

ACQUISITION AGREEMENT AND ESCROW INSTRUCTIONS

In consideration of the mutual covenants and agreements herein set forth, Watson Land Company, A California Corporation (hereinafter referred to as SELLER), agree(s) to sell and convey to San Bernardino County, a body corporate and politic (hereinafter referred to as BUYER) portions of property in easement. Those portions of real property to be acquired in easement are described and the conveyance is subject to the terms and conditions set forth in the attached easement(s) and exhibit(s) and which is (are) attached hereto and made a part hereof (as therein described, the PROPERTY). Conveyance of said PROPERTY is by easement as set forth below and the PROPERTY valuation is summarized as follows:

Value of Well Facility Easement (909 SF):	=	\$28,497.00
Value of Subterranean Pipeline Facility Easement (1,032 SF):	=	\$10,217.00
Value of Periodic Staging Easement (4,044 SF):	=	\$66,726.00
Value of Access Easement (blanket, approx. 70,500 SF):	=	\$23,265.00
Value of Site Improvements (landscape/hardscape items):	=	\$7,350.00
Value of Temporary Construction Easement (10,684 SF [3 years]):	=	\$138,005.00
Value of Net Severance Damages (parking, signage, irrigation, sound):	=	\$1,309,215.00

Total Just Compensation: **\$1,583,275.00**

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, SELLER and BUYER agree as follows:

1. The parties have herein set forth the whole of their agreement herein (this "Acquisition Agreement and Escrow Instructions"). The performance of this Acquisition Agreement and Escrow Instructions constitutes the entire consideration for said PROPERTY and shall relieve the BUYER, and its agent(s) of all further obligation or claims on this account, or on account of the location, grade or construction of the proposed public improvements, except as set forth in the Temporary Construction Easement and the Grant of Easement and Agreement executed between the parties on even date with this Acquisition Agreement.

2. BUYER agrees to pay SELLER for said PROPERTY and rights thereto the sum of **\$1,583,275.00** (ONE MILLION FIVE HUNDRED EIGHTY-THREE THOUSAND TWO HUNDRED SEVENTY-FIVE AND 00/100 DOLLARS), which sums shall be paid to SELLER at close of escrow.

3. If there are any leases on all or any portion of the PROPERTY exceeding 60 days, including extension options, then SELLER agrees to assist in procuring the subordination of said leases to the property interests acquired under this Acquisition Agreement and Escrow Instructions, but SELLER cannot guaranty such procurement.

4. SELLER agrees to use its best efforts to satisfy of record at or before conveying said PROPERTY and rights any special assessments that are a lien against the PROPERTY, but the PROPERTY will be subject to:

a. All reservations and matters that are of record or in effect, including, without limitation, mortgages and other forms of financing, financing liens, covenants, conditions, restrictions, leases, licenses and other rights of record and of use.

b. Easements or rights-of-way over said land for public or quasi-public utility or public street purposes, if any.

5. After escrow closes and upon recordation of the instrument conveying the PROPERTY to BUYER, if applicable, BUYER will request cancellation of the real property taxes for the PROPERTY conveyed pursuant to Section 4986, California Revenue and Taxation Code, as amended. SELLER retains the right, following close of

escrow, to apply to the County Tax Collector for refund of taxes paid for the period after closing pursuant to Revenue and Taxation Code Section 5096.7. The taxing authority will notify SELLER of any refund due SELLER resulting from the sale of the PROPERTY after a review and any subsequent adjustment of the property tax assessment by the County Assessor.

6. SELLER agrees that BUYER may, notwithstanding the prior acceptance of this Acquisition Agreement and Escrow Instructions, acquire title to said PROPERTY and rights by condemnation or other judicial proceedings, in which event SELLER agrees to cooperate with BUYER in the prosecution of such proceedings; SELLER agrees that the consideration hereinabove stated shall be the full amount of just compensation, inclusive of interest, for the acquisition of said PROPERTY and rights; SELLER agrees that the consideration recited in paragraph 2 hereof constitutes the full amount of the purchase price for the PROPERTY and rights and shall be prorated among all persons having an interest in this PROPERTY as their respective interests may appear; and SELLER agrees that said consideration shall be in full satisfaction of any and all claims of SELLER for payment for the right of occupancy and use hereinafter provided for in paragraph (7).

7. BUYER agrees to pay any escrow and recording fees incurred in this transaction; and, if title insurance is desired by the BUYER, to pay the premium charged therefor.

8. The closing of this transaction is contingent upon BUYER's written approval, or waiver, prior to close of escrow, of a Hazardous Substance Conditions Report ("Report") showing there are no Hazardous Substance Conditions affecting the PROPERTY. Such Report will be obtained at BUYER's direction and expense. A "Hazardous Substance" for purposes of this Acquisition Agreement and Escrow Instructions is defined as any substance whose nature and/or quantity of existence, use, manufacture, disposal 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 Substance Condition" for purposes of this Acquisition Agreement and Escrow Instructions is defined as the existence on, under or relevantly adjacent to the PROPERTY of a Hazardous Substance that could require remediation and/or removal under applicable Federal, State or local law.

