

**ACTION BY UNANIMOUS WRITTEN CONSENT
OF BOARD OF DIRECTORS OF**

**R. C. HOBBS COMPANY, INC.
A California Corporation**

The undersigned, constituting all of the directors of R. C. HOBBS COMPANY, INC., a California corporation, acting by unanimous written consent without a meeting, in accordance with California Corporations Code Section 307(b), consent to their election as directors and adopt the following resolutions:

1. Election of Officers

RESOLVED, that the following person is elected to the offices set forth opposite his name:

Name	Office
Roger C. Hobbs	President, Secretary and Treasurer.

to serve at the pleasure of the board; and

RESOLVED FURTHER, that for purposes of giving any reports or executing any documents requiring the signature of the "Treasurer," the chief financial officer is also deemed to be the treasurer of this corporation.

RESOLVED FURTHER, that each of the officers of this corporation is authorized and directed to execute all documents and to take any other action necessary or advisable to carry out the purposes of these resolutions.

DATED: January 1, 2004



ROGER C. HOBBS

PURCHASE, SALE AND DEVELOPMENT AGREEMENT

R.C. HOBBS COMPANY, INC.

**(Five Points – Site B, 11124-11144 Pierce Street
and 4870 La Sierra Avenue)**

This Purchase, Sale and Development Agreement (“Agreement”) is entered into this _____ day of _____, 2017, (“Effective Date”), by and between THE CITY OF RIVERSIDE, AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE, a public entity (“Seller”), and R.C. HOBBS COMPANY, INC., a California corporation (“Buyer”). In consideration of the mutual covenants and agreements, the parties agree to the following terms and conditions:

ARTICLE I AGREEMENT OF SALE

1.1 Property. Seller owns certain real property commonly referred to as Five Points – Site B, and located at 11124-11144 Pierce Street and 4870 La Sierra Avenue, Riverside, California, Assessor’s Parcel Numbers 146-220-037, -038 and -040, totaling approximately 2.42 acres (“Property”), all as more particularly described in Exhibit “A” (Legal Description) and depicted on Exhibit “B” (Plat Map), both of which are attached hereto and incorporated herein by reference.

1.2 Intention. Buyer desires to purchase in fee the Property for the development of an approximately 6,750 square-foot retail center and adjacent senior housing apartments (“Project”).

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 to issue a title policy hereinafter described.

1.4 Due Diligence. Buyer shall have one hundred and eighty (180) days following the Effective Date 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, condition of title, economic, financial, and accounting matters relating to or affecting the Property or its value, and the physical and environmental condition of the Property (“Due Diligence Period”). During the Due Diligence Period, Buyer shall have made such inquiries, communicated with local, state and federal government agencies as it sees fit, retained such consultants, and taken such actions as Buyer deems necessary or appropriate to enter into this Agreement. Seller authorizes Buyer to make all inquiries of appropriate governmental authorities with respect to the Property, as Buyer, in its good faith and reasonable judgment deems necessary to satisfy itself as

to the condition of title to the Property and the feasibility of any proposed development on the Property. On or before the Due Diligence Period, 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 Due Diligence Period, Buyer shall be deemed to have accepted the Property and proceed with this Agreement.

1.5 Due Diligence Materials. Within ten (10) days of the Effective Date, Seller shall deliver or make available to Buyer complete copies of all materials relating to the use, ownership, condition, operation, development or marketing of the Property that are in possession or control of or available to Seller, including without limitation all preliminary plans, engineering and soils reports, title policies, surveys, maps, environmental inspections and reports, hazardous waste reports, grading, streets, storm drain, sewer, water, landscape and irrigation plans, "will-serve" letters, feasibility studies and consultant agreements ("Due Diligence Materials"), to the extent not previously delivered by Seller to Buyer.

1.6 Right of Entry. After Seller's execution of this Agreement and during Escrow, Seller grants to Buyer and its agents, employees, contractors or subcontractors, the right to enter into and upon the Property for the purpose of conducting a Phase I Environmental Site Assessment, soil testing, environmental and engineering studies, and such further engineering, grading, archeological, geological or survey work as may be required for the preparation by Buyer of its development plans for the Property. Buyer must obtain Seller's permission, in writing, before any intrusive soil testing is performed. Buyer shall provide Seller with twenty four (24) hours' notice prior to such entry. Prior to entry Buyer shall provide Seller with all certificates of insurance and additional insured endorsements in the amounts required by Seller, such as, but not limited to commercial general, workers' compensation and automobile. Buyer agrees to keep the Property free and clear of any liens or encumbrances that may arise out of Buyers inspection of and activities on the Property. All costs, expenses, liabilities or charges incurred in or related to the performance of any and all of such studies and work on the Property including the preparation by Buyer of any plans or maps for the development or use of the Property, and the cost of filing, recording reports, plans, maps or other documents related thereto shall be at the sole cost and expense of and shall be paid by Buyer. Buyer hereby agrees to repair any damage done to the Property by Buyer, its agents, employees, servants or nominees, and Buyer shall restore the Property to the same or similar condition as existed on the Effective Date. Buyer shall not have any such obligation if Escrow closes and title to the Property vests in Buyer. The right to enter the Property shall be co-extensive with the period during which Escrow is open, or any extension thereof.

1.7 Assumption of the Risk. Subject to the other provisions of this Agreement: (a) Buyer agrees, that by its acceptance of the Property under Section 1.4, it assumes the risk that an adverse condition of the Property may not have been revealed by its own due diligence; and (b) on Buyer's acceptance, Seller shall have no obligation to repair, correct, or compensate Buyer for any condition of the Property, including defects in improvements, noncompliance with applicable laws and regulations, including without limitation zoning laws, building codes, and

the Americans with Disabilities Act, whether or not such condition of the Property would have been disclosed by Buyer's due diligence.

1.8 Duty to Act in Good Faith. The parties agree to act in good faith and fair dealing and endeavor to utilize their best efforts to perform all terms of this Agreement and in any discussions related to the Project with the parties and third parties.

ARTICLE II

PURCHASE PRICE, ESCROW, DEPOSIT AND BUYER'S OBLIGATIONS

2.1 Purchase Price. The total purchase price to be paid by Buyer to Seller for the Property shall be the sum of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) ("Purchase Price"). The Purchase Price shall be payable to Seller in immediately available funds in accordance with the provisions and requirements of this Agreement. The parties acknowledge and agree that the Purchase Price represents the full fair market value of the Property.

