

## PURCHASE AND SALE AGREEMENT

### HILLWOOD ENTERPRISES, L.P

This Purchase and Sale Agreement ("Agreement") is entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2017 ("Effective Date"), by and between THE CITY OF RIVERSIDE, a California charter city and municipal corporation ("Buyer") and HILLWOOD ENTERPRISES, L.P., a Texas limited partnership ("Seller"). In consideration of the mutual covenants and agreements, the parties agree to the following terms and conditions:

#### ARTICLE I AGREEMENT OF SALE

1.1 **Buyer's Status.** Buyer is a public entity with the power to acquire real and personal property for public uses and purposes. Buyer is engaged in property acquisition that shall be deemed to be for a public use and project for purposes of this Agreement.

1.2 **Property.**

1.2.1 Southern California Edison Property. Pursuant to that certain Purchase and Sale Agreement between Seller and Southern California Edison Company ("SCE"), dated as of \_\_\_\_\_, 20\_\_\_\_ (the "SCE Purchase Contract"), Seller has contracted to acquire the tract of land containing approximately 1.722 acres (better described as a portion of Lot 13 of Block 54, Rancho San Bernardino, according to map thereof recorded in Book 7, Page 2 of Maps, recorded in the official records of San Bernardino County Recorder's Office, San Bernardino, California), located south of E Dumas Street and west of Waterman Avenue, in San Bernardino, California, consisting of Assessor's Parcel No. 0141-421-14, as legally described and depicted on Exhibit "A" attached hereto and incorporated herein by this reference (the "SCE Land"), together with all buildings, fixtures and other improvements located thereon (but specifically excepting any equipment or machinery located therein), together with all and singular the rights, privileges, hereditaments and appurtenances pertaining to such real property, including any right, title and interest of SCE in and to any strips and gores adjoining such real property and in and to adjacent streets, roads, alleys, easements and rights-of-way, and any and all water and mineral interests of whatever nature, producing or nonproducing, relating to said SCE Land, including rights of SCE under any and all oil and gas leases covering the SCE Land (collectively, the "Property").

1.2.2 City Property. Buyer is the fee owner of certain parcels of real property located in the City of San Bernardino, California and surrounding the Property, containing approximately 60.318 acres, consisting of Assessor's Parcel Nos. 0141-431-17, 0141-431-18, 0141-421-18, 0141-421-19 and 0141-421-20, including the area denoted as (i) the "Ground Lease Area" and the "Parking Area" on the legal descriptions

attached hereto as Exhibit "B" and incorporated herein by this reference, together with any and all buildings, fixtures and other improvements located on the City Land, and all and singular the rights, privileges, hereditaments and appurtenances pertaining to such real property, including any right, title and interest of Buyer in and to any strips and gores adjoining such real property and in and to adjacent streets, roads, alleys, easements and rights-of-way, and (ii) the access area from the City Land to E Dumas Street and described as "Access Only Area" on the legal description and survey attached hereto as Exhibit "C" and incorporated herein by this reference (collectively, the "City Property"), as well as any and all water and mineral interests of whatever nature, producing or nonproducing, relating to said City Land, including rights of Buyer under any and all oil and gas leases covering the City Land.

1.3 **Agreement of Purchase and Sale.** Substantially concurrently with Seller's acquisition of the Property from SCE, 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 fee interest in the Property. Buyer acknowledges that listing of water and mineral interests in Paragraph 1.21 should not be construed as a representation that Seller owns or will acquire any such interests.

1.4 **Agreement to Lease.** Substantially concurrently with Buyer's acquisition of the Property from Seller, Buyer has agreed to lease to Seller and Seller has agreed to lease from Buyer, upon the terms and for the considerations set forth in this Agreement and as set forth in a Ground Lease to be entered into by Seller and Buyer as contemplated by this Agreement (the "Ground Lease"), a leasehold estate in and to portions of the City Property and all of the Property legally described and depicted on Exhibit "B" (the "Leased Premises") attached hereto and incorporated herein by reference, and as shown on the site plan attached hereto as Exhibit "D".

1.5 **Incomplete Legal Description.** If the legal description of the Property or City 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.