SELLER has no actual knowledge of any disposals, releases or threatened releases of hazardous substances or hazardous wastes on, from, or under the PROPERTY during SELLER's ownership.

The purchase price of the PROPERTY acquired in this transaction reflects the fair market value of the PROPERTY without the presence of a Hazardous Substance Condition. If the PROPERTY being acquired is found to be contaminated by the presence of a Hazardous Substance Condition which requires remediation, mitigation or cleanup under Federal or State law for which BUYER, as the holder of an easement as opposed to the owner of the underlying fee, is responsible, BUYER may elect to recover its remediation, mitigation and cleanup costs from those who caused or contributed to the contamination. SELLER agrees to grant to BUYER, but only to the extent BUYER is responsible and actually incurs related obligations (SELLER may reserve equal or greater rights), any rights to require/recover remediation, mitigation or cleanup costs it may have against any person or entity, including but not limited to SELLER, who may have caused or contributed to such contamination.

9. The terms and conditions aforesaid are to apply to and bind the heirs, executors, administrators, successors, and assigns of the SELLER.

10. All terms and conditions with respect to this Acquisition Agreement and Escrow Instructions are expressly contained herein and SELLER agrees that no representative or agent of BUYER, has made any representation or promise with respect to the purchase of the PROPERTY or this Acquisition Agreement and Escrow Instructions not expressly contained herein.

TO: Any Reliable Escrow Company ("Escrow Holder")

BUYER agrees to purchase the PROPERTY referenced above and upon the terms and conditions described in this ACQUISITION AGREEMENT AND ESCROW INSTRUCTIONS for a total consideration of **\$1,583,275.00** (ONE MILLION FIVE HUNDRED EIGHTY-THREE THOUSAND TWO HUNDRED SEVENTY-FIVE AND 00/100 DOLLARS) and will deposit with an escrow company, of BUYER's choosing, said consideration for delivery to SELLER at close of escrow, together with any additional funds and/or instruments necessary to comply with the terms hereof, all of which Escrow Holder may use when Escrow Holder can issue a standard coverage form policy of title insurance [**First American Title Company, Title Order No. 0623-5953546, dated May 22, 2019**] with liability not less than the amount stated as total consideration, showing title vested in the BUYER, or assigns, free of all encumbrances, excepting those encumbrances, approved in writing by BUYER, and such other encumbrances as are approved in writing by BUYER, which approvals shall not be unreasonably withheld.

Escrow Holder shall make all disbursements by Escrow Holder check. All funds received in this escrow shall be deposited in one or more of Escrow Holder's general escrow accounts with any bank doing business in the State of California and may be transferred to any other general escrow account(s). The expression "close of escrow" means the date on which the easement agreements conveying the PROPERTY to BUYER are recorded in the official records of the County of San Bernardino. Close of escrow shall be on that date that is 90 days after the full execution of this Acquisition Agreement and Escrow Instructions, or sooner, provided all parties agree to the earlier closing and the title insurer is prepared to issue the policy of title insurance as described in the preceding paragraph. All adjustments are to be made on the basis of a thirty-day month. Recordation of any instruments delivered through this escrow, if necessary or proper in the issuance of a policy of title insurance called for, is hereby authorized. Escrow Holder shall furnish a copy of these instructions, amendments thereto, closing statements and/or documents deposited in this escrow to the lenders, real estate broker(s) and/or the attorney(s) involved in this transaction upon request of such lenders, brokers, or attorneys. Should Escrow Holder before or after close of escrow receive or become aware of any conflicting demands or claims with respect to this escrow or the rights of the parties hereto, or any money or property deposited herein or affected hereby, Escrow Holder shall have the right to discontinue any and all further acts on Escrow Holder's part until each conflict is resolved to Escrow Holder's satisfaction, and Escrow Holder shall have the further right to commence or defend any action or proceedings for the determination of such conflict. The parties hereto jointly and severally agree to pay all costs, damages, judgments and expenses, including reasonable attorney's fees, suffered or incurred by Escrow Holder in connection with, or arising out of this escrow, including but without limiting the generality of the foregoing, a suit in interpleader brought by Escrow Holder. In the event Escrow Holder files a suit in interpleader, Escrow Holder shall *ipso facto* be fully released and discharged from all obligations imposed on Escrow Holder by this Acquisition Agreement and Escrow Instructions and under the escrow provided for herein.

Time is declared to be of the essence of these instructions. If Escrow Holder is unable to comply with the time specified herein and such additional time is required to make examination of the official records, Escrow Holder will return all documents, money, or property to the party entitled thereto upon satisfactory written demand and authorization. Any amendment of and/or supplement to any instructions must be in writing. This Acquisition Agreement and Escrow Instructions and amendments hereto may be executed in one or more counterparts, each of which independently shall have the same effect as if it were the original, and all of which taken together shall constitute one and the same agreement and instruction.