2.2 Escrow. Within ten (10) days following the Effective Date, Seller shall open an escrow ("Escrow") with Stewart Title of California – Inland Empire Division, 7065 Indiana Avenue, Suite 100, Riverside, CA 92506 ("Escrow Holder"), for the purpose of consummating this Agreement. The parties hereto 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.

2.3 Deposit. Within fifteen (15) calendar days following the Effective Date, Buyer shall deliver a deposit in the amount of Thirty Thousand Dollars (\$30,000) ("Deposit") to the Escrow Holder which will be applied towards the Purchase Price at the Close of Escrow, subject however to the Seller's right to liquidated damages as set forth in Section 7.5 in the event of Buyer's default. After the Due Diligence Period, if Buyer has not terminated this Agreement as provided in Section 3.1 below, Buyer's Deposit shall become non-refundable but may still be applied towards the Purchase Price at the Close of Escrow. If this Agreement is terminated for any reason after one hundred and eighty (180) days, the Deposit shall be released to Seller.

2.4 Buyer's Obligations During Escrow.

2.4.1 Within one hundred eighty (180) days from the Effective Date, Buyer shall submit an application(s) to the City of Riverside's ("City") Community & Economic Development Department, Planning Division ("Planning Division") for:

- (a) A parcel map, tract map and/or lot consolidation as appropriate;

- (b) Design Review of Buyer's proposed development of the Project including specific site plan and preliminary elevations ("Project Design");
- (c) Entitlements and environmental clearance for the Project including any conditional use permits ("Entitlements"); and
- (d) Any other documents or applications required for the development of the Project.

2.4.2 Buyer, shall also comply with the following prior to Close of Escrow:

- (a) Within twenty-four (24) months from the Effective Date, Buyer shall have obtained all necessary Entitlements, as well as all grading and building permits.

ARTICLE III CLOSING

3.1 Closing Date. Escrow shall close within twenty-four (24) months following the Effective Date ("Close of Escrow"), but in no event shall Escrow close until Buyer has obtained all Entitlements. Close of Escrow is subject to Buyer completing all of Buyer's obligations as described in Section 2.4 above and in Section 3.2 below. If Escrow is not in a condition to close by the Close of Escrow, 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 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. Notwithstanding the foregoing, the Close of Escrow may be extended by mutual agreement if the parties are diligently attempting to resolve the issue(s) that may be preventing or delaying the Close of Escrow.

3.2 Closing Documents.

3.2.1 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) A grant deed sufficient for recording, conveying legal title of the Property to Buyer; and
- (b) All additional documents and instruments which may be reasonably necessary for the Close of Escrow and to consummate the sale of the Property in accordance with the terms of this Agreement and with the requirements of the Title Company.

3.2.2 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 of the Property and any additional funds necessary to satisfy Buyer's obligation relating to the acquisition of the Property;
- (b) Copies of Buyer's authority documents and/or such other documents and instruments evidencing Buyer's due existence and authority to enter into and consummate the sale of the Property contemplated by this Agreement as Seller or Escrow Holder may require;
- (c) Evidence of Project Entitlements including grading and building permits; and
- (d) Any additional documents and instruments which may be reasonably necessary to consummate the sale of the Property in accordance with the terms of this Agreement and with the requirements of the Title Company.

3.3 **Taxes.** Buyer understands and acknowledges that Seller, as a public entity, is not being assessed for any real property taxes or for any special assessments on the Property. However, upon the Close of Escrow, Buyer understands and acknowledges that real property taxes and special assessments will be assessed against the Property and Buyer will be responsible for the same. Buyer agrees to hold Seller harmless for any and all real property taxes and/or special assessments on the Property assessed on and after Close of Escrow.

3.4 **Condition of Title.** At the Close of Escrow, Seller shall convey fee simple merchantable and insurable title of the Property to the Buyer free and clear of all liens, restrictions, delinquent taxes and assessments, and encumbrances as evidenced by a CLTA Title Insurance Policy ("Title Policy") issued by Title Company in an amount equal to the Purchase Price. Buyer may elect to require that the Title Policy be an ALTA extended coverage policy so long as that does not delay the Close of Escrow and Buyer pays the additional cost therefor (including the cost of any survey required by Title Company). The Title Policy shall show as exceptions with respect to the Property only matters approved in writing by the Buyer during the Due Diligence Period. Any exceptions to title representing monetary liens or encumbrances shall be deemed disapproved by Buyer, and, Escrow Holder is hereby authorized and instructed to cause at Seller's expense the re-conveyance or partial re-conveyance, as the case may be, of any such monetary exceptions to Buyer's title to the Property at or prior to the Close of Escrow.

3.5 Costs.

3.5.1 At the Close of Escrow, and as a debit from the closing proceeds to be paid to Seller, Seller shall be responsible for: (i) one-half the cost of any escrow charges imposed by the Escrow Holder; (ii) the cost of a CLTA Standard form policy of title insurance from Title Company; and (iii) any other expenses customarily charged to Seller in connection with similar transactions including its own attorney's fees.

3.5.2 At the Close of Escrow, Buyer shall be responsible for: (i) all recording fees and any and all state, county, and local governmental transfer taxes, documentary or otherwise, and/or the cost of documentary stamps to be affixed to the instrument or instruments of conveyance (if obtained by Buyer); (ii) the additional cost of an extended ALTA owners title policy and associated costs if obtained by Buyer; (iii) one-half the cost of any escrow charges imposed by the Escrow Holder; (iv) any taxes disclosed in Section 3.3; and (v) any other expenses customarily charged to Buyer in connection with similar transactions including its own attorney's fees.

3.6 **Brokerage Commissions.** The parties acknowledge that neither party has been represented by a broker, with respect to this transaction. The parties hereby agree to indemnify, defend and hold the other party harmless from any and all claims that may arise in regard to any commission that may be claimed to be owed.