1.6 **Other Grants.** 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, or any other conveyances and/or construct improvements or make changes upon or to the Property during the period between the Effective Date and the Close of Escrow, as such term is defined below.

1.7 **Possession.** Seller agrees that the Property will be available to Buyer upon the Close of Escrow, unless specifically provided otherwise; provided, however, it is understood that concurrently with Buyer's acquisition of the Property from Seller, the Ground Lease will provide Seller with exclusive possession of the Leased Premises subject to any and all entry rights reserved to Buyer under the provisions of the Ground Lease.

1.8 **Compensation.** This Agreement, together with the Ground Lease, is intended to be a resolution of all elements of “Just Compensation” to which Seller may be entitled and such other elements of damage, benefits and assistance as are authorized by law. Buyer has made an offer to purchase the Property pursuant to California Government Code section 7267.2. The parties desire by this Agreement and the Ground Lease to provide the terms and conditions for the purchase and sale of the Property.

1.9 **Tax-Deferred Exchange.** Seller may use the proceeds from the sale of the Property to affect one or more tax deferred exchanges under Internal Revenue Code sections 1031 or 1033. Buyer agrees to accommodate Seller in effecting such tax-deferred exchange. Seller shall have the right, expressly reserved herein, to elect such tax-deferred exchange at any time before the Close of Escrow. Seller and Buyer agree, however, that consummation of the purchase and sale of the Property is not conditioned on such exchange. If Seller elects to make a tax-deferred exchange, Buyer agrees to execute such additional escrow instructions, deeds, documents, agreements, or instruments to effect this exchange, provided that Buyer shall incur no additional costs, expenses, or liabilities in this transaction as a result of or in connection with this exchange. Seller agrees to hold Buyer harmless from any liability, damages, or costs, including reasonable attorneys' fees that may arise from Buyer's participation in such exchange.

1.10 **Due Diligence.** Buyer and Seller shall have until January 31, 2017 (the “Contingency Date”) to perform, in their sole discretion, their due diligence review of the condition of Property and the City Property, respectively, and all other matters concerning the Property and City Property, including without limitation, economic, financial, and accounting matters relating to or affecting the Property, City Property or their value, and the physical and environmental condition of the Property and the City Property. Buyer acknowledges that Seller is currently conducting its own due diligence review of the condition of Property pursuant to the SCE Purchase Contract. Seller agrees to provide or make available to Buyer, on an as-is where-is basis, without warranty, copies of all due diligence materials Seller obtains from SCE pursuant to the SCE Purchase Contract. Prior to the Contingency Date, Buyer and Seller 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 and Seller deems necessary or appropriate to enter into this Agreement. On or before the Contingency Date, Buyer shall deliver written notice to Seller accepting the Property, or terminating this Agreement. On or before the Contingency Date, Seller shall deliver written notice to Buyer accepting the City Property, or terminating this Agreement. If either party fails to give such notice on or before the Contingency Date, they shall be deemed to have accepted the respective property and to have elected to proceed with this Agreement. Notwithstanding the foregoing, Buyer and Seller acknowledge that portions of the City Property are currently subject to a long-term ground lease (the “Existing Lease”) between Buyer and its third party tenant and that Seller's obligations under the SCE Contract and this Agreement are contingent upon Seller successfully negotiating a buyout and termination of the Existing Lease (the “Existing Lease Termination”) pursuant to terms reasonably acceptable to Seller, in Seller’s sole discretion. Accordingly, if Seller is

unable to negotiate the Existing Lease Termination under terms acceptable to Seller, Seller will have the right and option to terminate this Agreement. Seller is not required to complete the Existing Lease Termination prior to the expiration of the Contingency Date, however, Seller will keep Buyer reasonably informed regarding receipt of necessary entitlements and timing for the Existing Lease Termination.

## **ARTICLE II PURCHASE PRICE, TITLE AND ESCROW**

2.1 **Purchase Price.** Buyer shall pay to Seller the sum of One Dollar (\$1.00), in cash at Closing (as defined below) (the "Purchase Price"). The cash portion of the Purchase Price shall be payable to Seller, upon the Close of Escrow, in immediately available funds in accordance with the provisions and requirements of this Agreement.