In the event BUYER, SELLER, and/or assigns, utilize "Facsimile" transmitted instructions or electronic copies of instructions (scanned images, etc.), Escrow Holder is instructed to rely and act upon such instruction in the same manner as if original signed instructions were in the possession of Escrow Holder and BUYER and/or SELLER herein agree to forward signed hard copies of instructions within 48 hours of transmission. Escrow Holder shall have no liability to any party for relying upon facsimile or electronic instructions which were erroneously transmitted to Escrow Holder. BUYER and SELLER agree that when necessary to permit compliance with closing instruction, Escrow Holder may rely on facsimile- or electronically-transmitted demands. BUYER and SELLER further acknowledge and agree that documents necessary for recording with non-original (facsimile

or electronic) print and/or signatures will not be accepted for recording by the County Recorder, thus delaying the close of escrow.

Parties to this transaction are aware and understand that as a result of the passage of the Tax Reform Act of 1986 which added Section 6045(e) to the Internal Revenue Code, the SELLER in this transaction is to deposit, prior to close of escrow, certain information including all sellers' names and tax identification numbers, and that the closing of this transaction will be delayed in the event escrow has not received same from SELLER prior to close of escrow. Escrow Holder will forward information as required by above Internal Revenue Code Section on forms as prescribed therein.

In order to comply with Section 1445 of the Internal Revenue Code; and Sections 18805 and 26131 of the California Revenue and Taxation Code, SELLER will complete and deposit into escrow the documents provided by the Escrow Holder required by the above referenced code sections. In the event SELLER fails to complete and deposit into escrow such documents, SELLER hereby consents to the withholding by the Escrow Holder of proceeds in the amounts specified in the applicable sections of the Internal Revenue Code and the California Revenue and Taxation Code.

ANY RELIABLE ESCROW COMPANY serves only as an Escrow Holder in connection with these instructions and cannot give legal advice to any party hereto. Escrow Holder shall not be held accountable or liable for the sufficiency or correctness as to form, manner of execution, or validity of any instrument deposited in this escrow, nor as to the identity, authority or rights of any person executing the same. Escrow Holder's duties hereunder shall be limited to the proper handling of such money and the proper safekeeping of such instruments, or other documents received by Escrow Holder, and for the disposition of same in accordance with the written instructions accepted by Escrow Holder. The agency and duties of Escrow Holder commence only upon receipt of copies of this instruction executed by all parties.

At the close of escrow, Escrow Holder shall deliver all documents, including a Conformed Copy of the recorded easements of conveyance, to the San Bernardino County Real Estate Services Department.

[SIGNATURES ON THE FOLLOWING PAGE]

The foregoing ACQUISITION AGREEMENT and ESCROW INSTRUCTIONS is subject to approval by the Board of Supervisors of San Bernardino County and shall become effective and contractually binding only upon Board of Supervisors approval at a properly noticed public meeting at which a quorum of the Board of Supervisors was present, and execution by a duly authorized San Bernardino County officer, and SELLER approval and execution. Upon the full execution hereof, SELLER and BUYER will deliver to Escrow Holder the papers, instruments and/or funds required within the time limit specified herein; and Escrow Holder is authorized to deliver said funds and documents to the appropriate parties at such time that Escrow Holder can issue Escrow Holder's policy of title insurance as set forth above. SELLER further agrees to pay any personal property taxes properly chargeable to SELLER. Escrow Holder is also instructed to pay from the amount shown as the total consideration above any other charges to which the parties have agreed.

BUYER:
SAN BERNARDINO COUNTY,

SELLER:
WATSON LAND COMPANY,

By: _____
Dawn Rowe, Chair
Board of Supervisors

By: _____
Jeffrey R. Jennison

Title: _____
President & Chief Executive Officer

Date: _____

Date: _____

SIGNED AND CERTIFIED THAT
A COPY OF THIS DOCUMENT
HAS BEEN DELIVERED TO THE
CHAIR OF THE BOARD

By: _____
Craig B. Halverson

Title: _____
EVP, Real Estate Development

LYNNA MONELL, Clerk of the Board of
Supervisors

Date: _____

By: _____
Deputy

Date: _____

Approved as to Legal Form:

LAURA FEINGOLD, County Counsel
San Bernardino County, California

By: _____
Agnes Cheng
Deputy County Counsel

Date: _____

ACCEPTANCE BY ESCROW HOLDER

The undersigned hereby acknowledges that it has received a fully executed copy of the foregoing Acquisition Agreement and Escrow Instructions and agrees to act as Escrow Holder thereunder and to be bound by and perform the terms thereof as such terms apply to Escrow Holder.

_____, 2025

Name: _____

Escrow Company

By: _____

Title: _____

Exhibit 1

Form of EW-9 Permanent Easement

(Exhibit starts on following page)

Exhibit 2

Form of EW-9 TCE

(Exhibit starts on following page)