ARTICLE IV “AS-IS” PURCHASE

4.1 **As-Is Information.** Buyer acknowledges, agrees, represents, and warrants that: (a) any information supplied or made available by Seller, whether written or oral, or in the form of maps, surveys, plats, soils reports, engineering studies, environmental studies, inspection reports, plans, specifications, or any other information whatsoever, without exception, pertaining to the Property, any and all records and other documents pertaining to the use and occupancy of the Property, income thereof, the cost and expenses of maintenance thereof, and any and all other matters concerning the condition, suitability, integrity, marketability, compliance with law, or other attributes or aspects of the Property, or a part thereof, if furnished to Buyer, is furnished solely as a courtesy; (b) **THE INFORMATION IS PROVIDED ON AN “AS-IS, WHERE-IS” BASIS AND SELLER MAKES NO REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT IN NO WAY LIMITED TO, ANY WARRANTY OF CONDITION, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE, AS TO THE INFORMATION;** and (c) no representations have been made by Seller, or its agents or employees, in order to induce Buyer to enter into this Agreement. Without limiting the generality of the foregoing, Buyer acknowledges, agrees, warrants and represents to Seller that neither the Seller nor its agents or employees have made any representations or statements to Buyer concerning the Property's investment potential or resale at any future date, at a profit or otherwise, nor has Seller or its agents or employees

rendered any advice or expressed any opinion to Buyer regarding any tax consequences of ownership of the Property.

4.2 As-Is Property. On the Close of Escrow, Buyer will be familiar with the Property and will have made such independent investigations as Buyer deems necessary or appropriate concerning the Property. Seller makes no representations or warranties and specifically disclaims any representation, warranty or guaranty, oral or written, past, present or future with respect to the use, physical condition or any other aspect of the Property, including without limitation the structural integrity of any improvements, the manner, construction, condition, state of repair or lack of repair of any improvements, the conformity of any improvements to any plans or specifications, including but not limited to, any plans and specifications that may have been or which may be provided to Buyer, the conformity of the Property to past, current or future applicable zoning or building code requirements or the compliance with any other laws, rules, ordinances, or regulations of any government or other body, the financial earning capacity or expenses history of the operation of the Property, the nature and extent of any right-of-way, lease, possession, lien, encumbrance, license, reservation, condition, or otherwise, the existence of soil instability, past soil repairs, soil additions or conditions of soil fill, susceptibility to landslides, sufficiency of undershoring, sufficiency of drainage, whether the Property is located wholly or partially in a flood plain or a flood hazard boundary or similar area, the existence or nonexistence of hazardous waste or other toxic materials of any kind, whether known or unknown and whether or not regulated or governed by applicable laws (including, without limitation, hydrocarbons or asbestos), or any other matter affecting the condition, stability, suitability or integrity of the Property or portion thereof.

4.3 Negligence or Failure to Investigate. Seller shall not be responsible for any negligent misrepresentation or failure to investigate the Property on the part of Seller, any real estate broker or agent, or any other agent, contractor or employee of Seller or any third party.

4.4 As-Is. BUYER EXPRESSLY ACKNOWLEDGES AND AGREES THAT THE PROPERTY IS BEING SOLD AND ACCEPTED ON AN “AS-IS, WHERE-IS” BASIS, AND IS BEING ACCEPTED WITHOUT ANY REPRESENTATION OR WARRANTY. IF BUYER ELECTS TO PROCEED WITH THE PURCHASE OF THE PROPERTY, ANY OBJECTIONS WHICH BUYER MAY HAVE WITH RESPECT TO THE PROPERTY (INCLUDING, WITHOUT LIMITATION, ANY ENVIRONMENTAL MATTERS, HAZARDOUS SUBSTANCES, WASTES OR TOXIC MATERIALS THAT MAY BE LOCATED ON, UNDER OR ABOUT THE PROPERTY, WHETHER KNOWN OR UNKNOWN) SHALL BE WAIVED BY BUYER.

4.5 Past Uses. BUYER EXPRESSLY ACKNOWLEDGES AND AGREES AS PART OF ITS ACCEPTANCE OF THE PROPERTY ON AN “AS-IS, WHERE-IS” BASIS THAT BUYER IS AWARE OF ALL PRIOR USES OF THE PROPERTY THAT MAY LEAD TO CONTAMINATION OF THE PROPERTY. AS OF THE CLOSE OF ESCROW, BUYER SHALL HAVE OBTAINED AND READ ALL ENVIRONMENTAL ASSESSMENTS REGARDING THE PROPERTY WHICH A REASONABLY

DILIGENT BUYER WOULD HAVE OBTAINED PRIOR TO THE PURCHASE THEREOF. BUYER ASSUMES ALL RESPONSIBILITY FOR ANY CONTAMINATION THAT IS PRESENT ON THE PROPERTY DUE TO PRIOR AND/OR EXISTING USES OF THE PROPERTY.

4.6 **Waivers.** AS PART OF BUYER'S AGREEMENT TO PURCHASE AND ACCEPT THE PROPERTY "AS-IS, WHERE-IS," AND NOT AS A LIMITATION ON SUCH AGREEMENT, BUYER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY AND ALL ACTUAL OR POTENTIAL RIGHTS BUYER MIGHT HAVE REGARDING ANY FORM OF WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND OR TYPE, RELATING TO THE PROPERTY AND ITS IMPROVEMENTS. SUCH WAIVER IS ABSOLUTE, COMPLETE, TOTAL AND UNLIMITED IN ANY WAY. SUCH WAIVER INCLUDES, BUT IS NOT LIMITED TO, A WAIVER OF EXPRESS WARRANTIES, IMPLIED WARRANTIES, WARRANTIES OF FITNESS FOR A PARTICULAR USE, WARRANTIES OF MERCHANTABILITY, WARRANTIES OF HABITABILITY, STRICT LIABILITY RIGHTS AND CLAIMS OF EVERY KIND AND TYPE, INCLUDING, BUT NOT LIMITED TO, CLAIMS REGARDING DEFECTS WHICH WERE NOT OR ARE NOT DISCOVERABLE, PRODUCT LIABILITY CLAIMS, PRODUCT LIABILITY TYPE CLAIMS, ANY RIGHTS AND CLAIMS RELATING OR ATTRIBUTABLE TO ENVIRONMENTAL CONDITIONS, AND ALL OTHER ACTUAL OR LATER CREATED OR CONCEIVED OR STRICT LIABILITY OR STRICT LIABILITY TYPE CLAIMS AND RIGHTS.

BUYER HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH IS SET FORTH BELOW:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BY INITIALING BELOW, BUYER HEREBY WAIVES THE PROVISIONS OF SAID SECTION 1542 IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING ACKNOWLEDGMENTS, WAIVERS AND RELEASES SET FORTH IN THIS ARTICLE 4. AND ACKNOWLEDGES BUYER IS PURCHASING THE PROPERTY "AS IS."