2.2 **Just Compensation.** Payment of the Purchase Price shall be deemed Just Compensation and shall include fair market value, damages of whatever kind or nature arising out of the Buyer's acquisition of the Seller's interest in realty, improvements, fixtures and equipment, and business interests including, without limitation, loss of business goodwill, loss of rent, bonus value, loss of inventory, equipment, patronage, and loss of opportunities as respects the Property. Rent and compensation under the Ground Lease shall be deemed Just Compensation and shall include fair market value, damages of whatever kind or nature arising out of the Seller's acquisition of a leasehold interest in the City Property including realty, improvements, fixtures and equipment, and business interests including, without limitation, loss of business goodwill, loss of rent, bonus value, loss of inventory, equipment, patronage, and loss of opportunities as respects the City Property.

2.3 **Escrow.** Pursuant to the SCE Purchase Contract, Seller will open an escrow ("Escrow") with First American Title Insurance Company at 3281 East Guasti Road, Suite 440, Ontario, California 91761 or other licensed escrow agent ("Escrow Holder") for the purpose of consummating the acquisition of the Property. Seller and Buyer agree to use the Escrow with Escrow Holder to complete the concurrent acquisition of the Property by Buyer and the finalization of the Ground Lease as contemplated by 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.

2.4 **Escrow Trust Accounts.** All funds received in this Escrow may be deposited with other escrow funds in a general escrow trust account and may be transferred to any other similar escrow trust account, and all disbursements shall be made by check of Escrow Holder from such accounts. Escrow Holder shall deposit all of Buyer's money into an interest bearing account with all interest accruing to Buyer until the Close of Escrow. At the option of Buyer, said interest may be used toward the Purchase Price.

2.5 **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.

2.6 **Condition of Title.**

2.6.1 Property. Seller (or SCE) shall convey title to the Property to Buyer as evidenced by a CLTA or ALTA Form Policy or Binder of Title Insurance ("Title Policy") in an amount equal to the Purchase Price. The Title Policy shall show title to the Property vested in the Buyer free and clear of all liens, encumbrances, easements, assessment, taxes and leases (recorded and/or unrecorded). 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. If a supplemental report is issued prior to the Close of Escrow which shows new matters, Buyer reserves the right to require any new matters removed from the Title Policy. Seller agrees to assist with the removal of the new matters.

2.6.2 City Property. Buyer shall convey leasehold title to the Leased Premises to Seller as evidenced by a CLTA or ALTA Form Policy or Binder of Title Insurance ("Title Policy") in an amount equal to the fair market value of the Leased Premises or such other amount as is desired by Seller. The Title Policy shall show fee title to the Leased Premises vested in the Buyer and a leasehold estate vested in Seller, free and clear of all liens, encumbrances, easements, assessment, taxes and other leases (recorded and/or unrecorded). Any exceptions to title representing monetary liens or encumbrances are hereby disapproved by Seller and Escrow Holder is hereby authorized and instructed by Buyer to cause the reconveyance of any such monetary exceptions at or prior to the Closing Date. If a supplemental report is issued prior to the Closing Date which shows new matters, Seller reserves the right to require any new matters removed from the Title Policy. Buyer agrees to assist with the removal of any and all new matters.

2.7 **Reports, Studies and Agreements.** Within thirty (30) calendar days of the Effective Date, Seller will provide Buyer with copies of any reports, studies, maps or agreements affecting the Property, including those Seller obtains from SCE, including but not limited to geotechnical and soils reports, surveys, environmental reports, as-builts, building floor plans, flood hazard or earthquake seismic studies and other reports, studies, maps or agreements affecting the Property.

**ARTICLE III  
CLOSING**

3.1 **Closing.** Subject to the satisfaction of any contingencies described herein, Escrow Holder shall close this Escrow by recording the deed(s) and other documents

required to be recorded and by disbursing the funds and documents in accordance with this Agreement.

**3.2 Closing Date.** Escrow shall close concurrently with the "Closing Date" under the SCE Purchase Contract which is the date which is fifteen (15) days following the effective date of the successful buyout and termination of the Existing Lease (the "Close of Escrow"). If the 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/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.

