of the appraisal up to \$5,000 if certain conditions are met. For further information on the requirements for reimbursement, contact Associate Land Agent Brian Whitaker at (916) 653-9607.

- 4. Title to said property shall pass immediately upon close of escrow. The issuance of any escrow instructions shall be the sole responsibility of State.
- Grantor warrants that there are no oral or written leases on all or any portion of the property exceeding a period of one month, and Grantor further agrees to hold STATE harmless and reimburse STATE for any and all of its losses and expenses occasioned by reason of any lease of said property held by any tenant of Grantor for a period exceeding one month, except as may be otherwise provided herein.
- 6. The undersigned Grantor hereby agrees and consents to the dismissal of any eminent domain action in the Superior Court wherein the herein described land is included and also waives any and all claims to any money that may now be on deposit in said action.
- 7. To the best of Grantor's knowledge, Grantor represents and warrants the following:

During the Grantor's ownership of the property, there have been no disposals, releases, or threatened releases of hazardous substances on, from, or under the property.

There is no pending claim, lawsuit, agency proceeding, or any administrative challenge concerning the presence or use of hazardous substances on the property.

Grantor has not used the property for any industrial operations that use hazardous substances.

Grantor has not installed any underground storage tanks, aboveground storage tanks, barrels, sumps, impoundments or other containers used to contain hazardous substances on any part of the property.

For the purposes of this paragraph, the term "hazardous substances" shall mean any substance which at any time shall be listed as "hazardous" or "toxic" in the regulations implementing the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) (42 USC §§6901, et seq.), or other federal or State law, or any other substance, chemical, material or waste product whose presence, nature or quality is potentially injurious to the public health, safety, welfare, the environment or the property.

State has performed a Phase I – Site Assessment of the property. The Phase I – Site Assessment included a ground level visual inspection and research of available public records and did not indicate the presence of any Hazardous Materials. A Phase I – Site Assessment does not preclude the existence of Hazardous Material below the surface or Hazardous Materials that would be identified in a more thorough examination of the property.

The foregoing representations and warranties shall survive the close of escrow and shall remain in full force and effect for the duration of this easement and shall accrue for the benefit of STATE and its successors and assigns.

- 8. PHASE I ENVIRONMENTAL ASSESSMENT REPORT: STATE's obligation to consummate the purchase of the property is subject to the completion and approval by the STATE (which completion will not be unreasonably delayed and approval will not be unreasonably withheld) of a Phase I Environmental Assessment Report which concludes that the assessment has revealed no evidence of any recognized adverse environmental conditions, including but not limited to the presence of hazardous material in connection with the property. STATE may, at its own discretion, waive this condition in writing.
- 9. This contract may be modified, changed, or rescinded only by an instrument in writing executed by the parties hereto.

The foregoing representations and warranties shall survive the close of escrow and shall remain in full force and effect for the duration of this easement and shall accrue for the benefit of STATE and its successors and assigns.

- 10. **RIGHT OF ENTRY:** It is understood and agreed that should GRANTOR and State execute a Right of Entry for construction purposes, said Right of Entry shall remain in full force and effect until transfer of title at close of escrow. Compensation as set forth in Clause 2.a. herein shall accrue simple annual interest from the date the Right of Entry is signed by STATE's Chief of the Real Estate Branch at the STATE Surplus Money Investment Fund rate (as computed by the State Controller) until a warrant is issued to the escrow account.
- 11. **IMMEDIATE POSSESSION:** It is agreed that STATE shall have immediate possession and use of the subject lands effective as of the date this contract is accepted by STATE.

12. It is understood and agreed that GRANTOR's rights to the Easement area shall remain superior and have precedent. GRANTOR shall retain the right to make any use of the easement Parcels except those uses that are inconsistent with uses granted to STATE. GRANTOR shall not be required to obtain an Encroachment Permit from STATE at any time for activities within Easement areas that are consistent with uses granted to STATE. In accordance with State Water Code Section 12899 GRANTOR shall notify STATE and submit their plans to STATE for review and allow STATE 30 days to comment.

This contract is subject to the approval of the State of California.

NO OBLIGATION OTHER THAN THOSE SET FORTH HEREIN SHALL BE RECOGNIZED.

IN WITNESS WHEREOF, the parties have executed this contract.

GRANTOR: City of Redlands

GRANTOR: City of Redlands

Date: May 3, 2011

Pete Aguilar, Mayor

ATTEST:

Date: May 3, 2011

Sam Irwin, Clerk

Department of Water Resources

APPROVAL RECOMMENDED: Brian Whitaker, Associate Land Agent	6/16/11 Date	APPROVED:	
Mark	7/13/11		
Linus A. Paulus, Senior Land Agent	Date	Richard Sanchez, Chief	
Arelia Roux	7/25/11	Division of Engineering Date: 8/1/(
Linus A. Paulus, Senior Land Agent Paul Farris, Chief	Date 7/25/11	ad la	

Real Estate Branch