Buyer's Initials

ARTICLE V **REPRESENTATIONS, WARRANTIES AND INDEMNITIES**

5.1 Seller's Representations, Warranties and Covenants. Seller hereby represents, warrants and covenants to Buyer as of the date of this Agreement, and upon the Close of Escrow, as follows, all of which shall survive the Close of Escrow:

5.1.1 Seller is a public body and has the full power and authority to enter into and carry out the agreements contained in, and transactions contemplated by, this Agreement. The person(s) signing this Agreement and any documents and instruments in connection herewith on behalf of Seller have full power and authority to do so. This Agreement has been duly authorized and executed by Buyer, and upon delivery to and execution by Seller shall be a valid and binding agreement of Seller.

5.1.2 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 or otherwise affecting the Property.

5.1.3 Seller has not entered into any other written contracts or agreements for the sale or transfer of any portion of the Property.

5.1.4 To Seller's knowledge, Seller has received no written notice of any hazardous materials located on, under, or about the Property, except as disclosed in writing to Buyer.

The material truth and accuracy of the foregoing representations and warranties shall be a condition of Buyer's obligations hereunder. Prior to the Close of Escrow, Seller shall notify Buyer of any facts or circumstances which are contrary to the foregoing representations and warranties.

5.2 Buyer's Representations and Warranties. Buyer hereby represents, warrants and covenants to Seller as of the date of this Agreement, and upon the Close of Escrow, as follows, all of which shall survive the Close of Escrow:

5.2.1 The person(s) signing this Agreement and any documents and instruments in connection herewith on behalf of Buyer have full power and authority to do so. This Agreement has been duly authorized and executed by Buyer, and upon delivery to and execution by Seller shall be a valid and binding agreement of Buyer.

5.2.2 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. Prior to the Close of Escrow, Buyer shall notify Seller of any facts or circumstances which are contrary to the foregoing representations and warranties.

5.3 No Warranties. Except for those representations and warranties expressly set forth in this Agreement, the parties understand and acknowledge that no person acting on behalf of Seller is authorized to make, and by execution hereof Buyer acknowledges that no person has made any representations, agreement, statement, warranty, guaranty or promise regarding the Property or the transaction contemplated herein, or regarding the zoning, construction, development, physical condition or other status of the Property. Without limiting the generality of the foregoing, Seller makes no representation or warranties with respect to the amount or types of fees required to obtain building permits or otherwise to rezone and develop the Property.

ARTICLE VI **BUYER'S OBLIGATIONS AFTER THE CLOSE OF ESCROW**

6.1 Buyer's Obligations After the Close of Escrow.

6.1.1 Buyer shall comply with all zoning, planning and building laws, regulations and procedures imposed by the City and any other public and/or quasi-public entity, as well as adhering to the Citywide Design Guidelines.

6.1.2 Buyer shall commence construction of the Project no later than one hundred and twenty (120) days after Close of Escrow, subject to force majeure delays (including, without limitation, acts of destruction by nature). Failure to commence construction or start grading as required herein shall result in the payment of a Five Hundred Dollar (\$500) per diem penalty by Buyer to the Seller for failure to commence construction within one hundred and twenty (120) days from the Close of Escrow. Notwithstanding the foregoing, upon mutual written agreement of the parties, the construction commencement deadline may be extended for up to three (3) months.

6.1.3 Buyer shall complete construction of the Project within twenty-four (24) months following the Close of Escrow subject to force majeure delays (including, without limitation, acts of destruction by nature). Completion of construction shall be signaled by the issuance of a Certificate of Occupancy. Failure to complete construction as required herein shall result in the payment of a Five Hundred Dollar (\$500) per diem penalty by Buyer to the Seller for failure to complete construction within twenty-four (24) months from the Close of Escrow. Notwithstanding the foregoing, upon mutual written agreement of the parties, the construction deadline may be extended for up to three (3) months.

6.2 Sale to Tax-Exempt Entity Prohibited. For ten (10) years from Close of Escrow, Buyer is prohibited from selling, conveying or transferring fee title to the Property to any public entity that is exempt from paying real property taxes.

ARTICLE VII DEFAULTS

7.1 Default. A party shall be deemed in default hereunder if any of the warranties or representations set forth herein are or become untrue or 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.

7.2 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) days in the case of a non-monetary default (or, if the event of default is such that cannot be cured within fifteen (15) days, the party shall be entitled to commence the cure within such time and thereafter diligently prosecute it to completion), or five (5) days in the case of a monetary default.

7.3 Remedies. If Buyer is deemed to be in default after the Due Diligence Period, Seller shall be entitled to (a) the Deposit, including interest, which shall be forthwith delivered to Seller by Escrow Holder on receipt of notice from Seller that Buyer has defaulted under this Agreement and reasonable attorney's fees incurred by Seller and/or (b) termination of this Agreement.

7.4 Waiver of Right to Specific Performance. If Seller fails to convey the Property to Buyer in accordance with the provisions of this Agreement, and such failure constitutes a default under this Agreement, Buyer hereby waives its right to receive any equitable relief, including without limitation the right to record a lis pendens against the Property under applicable law or to pursue the specific performance of this Agreement.

7.5 Liquidated Damages. **BUYER AND SELLER AGREE THAT AT THE TIME THIS AGREEMENT IS MADE AND ENTERED INTO, SELLER'S DAMAGES UPON DEFAULT BY BUYER UNDER THIS AGREEMENT ARE EXTREMELY DIFFICULT OR IMPOSSIBLE TO CALCULATE AND BUYER AND SELLER AGREE THAT THE AMOUNT OF LIQUIDATED DAMAGES SET FORTH HEREIN IS A REASONABLE ESTIMATE UNDER THE CIRCUMSTANCES EXISTING AT THE TIME THIS AGREEMENT IS MADE OF THE DAMAGES SELLER WOULD SUSTAIN BECAUSE OF SUCH DEFAULT BY BUYER UNDER THIS AGREEMENT. FURTHER, BUYER DESIRES TO HAVE A LIMIT PLACED ON THE AMOUNT OF DAMAGE TO BE PAID TO SELLER UPON BUYER'S DEFAULT. BUYER HEREBY AGREES THAT**

SHOULD BUYER DEFAULT IN THE PERFORMANCE OF BUYER'S OBLIGATION PRIOR TO THE CLOSE OF ESCROW, SELLER SHALL BE ENTITLED TO THE SUM OF THIRTY THOUSAND DOLLARS (\$30,000) AS LIQUIDATED DAMAGES FROM BUYER. THE FOREGOING PROVISIONS OF THIS SECTION 7.5 CONSTITUTE THE SOLE AND EXCLUSIVE MONETARY REMEDY AVAILABLE TO SELLER AS A RESULT OF A DEFAULT BY BUYER OF ITS OBLIGATIONS UNDER THIS AGREEMENT PRIOR TO CLOSE OF ESCROW. THE PROVISIONS OF THIS SECTION 7.5 DO NOT LIMIT ANY DAMAGES DUE SELLER BY REASON OF BUYER'S ENTRY ONTO THE PROPERTY PURSUANT TO SECTION 1.6.