**3.3 Closing Documents.**

**3.3.1** 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 the Property, duly executed by Seller or, at Seller's election, by SCE (providing direct conveyance of the Property by SCE) to Buyer;

(b) an agreement for the relocation of a water well on the Property and for the creation of certain easements in favor of Buyer over the Property to access such relocated well on the Property (the "Well Relocation Agreement"), as between Seller and Buyer, duly executed by Seller, such agreement to be prepared by Seller and subject to Seller's and Buyer's mutual approval prior to the Contingency Date as a condition precedent to the Closing for the benefit of both Seller and Buyer;

(c) a ground lease (the "Ground Lease") pursuant to which Seller shall ground lease from Buyer for a period of not less than 55 years, the Leased Premises;

(d) a Memorandum of Ground Lease, in the form of Exhibit "E" attached hereto, evidencing the conveyance by Buyer to Seller of the leasehold estate in and to the Leased Premises; and

(e) all additional documents, instruments and sums that 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.

**3.3.2** 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 to be paid to Seller and other cash charges provided for in this Agreement;
- (b) a counterpart of the Well Relocation Agreement duly executed by Buyer;
- (c) a counterpart of the Ground Lease, duly executed by Buyer;
- (d) a counterpart of the Memorandum of Ground Lease duly executed by Buyer; and
- (e) 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.

Since Buyer is a public entity, Escrow Holder must secure from Buyer and attach to any deed a certificate of acceptance executed by Buyer or its authorized employees, officers or agents prior to the recording of any deed.

**3.4 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.

**3.5 Taxes.** Escrow Holder is authorized and instructed to comply with the following tax proration procedures:

**3.5.1 Payment of Unpaid Taxes.** Pay and charge Seller for any unpaid delinquent taxes and/or any penalties and interest thereon, and for any delinquent or non-delinquent assessments or bonds against the Property.

**3.5.2 Tax Proration.** For purposes of tax proration, Escrow Holder will apportion all current taxes for the Property at "the date of apportionment" for public agency acquisitions as defined in California Revenue and Taxation Code Section 5082. The "date of apportionment" is the earliest of the following times:

(a) The date of conveyance to Buyer of the Property and recordation of the Memorandum of Lease or the date a final order of condemnation is recorded.

(b) The date of actual possession of the Leased Premises by Buyer.

(c) The date upon or after which Buyer may take possession of the Leased Premises as authorized by an order for possession or by a declaration of taking.

Since possession is being granted pursuant to this Agreement at the Close of Escrow that date will be the "date of apportionment" unless Buyer has heretofore obtained an order for possession in a pending eminent domain action or obtained possession by agreement with Seller in which case the earlier of such dates shall be the date of apportionment.

3.5.3 Ad Valorem Taxes. Seller understands and agrees pursuant to California Revenue and Taxation Code Section 5083 that when property is acquired by Buyer (a public entity) that any lien on the property for ad valorem taxes is extinguished as a matter of law upon the final acquisition of the property and the lien immediately transfers and attaches to the proceeds constituting the purchase price.

3.5.4 No Cancellation of Unpaid Taxes and Penalties. Seller understands and agrees pursuant to California Revenue and Taxation Code section 5084 that no cancellation shall be made of all or any portion of any unpaid taxes or any penalties or costs levied for prior tax years that constitute a lien at the time of acquisition of the Property. Such unpaid taxes, penalties, and costs shall be paid through Escrow, or if unpaid for any reason, shall be transferred to the unsecured tax roll pursuant to Section 5090 of the California Revenue and Taxation Code and are collectible solely from Seller.

3.5.5 Proration of Current Taxes. From the date that tax information is available, that portion of the current taxes and any penalties and costs that are allocable during Seller's ownership of the Property up to and including the date of apportionment, if unpaid, shall be paid through Escrow. If such taxes are not paid, Buyer shall not in any event be responsible or liable for such taxes and such taxes shall be transferred to the unsecured roll and be solely collectable from Seller.

3.5.6 Notice to County Tax Collector. Buyer shall be solely responsible for providing notice of this acquisition to the County Tax Collector and to any public entities, whose taxes are not collected by the County Tax Collector but who at this time exercise the right of assessment and taxation pursuant to California Revenue and Taxation Code section 5091.



