

AGENDA

BOARD OF DIRECTORS OF  
BARDEEN PARTNERS, INC.

SPECIAL MEETING

MAY 23, 2016

**CALL TO ORDER** 5:30 PM Irvine Ranch Water District  
Board of Directors Meeting Room  
15600 Sand Canyon Ave., Irvine, Calif.

**ROLL CALL** Directors Matheis, Reinhart, Swan, LaMar  
and President Withers

Bardeen Partners, Inc. was formed in March 1991 to act on behalf of IRWD in matching its real estate investments, and to segregate such investments from other activities of IRWD.

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1. APPROVAL OF MINUTES

Recommendation: Approve the minutes of Special Meeting of March 28, 2016.

2. ASSIGNMENT OF PURCHASE AGREEMENT – HOLT PROPERTY

Recommendation: That the Board authorize the assignment to Irvine Ranch Water District of the original “Real Property Purchase Agreement dated as of April 18, 2016, relating to the purchase of the Holt Property; and authorize the Treasurer to execute an Assignment and Assumption of Real Property Purchase Agreement authorizing the assignment of the agreement from Bardeen Partners, Inc. to Irvine Ranch Water District.

3. ASSIGNMENT OF PURCHASE AGREEMENT – MARTIN PROPERTY

Recommendation: That the Board authorize the assignment to Irvine Ranch Water District of the original “Real Property Purchase Agreement dated as of April 12, 2016, relating to the purchase of the Martin Property; and authorize the Treasurer to execute an Assignment and Assumption of Real Property Purchase Agreement authorizing the assignment of the agreement from Bardeen Partners, Inc. to Irvine Ranch Water District.

4. ORAL COMMUNICATIONS

5. ADJOURNMENT

MINUTES OF SPECIAL MEETING OF  
BARDEEN PARTNERS, INC.

MARCH 28, 2016

The special meeting of the Board of Directors of the Bardeen Partners, Inc. was called to order by President Withers at 5:54 p.m. in the Board Room of the principal office of the Irvine Ranch Water District, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Matheis, LaMar, Swan, Reinhart, and President Withers

Directors Absent: Swan

Also Present: Secretary Bonkowski of Bardeen Partners, Inc., and Legal Counsel Arneson of the IRWD staff and public.

APPROVAL OF MINUTES

On MOTION by Matheis, seconded and unanimously carried, THE MARCH 14, 2016 MINUTES OF THE SPECIAL MEETING WERE APPROVED AS PRESENTED.

WOOD CANYON VILLAS APARTMENT. PROPERTY PROPOSED PARTNERSHIP AMENDMENT

On MOTION by Matheis, seconded and unanimously carried, THE BOARD AUTHORIZED THE PRESIDENT TO EXECUTE THE FOURTH AMENDMENT TO THE AGREEMENT OF LIMITED PARTNERSHIP EXTENDING THE UNILATERAL PARTNER SALE DATE TO JUNE 2021, REMOVING THE PERSONAL GUARANTEE PROVISIONS AND PROVIDING 100% OF ANY FUTURE EXCESS ORDINARY CASH FLOWS TO BARDEEN PARTNERS, INC.

ORAL COMMUNICATIONS – None

ADJOURNMENT

There being no further business, President Withers adjourned the meeting at 5:58 p.m.

Date: April 5, 2016

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Leslie Bonkowski, Secretary

APPROVED and SIGNED this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
John Withers, President

APPROVED AS TO FORM:

\_\_\_\_\_  
Joan Arneson, Legal Counsel

May 23, 2016  
Prepared By: K. Welch/F. Sanchez  
Submitted By: R. Jacobson/P. Weghorst  
Approved By: Paul Cook 

## BARDEEN PARTNERS

### ASSIGNMENT OF PURCHASE AGREEMENT - HOLT PROPERTY

#### SUMMARY:

Pursuant to Bardeen Partners, Inc.'s (Bardeen) Articles of Incorporation, Bardeen entered into a Real Property Purchase Agreement (Agreement) on April 18, 2016 for the acquisition of 103.38 acres of land known as the Holt property in Riverside County. Staff has requested that the Agreement be assigned to IRWD to conclude the transaction. Staff recommends that the Board authorize the assignment of the Agreement to IRWD and authorize the Treasurer to execute an Assignment and Assumption of Real Property Purchase Agreement authorizing the assignment of the Agreement from Bardeen to IRWD.