Buyer's Initials


Seller's Initials

ARTICLE VIII MISCELLANEOUS

8.1 Exhibits. All Exhibits annexed hereto are a part of this Agreement for all purposes.

8.2 Assignability. Buyer may not at any time assign any of its rights, title, and interest in and to this Agreement, other than to an affiliate of Buyer.

8.3 Binding Effect. This Agreement shall be binding upon and inure to the benefit of Seller and Buyer, and their respective successors, heirs and permitted assigns.

8.4 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.

8.5 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.

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

If to Seller: City of Riverside
Real Property Services Division
3900 Main Street
Riverside, CA 92522
Attn: David Welch, Real Property Services Manager
Phone: (951) 826-5665
Email: dwelch@riversideca.gov

If to Buyer: R.C. Hobbs Company, Inc.
1110 E. Chapman Ave, Suite 206
Orange, CA 92866
Attn: Roger C. Hobbs
Phone: (714) 633-8100
Email: rch@rchobbs.com

Any notice in accordance herewith shall be deemed received when delivery is received or refused, as the case may be. Additionally, 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.

8.7 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 Riverside, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county.

8.8 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.

8.9 Amendments. This Agreement may be amended or supplemented only by written documents signed by the parties.

8.10 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.

8.11 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.

8.12 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, being represented by counsel, having fully participated in the negotiation of this instrument.

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

8.14 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.

8.15 Nondiscrimination. The parties shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical or mental disability, medical conditions, including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, genetic information, gender, gender identity, gender expression, sex or sexual orientation, in connection with the performance of this Agreement. The parties further agree to conform to the requirements of the Americans with Disabilities Act in the performance of this Agreement.

8.16 Ratification. This Agreement may be subject to the approval and ratification by the City of Riverside. In the event the City fails to approve this Agreement, there shall be no liability on the part of the Seller and this Agreement shall become null and void and of no further force and effect.

8.17 CEQA Compliance. Buyer and Seller understand, acknowledge and agree that the close of this escrow is contingent upon Seller's compliance with the California Environmental Quality Act ("CEQA"). Buyer must also comply with CEQA and all associated permits prior to development of the Property.

8.18 Counterparts. This Agreement may be executed in a number of identical counterparts. If so executed, each of such counterparts shall, collectively, constitute one original agreement. In making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Reference Date.

Seller:

THE CITY OF RIVERSIDE,
AS SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY OF RIVERSIDE, a public entity

By: _____

John A. Russo
City Manager, on behalf of
the Successor Agency to the
Redevelopment Agency of the
City of Riverside

Buyer:

R.C. HOBBS COMPANY,
INC., a California corporation

By: _____

Name:
Title:

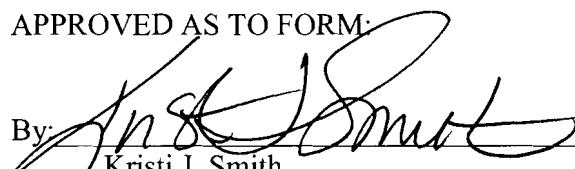
Name:
Title:

ATTESTED TO:

By: _____

Colleen Nicol
City Clerk, on behalf of
The Successor Agency to the
Redevelopment Agency of the
City of Riverside

APPROVED AS TO FORM:

By: 
Kristi J. Smith
Successor Agency General Counsel

17-0486 KJS 07/17/17

CERTIFIED AS TO FUNDS AVAILABILITY:

15

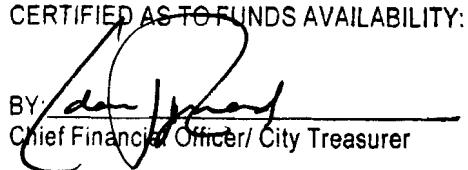
BY: 
Don J. Ward
Chief Financial Officer/ City Treasurer

EXHIBIT "A"
LEGAL DESCRIPTION

EXHIBIT "A"

A.P.N.: 146-220-041
FEE SIMPLE INTEREST

That certain real property in the City of Riverside, County of Riverside, State of California described as follows:

Parcel "A"

That portion of Lots 13 through 16 of La Sierra Academy Tract No. 1 as shown by map on file in Book 13 of Maps, at Page 73 thereof, and that portion of Lot 7 in Block 57 of Tract No. 2 of La Sierra Heights, as shown by map on file in Book 7 of Maps, at Page 66 thereof, both Records of Riverside County, California, described as follows:

Commencing at the most Southerly corner of said Lot 14, said corner being an angle point in the boundary line of Parcel 1 conveyed to James G. Burkette, et ux., by Deed recorded January 8, 1982 as Instrument No. 4273, Official Records of Riverside County, California;

Thence S.61°17'34"W. along a line parallel with the Northwesterly line of said Lot 7 and along the boundary line of said Parcel 1 and the Southwesterly prolongation thereof, a distance of 150.10 feet to a point in a line parallel with and distant 300.05 feet Southwesterly, measured at right angles from the Southwesterly right of way line of La Sierra Avenue (formerly Holden Avenue) as shown on said La Sierra Academy Tract No. 1, said point being an angle point in the Northwesterly boundary line of Parcel "B" of Certificate of Compliance for Lot Line Adjustment No. LL-P03-0513, recorded July 30, 2009 as Document No. 396718, Official Records of Riverside County California, also being the **Point of Beginning** of the parcel of land to be described;

Thence N.30°11'09"W. along said parallel line and the Northwesterly boundary line of said Parcel "B", a distance of 115.38 feet to the Southeasterly line of that certain parcel of land described in Grant of Easement & Waiver of Access Rights to the City of Riverside, by Document recorded May 24, 2010 as Document No. 2010-0238428, Official Records of Riverside County, California;

Thence N.62°33'57"E. along said Southeasterly line, a distance of 30.04 feet to a line parallel with and distant 30.00 feet Northeasterly, measured at right angles from the previously described parallel line;

Thence continuing N.62°33'57"E. along said Southeasterly line, a distance of 99.69 feet;