3.6 **Title and Escrow Costs.** Seller shall pay all the costs for a CLTA or ALTA title policy for the Property, the escrow fees, and all recording costs incurred herein, all reconveyance fees, trustees fees, or forwarding fees. Pursuant to California Code of Civil Procedure section 1265.240, no prepayment penalty is required to be paid where property is required for a public use. The parties acknowledge that Buyer is exempt from the payment of documentary transfer tax. Should Seller wish to obtain a leasehold policy for the Leased Premises, Seller may do so at its own cost and expense.

3.7 **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 claimed to be owed.

3.8 **Closing Statement.** Seller hereby authorizes and instructs Escrow Holder to release a copy of Seller's closing statement to Buyer, the purpose being to ascertain if any reimbursements are due Seller.

3.9 **Walk Through.** Three (3) days prior to the Close of Escrow, Buyer shall walk through the Property to confirm the condition of the Property has not materially deteriorated since the Effective Date.

#### **ARTICLE IV RIGHT OF ENTRY AND DAMAGE TO PROPERTY**

4.1 **Right of Entry for Property.** After Seller's execution of this Agreement, and during Escrow, Buyer shall have the same rights as Seller has under the SCE Purchase Contract, along with Buyer's agents, employees or nominees, to enter the Property for the purpose of conducting 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 shall give Seller reasonable notice of such entry and shall coordinate any such entry with Seller and Buyer's due diligence efforts under the SCE Purchase Contract, 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. 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, 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 date of Buyer first exercised this right of entry, if this transaction is terminated. Buyer shall indemnify and hold Seller and SCE harmless for any property damage or injury caused by Buyer or any of Buyer's agents, employees or nominees in connection with such inspections and tests, and this provision shall

survive the termination of this Agreement. 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.

4.2 **Right of Entry to City Property.** After Buyer's execution of this Agreement and during Escrow, Seller, along with Seller's agents, employees and nominees including consultants, shall have the right to enter the City 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 Seller to complete its due diligence investigation of the City Property and complete the preparation of initial design and development plans for the Leased Premises for approval by Buyer. Seller shall give Buyer reasonable notice of such entry and shall coordinate any such entry with Buyer, and shall not unreasonably interfere with any occupant's use of the City Property or any of City's operations on the City Property. Seller shall keep the City Property free and clear of any liens or encumbrances that may arise out of Seller's inspection of and activities on the City 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 City Property, the preparation by Seller of any plans or maps for the development or use of the City 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 Seller. Seller hereby agrees to repair any damage done to the City Property by Seller, its agents, employees, servants or nominees, and Seller shall restore the City Property to the same or similar condition as existed on the date Seller first exercises this right of entry, if this transaction is terminated. Seller shall indemnify and hold Buyer and the City Property harmless for any property damage or injury caused by Seller or any of Seller's agents, employees or nominees in connection with such inspections and tests, and this provision shall survive the termination of this Agreement. Seller shall not have any such obligation if Escrow closes and leasehold title to the City Property vests in Seller. The right to enter the City Property shall be co-extensive with the period during which Escrow is open, or any extension thereof.

4.2 **Material Change, Destruction or Damage.** The closing of this Escrow is contingent upon the fact that no material, adverse change to the physical condition of the Property or the City Property (such as subsidence, earthquake damage or flood) shall have occurred that has not been approved in writing by Buyer and Seller, respectively. In the event there is a material, adverse change to the Property or the City Property after the Effective Date, Buyer and Seller shall meet and confer and either party shall have the right to terminate this Agreement only if such material, adverse change shall alter the economics of the Ground Lease as between Seller and Buyer.