#### BACKGROUND:

The Holt property is located within the Palo Verde Irrigation District in Riverside County, California. The Agreement to purchase the real property was executed on April 18, 2016 pursuant to the Bardeen Articles of Incorporation, and permits Bardeen, without the consent of the seller, to assign its interests to IRWD as an entity under common control with Bardeen. To comply with the Agreement's requirement that IRWD assume all of Bardeen's obligations in writing, an Assignment and Assumption of Real Property Purchase Agreement (Assignment Agreement) has been prepared as shown in Exhibit "A". Upon approval by IRWD's Board to accept the assignment and assume Bardeen's interests in the Agreement on May 23, 2016, staff recommends that Bardeen authorize the assignment of the Agreement to IRWD and authorize the Treasurer to execute the Assignment Agreement.

#### FISCAL IMPACTS:

The land acquisition cost is \$1,650,000, plus approximately \$40,000 for closing costs.

#### ENVIRONMENTAL COMPLIANCE:

Any new lands purchased for water supply purposes are subject to compliance with the California Environmental Quality Act of 1970 (as amended), codified at California Public Resources Code Sections 21000 et. seq., and the State CEQA Guidelines in the Code of Regulations, Title 14, Division 6, Chapter 3. Pursuant to direction by the IRWD Board, IRWD will file a Notice of Exemption for the purchase of the Holt Property within the Counties of Orange and Riverside. The Notice of Exemption states that the District is not presently contemplating changes in the existing use of the land and therefore no environmental impacts associated with the property acquisition are expected. The Notice of Exemption states that the District specifically conditions any proposed future change in use of the Property on subsequent CEQA compliance actions.

COMMITTEE STATUS:

This item was reviewed by the Bardeen Property Ad Hoc Committee on May 19, 2016.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE ASSIGNMENT TO IRVINE RANCH WATER DISTRICT OF THE ORIGINAL "REAL PROPERTY PURCHASE AGREEMENT" DATED APRIL 18, 2016, RELATING TO THE PURCHASE OF THE HOLT PROPERTY; AND AUTHORIZE THE TREASURER TO EXECUTE AN ASSIGNMENT AND ASSUMPTION OF REAL PROPERTY PURCHASE AGREEMENT AUTHORIZING THE ASSIGNMENT OF THE AGREEMENT FROM BARDEEN PARTNERS, INC. TO IRVINE RANCH WATER DISTRICT.

LIST OF EXHIBITS:

Exhibit "A" – Assignment and Assumption of Real Property Purchase Agreement

# EXHIBIT "A"

## ASSIGNMENT AND ASSUMPTION OF REAL PROPERTY PURCHASE AGREEMENT

WHEREAS, Bardeen Partners, Inc., a California nonprofit public benefit corporation, as buyer ("BUYER") and John L. Holt, as Trustee of RJ Trust, dated January 20, 2010, as Restated September 27, 2013, collectively, as seller ("SELLER") have entered into that certain REAL PROPERTY PURCHASE AGREEMENT (the "Agreement") dated April 18, 2016; and

WHEREAS, Section 8.13 of the Agreement permits BUYER's assignment of its rights and delegation of its duties and obligations under the Agreement, without the consent of SELLER, to an entity that controls, is controlled by or is under common control with BUYER; and

WHEREAS, BUYER wishes to assign all of its interests in the Agreement to Irvine Ranch Water District, a California water district organized under California Water Code Section 34000, *et seq.* ("IRWD"), and IRWD wishes to accept such assignment; and

WHEREAS, BUYER and IRWD are under the control of the same Board of Directors, pursuant to Section 7 of BUYER's bylaws, and BUYER was incorporated for specific purposes including the rendering of financial assistance to IRWD by, among other things, acquiring real property interests for the benefit of IRWD;

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, BUYER, as assignor, does hereby assign, grant, bargain, sell, convey and transfer to IRWD all of BUYER's right, title and interest in and to the Agreement.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged and further in consideration of the within assignment by BUYER, IRWD, as assignee, does hereby agree to its substitution for BUYER as buyer under the Agreement and agrees to assume and perform all covenants and conditions which are to be performed by BUYER pursuant to the Agreement, except to the extent any such covenants and conditions have been performed prior to the date hereof.


Executed and effective this 23rd day of May, 2016.

BARDEEN PARTNERS, INC.

IRVINE RANCH WATER DISTRICT,

By: \_\_\_\_\_  
Treasurer

By: \_\_\_\_\_  
General Manager

May 23, 2016  
Prepared By: K. Welch/F. Sanchez  
Submitted By: R. Jacobson/P. Weghorst  
Approved By: Paul Cook 

BARDEEN PARTNERS

ASSIGNMENT OF PURCHASE AGREEMENT - MARTIN PROPERTY

SUMMARY:

Pursuant to Bardeen Partners, Inc.'s (Bardeen) Articles of Incorporation, Bardeen entered into a Real Property Purchase Agreement (Agreement) on April 12, 2016 for the acquisition of 80.38 acres of land known as the Martin property in Riverside County. Staff has requested that the Agreement be assigned to IRWD to conclude this transaction. Staff recommends that the Board authorize the assignment of the Agreement to IRWD and authorize the Treasurer to execute an Assignment and Assumption of Real Property Purchase Agreement authorizing the assignment of the Agreement from Bardeen to IRWD.