Thence Northeasterly along said Southeasterly line and along the Southeasterly line of that certain parcel of land described in Grant of Easement & Waiver of Access Rights to the City of Riverside, by Document recorded May 24, 2010 as Document No. 2010-0238424, Official Records of Riverside County, California on a curve concave Southeasterly, having a radius of 688.00 feet, through an angle of 11°56'35", an arc length of 143.41 feet to a point of compound curvature;

Thence Southeasterly along previously said Southeasterly line on a curve concave Southwesterly, having a radius of 38.00 feet, through an angle of $74^{\circ}51'34''$, an arc length of 49.65 feet (the initial radial line bears N. $15^{\circ}29'28''$ W.);

Thence S. $30^{\circ}37'54''$ E. along previously said Southeasterly line, a distance of 68.76 feet to a point hereinafter referred to as Point "A", said point being in the Northwesterly line of Parcel "A" of said Certificate of Compliance for Lot Line Adjustment No. LL-P03-0513;

The preceding four (4) courses are hereinafter referred to as "Course A";

Thence the following six (6) courses along the Northwesterly line of said Parcel "A" and along the Northwesterly boundary line of said Parcel "B":

S. $59^{\circ}47'39''$ W., a distance of 73.92 feet;

N. $28^{\circ}42'26''$ W., a distance of 1.96 feet;

S. $61^{\circ}17'34''$ W., a distance of 76.07 feet;

S. $61^{\circ}17'34''$ W., a distance of 100.03 feet;

N. $30^{\circ}11'09''$ W., a distance of 10.00 feet;

S. $61^{\circ}17'34''$ W., a distance of 50.07 feet to the **Point of Beginning**.

The above described parcel of land contains 34,765 square feet, more or less.

Said legal description is pursuant to Parcel "A" of City of Riverside Certificate of Compliance for Lot Merger No. LL-P14-1057, recorded February 27, 2015 as Document No. 2015-0080104, Official Records of Riverside County, California.

Subject to an easement for electric energy distribution and telecommunication facilities and the waiver and relinquishment of all rights of ingress and egress as reserved on said Certificate of Compliance for Lot Merger No. LL-P14-1057.

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.

Curtis C. Stephens 5/8/17 Prep. E.V.
Curtis C. Stephens, L.S. 7519 Date



EXHIBIT "A"

A.P.N.: 146-220-040
FEE SIMPLE INTEREST

That certain real property in the City of Riverside, County of Riverside, State of California described as follows:

Parcel "A"

Lot 7 in Block 57 of Tract No. 2 of La Sierra Heights, as shown by map on file in Book 7 of Maps at Page 66 thereof, Records of Riverside County, California;

EXCEPTING THEREFROM that portion thereof as conveyed to Riverside County by document recorded April 1, 1952 in Book 1355, Page 541, Official Records of Riverside County, California;

ALSO EXCEPTING THEREFROM that portion thereof lying Northeasterly of the Southwesterly line of that certain parcel of land as conveyed to W.K. Newby and Lois W. Newby, husband and wife, as joint tenants, by document recorded June 26, 1957 in Book 2109, Page 346, Official Records of Riverside County, California, and the Northwesterly and Southeasterly prolongations thereof;

ALSO EXCEPTING THEREFROM that portion thereof as conveyed to the City of Riverside by document recorded October 15, 1976 as Instrument No. 156820, Official Records of Riverside County, California;

ALSO EXCEPTING THEREFROM that portion lying within Tract 29058 as shown by map on file in Book 289 of Maps, at Pages 27 through 36 thereof, Records of Riverside County, California;

ALSO EXCEPTING THEREFROM that portion lying Northwesterly of a line parallel with and distant 65.00 feet Southeasterly, measured at right angle from the centerline of Pierce Street (formerly Pierce Place) as shown on La Sierra Academy Tract No. 1 by map on file in Book 13 of Maps, at Page 73 thereof, Records of Riverside County, California;

The above described parcel of land contains 1.582 acres, more or less.

Said legal description is pursuant to Parcel "A" of City of Riverside Certificate of Compliance for Lot Merger No. LL-P14-0709, recorded October 3, 2014 as Document No. 2014-0377743, Official Records of Riverside County, California.

Subject to an easement for electric energy distribution facilities, sewer and public utility facilities as reserved on said Certificate of Compliance for Lot Merger No. LL-P14-0709.

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.