BACKGROUND:

The Martin property is located within the Palo Verde Irrigation District in Riverside County, California. The Agreement to purchase the real property was executed on April 12, 2016 pursuant to the Bardeen Articles of Incorporation and permits Bardeen without the consent of the seller, to assign its interests to IRWD as an entity under common control with Bardeen. To comply with the Agreement's requirement that IRWD assume all of Bardeen's obligations in writing, an Assignment and Assumption of Real Property Purchase Agreement (Assignment Agreement) has been prepared as shown in Exhibit "A". Upon approval by IRWD's Board to accept the assignment and assume Bardeen's interests in the Agreement on May 23, 2016, staff recommends that Bardeen authorize the assignment of the Agreement to IRWD and authorize the Treasurer to execute the Assignment Agreement.

FISCAL IMPACTS:

The land acquisition cost is \$1,221,000, plus approximately \$40,000 for closing costs.

ENVIRONMENTAL COMPLIANCE:

Any new lands purchased for water supply purposes are subject to compliance with the California Environmental Quality Act of 1970 (as amended), codified at California Public Resources Code Sections 21000 et. seq., and the State CEQA Guidelines in the Code of Regulations, Title 14, Division 6, Chapter 3. Pursuant to direction by the IRWD Board, IRWD will file a Notice of Exemption for the purchase of the Martin Property within the Counties of Orange and Riverside. The Notice of Exemption states that the District is not presently contemplating changes in the existing use of the land and therefore no environmental impacts associated with the property acquisition are expected. The Notice of Exemption states that the District specifically conditions any proposed future change in use of the Property on subsequent CEQA compliance actions.

COMMITTEE STATUS:

This item was reviewed by the Bardeen Property Ad Hoc Committee on May 19, 2016.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE ASSIGNMENT TO IRVINE RANCH WATER DISTRICT OF THE ORIGINAL "REAL PROPERTY PURCHASE AGREEMENT" DATED APRIL 12, 2016, RELATING TO THE PURCHASE OF THE MARTIN PROPERTY; AND AUTHORIZE THE TREASURER TO EXECUTE AN ASSIGNMENT AND ASSUMPTION OF REAL PROPERTY PURCHASE AGREEMENT AUTHORIZING THE ASSIGNMENT OF THE AGREEMENT FROM BARDEEN PARTNERS, INC. TO IRVINE RANCH WATER DISTRICT.

LIST OF EXHIBITS:

Exhibit "A" – Assignment and Assumption of Real Property Purchase Agreement



# EXHIBIT "A"

## ASSIGNMENT AND ASSUMPTION OF REAL PROPERTY PURCHASE AGREEMENT

WHEREAS, Bardeen Partners, Inc., a California nonprofit public benefit corporation, as buyer ("BUYER") and James W. Martin, Successor Trustee of the William and Peggy Martin Family Trust dated July 30, 1998, collectively, as seller ("SELLER") have entered into that certain REAL PROPERTY PURCHASE AGREEMENT (the "Agreement") dated April 12, 2016; and

WHEREAS, Section 8.13 of the Agreement permits BUYER's assignment of its rights and delegation of its duties and obligations under the Agreement, without the consent of SELLER, to an entity that controls, is controlled by or is under common control with BUYER; and

WHEREAS, BUYER wishes to assign all of its interests in the Agreement to Irvine Ranch Water District, a California water district organized under California Water Code Section 34000, *et seq.* ("IRWD"), and IRWD wishes to accept such assignment; and

WHEREAS, BUYER and IRWD are under the control of the same Board of Directors, pursuant to Section 7 of BUYER's bylaws, and BUYER was incorporated for specific purposes including the rendering of financial assistance to IRWD by, among other things, acquiring real property interests for the benefit of IRWD;

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, BUYER, as assignor, does hereby assign, grant, bargain, sell, convey and transfer to IRWD all of BUYER's right, title and interest in and to the Agreement.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged and further in consideration of the within assignment by BUYER, IRWD, as assignee, does hereby agree to its substitution for BUYER as buyer under the Agreement and agrees to assume and perform all covenants and conditions which are to be performed by BUYER pursuant to the Agreement, except to the extent any such covenants and conditions have been performed prior to the date hereof.

Executed and effective this 23rd day of May, 2016.

BARDEEN PARTNERS, INC.

IRVINE RANCH WATER DISTRICT,

By: \_\_\_\_\_  
Treasurer

By: \_\_\_\_\_  
General Manager