Curtis C. Stephens 5/15/17 Prep. E.V.
Curtis C. Stephens, L.S. 7519 Date

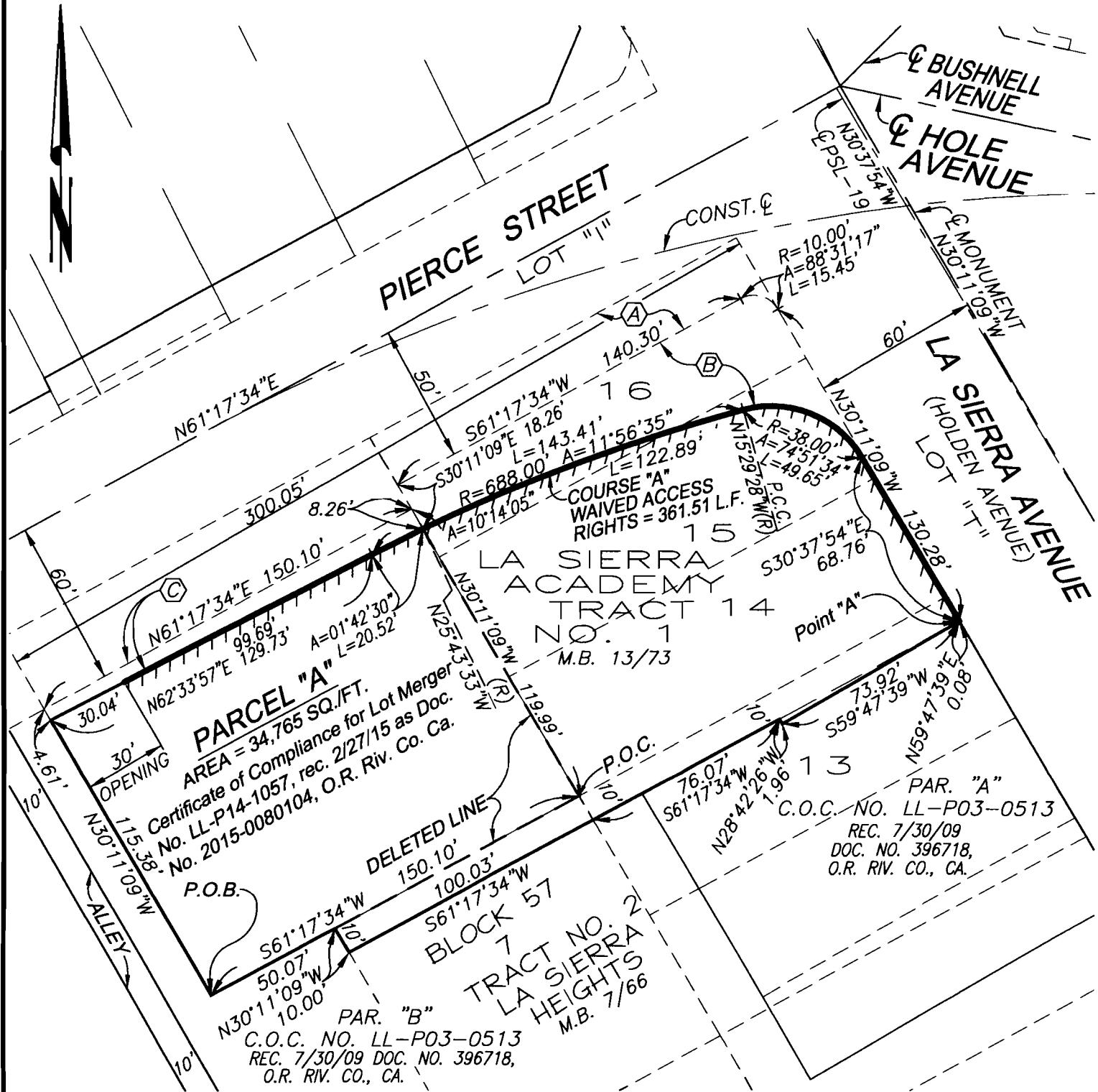


EXHIBIT “B”
PLAT MAP

NOTE:
SEE SHEET 2 FOR
ADDITIONAL
EASEMENTS RESE
ON LOT MERGER N
LL-P14-1057.

- Ⓐ Parcel to County of Riverside, rec. 10/15/56
Inst. No. 70859, O.R. Riv. Co., Ca.
- Ⓑ Parcel to City of Riverside, rec. 5/24/10
Doc. No. 2010-0238424, O.R. Riv. Co., Ca.
- Ⓒ Parcel to City of Riverside, rec. 5/24/10
Doc. No. 2010-0238428, O.R. Riv. Co., Ca.

*Indicates Access
Denial Line per
Lot Merger No.
LL-P14-1057*



• CITY OF RIVERSIDE, CALIFORNIA •

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.

SHEET 1 OF 2

SCALE: 1"=50'

DRAWN BY: EV

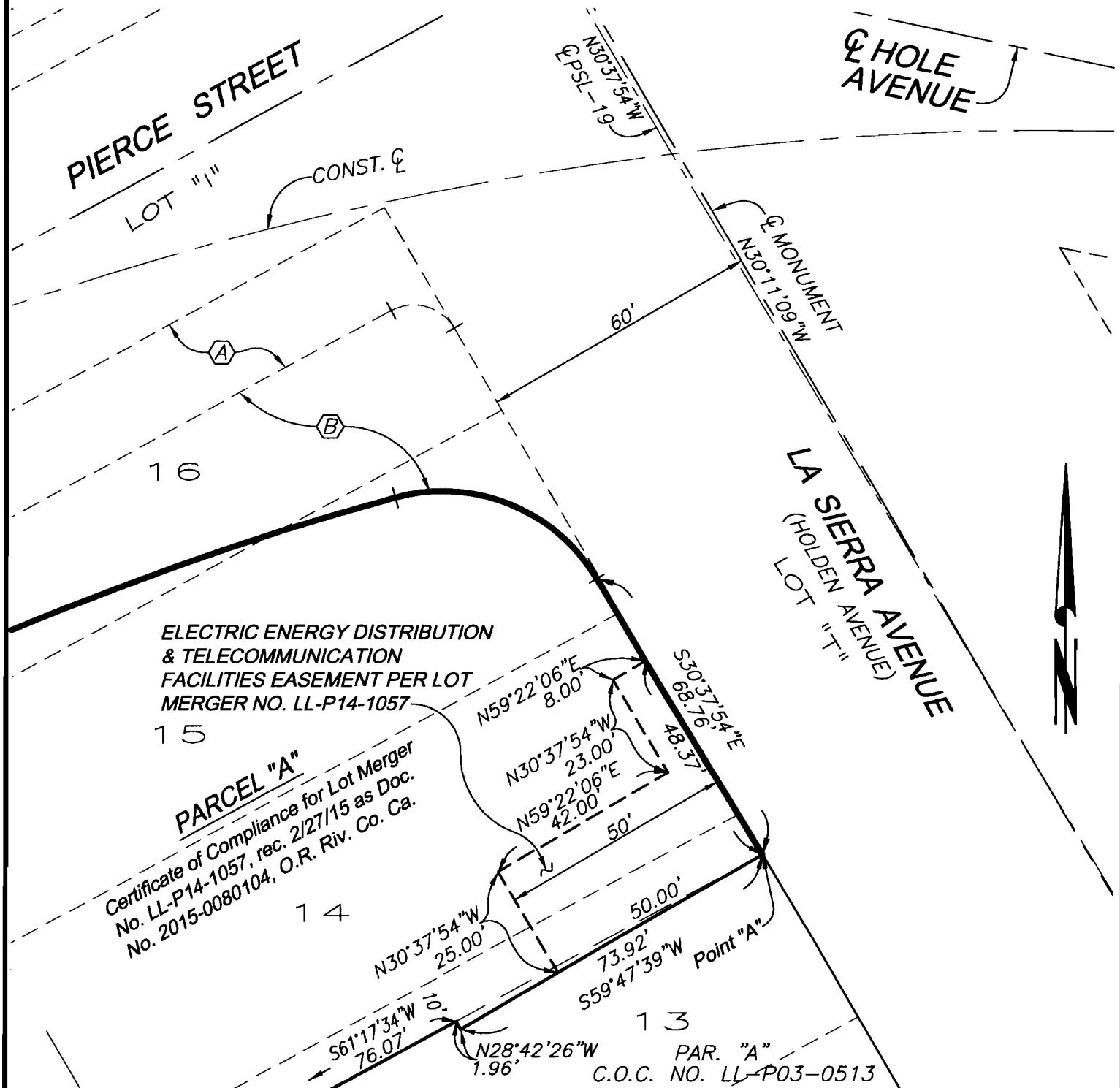
DATE: 5/4/17

SUBJECT: FIVE POINTS PROJECT - SITE "B"

Ⓐ Parcel to County of Riverside, rec. 10/15/56
Inst. No. 70859, O.R. Riv. Co., Ca.

Ⓑ Parcel to City of Riverside, rec. 5/24/10
Doc. No. 2010-0238424, O.R. Riv. Co., Ca.

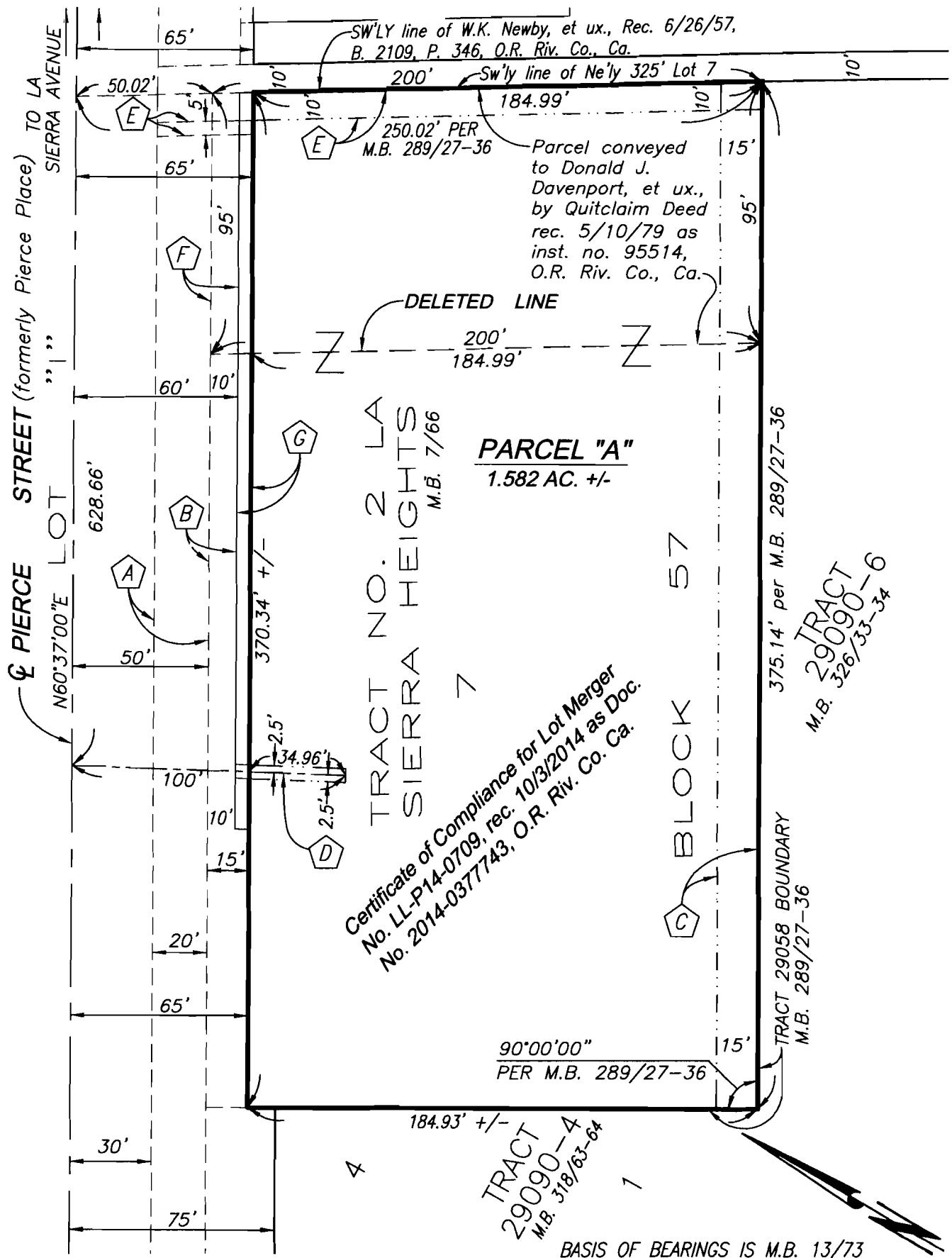
Ⓒ Parcel to City of Riverside, rec. 5/24/10
Doc. No. 2010-0238428, O.R. Riv. Co., Ca.



• CITY OF RIVERSIDE, CALIFORNIA •

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SHEET 2 OF 2



• CITY OF RIVERSIDE, CALIFORNIA •

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SHEET 1 OF 2

- A TO COUNTY OF RIVERSIDE, REC. 4/1/52,
B. 1355, P. 541, O.R. RIV. CO., CA.
- B TO CITY OF RIVERSIDE, REC. 10/15/76,
INST. NO. 156820, O.R. RIV. CO., CA.
- C EASEMENT RESERVED TO CITY OF RIVERSIDE,
SUCCESSOR IN INTEREST TO LA SIERRA COMMUNITY
SERVICES DISTRICT FOR SEWER PURPOSES AND
FURTHER DESCRIBED IN DOCUMENT REC. 12/22/61,
INST. NO. 110239, O.R. RIV. CO., CA. PER LOT
MERGER NO. LL-P14-0709.
- D EASEMENT RESERVED TO CITY OF RIVERSIDE, FOR
PUBLIC UTILITY FACILITIES AND FURTHER DESCRIBED IN
DOCUMENT REC. 11/24/67, INST. NO. 103434, O.R.
RIV. CO., CA. PER LOT MERGER NO. LL-P14-0709.
- E EASEMENT RESERVED TO CITY OF RIVERSIDE, FOR ELECTRICAL
ENERGY DISTRIBUTION FACILITIES AND FURTHER DESCRIBED IN
DOCUMENT REC. 9/15/95, INST. NO. 305176, O.R. RIV. CO.,
CA. PER LOT MERGER NO. LL-P14-0709.
- F GRANT OF EASEMENT TO CITY OF RIVERSIDE, FOR PUBLIC
STREET AND HIGHWAY PURPOSES REC. 12/17/2010,
DOC. NO. 2010-0606649, O.R. RIV. CO., CA.
- G PARCEL EXCEPTED FOR PUBLIC STREET & PUBLIC
UTILITY PURPOSES PER LOT MERGER NO. LL-P14-0709.

• CITY OF RIVERSIDE, CALIFORNIA •

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ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.

SHEET 2 OF 2