## **ARTICLE V WAIVER AND RELEASE**

**5.1 Acknowledgment of Full Benefits.** By execution of this Agreement, Seller, on behalf of itself and its heirs, executors, administrators, successors and assigns, hereby acknowledges that this Agreement, together with the Ground Lease, provides full payment for the acquisition of the Property by the Buyer, and Seller hereby expressly and unconditionally waives any and all claims for damages, improvements, relocation assistance benefits, severance damages, interest, loss of goodwill, claims for inverse condemnation or unreasonable pre-condemnation conduct, right of first refusal, or any other compensation or benefits, which may arise or have arisen out of Buyer's immediate possession of the Property and any claims pursuant to California Code of Civil Procedure sections 1036, 1245.010, et seq., 1245.245, et seq., 1250.410, et seq., 1255.410, et seq., 1263.205, et seq., 1263.310, et seq., 1263.410, et seq., 1263.510, et seq., 1263.610, et seq., 1265.110, et seq., 1265.210, et seq., 1265.410, et seq., 1268.310, et seq., 1268.410, et seq., 1268.510, et seq., 1268.610, et seq., 1268.620, and 1268.710, et seq., and their successors, it being understood that this is a complete and full settlement of all acquisitions claims, liabilities, or benefits of any type or nature whatsoever relating to or in connection with the acquisition of the Property.

**5.2 Acknowledgment of Just Compensation.** The parties acknowledge and agree that the consideration paid to Seller pursuant to this Agreement and the terms of the Ground Lease shall be deemed the fair market value and total amount of "Just Compensation" for the Property. Seller, on behalf of itself and its heirs, executors, administrators, successors and assigns, hereby fully releases the 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 image which has been sustained, or may be sustained, as a result of the Buyer's efforts to acquire the Property or to construct works of improvement thereon, or any preliminary steps thereto.

**5.3 Waiver and Release.** Seller hereby acknowledges that it has had the opportunity to speak with or have been advised by an attorney and is familiar with the provisions of California Civil Code section 1542, which provides as follows:

**"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."**

Seller acknowledges that it may have sustained damage, loss, costs or expenses which are presently unknown and unsuspected, and such damage, loss, costs or expenses which may have been sustained, may give rise to additional damage, loss, costs or expenses in the future. Nevertheless, Seller hereby acknowledges that this Agreement has been negotiated and agreed upon in light of that situation, and hereby expressly waives any and all rights which they may have under California Civil Code Section 1542, or under any statute or common law or equitable principal of similar effect. This waiver shall not

supersede any of the provisions of this Agreement or the rights of the parties hereto to enforce this Agreement in law or equity.

5.4 **Waivers.** 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. Seller hereby further waives the right to raise affirmative defenses and to attack by way of answer, complaint or collaterally, the Buyer's right to acquire the property for public uses and purposes, and to challenge the findings made in any resolution of necessity.

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

## **ARTICLE VI REPRESENTATIONS AND WARRANTIES**

6.1 **Seller 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:

6.1.1 Authority. Pursuant to the SCE Purchase Contract, Seller has contracted to acquire the Property and has the full right, power and authority to sell, convey and transfer the Property to Buyer upon or concurrently with such acquisition as provided herein, and to perform Seller's obligations hereunder, subject to the terms hereof. 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.

6.1.2 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.

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

6.1.4 Condition of Property. Seller warrants and covenants that the SCE Purchase Contract provides that the Property and improvements, including, without limitation, landscaping and grounds, shall not be altered from the

condition existing as upon the Effective Date of this Agreement prior to the date SCE is to convey title to the Property.

6.1.5 Changes in Agreements. Prior to Close of Escrow, Seller will not violate or modify, orally or in writing, any existing lease or other agreement, or create any new leases or other agreements affecting the Property without Buyer's prior written consent.

6.1.6 Possessory Rights. To the best knowledge of the Seller, no one will, at the Close of Escrow, have any right to possession of the Property superior to the right of the Buyer, except as disclosed by this Agreement, or otherwise in writing to Buyer.

6.1.7 Mechanics' Liens. To Seller's actual knowledge there are no unsatisfied mechanic's or materialman's lien rights concerning the Property.

6.1.8 Actions: To Seller's actual knowledge, no actions suits, or proceedings are pending or threatened before any governmental department, commission, board, bureau, agency, court, or instrumentality that would affect the Property or the right to occupy or utilize the Property.

6.1.9 Notice of Changes. Seller will promptly notify Buyer in writing of any material change affecting the Property that becomes known to Seller prior to the Close of Escrow.

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 of any facts or circumstances which are contrary to the foregoing representations and warranties.


6.2 **As Is.** Seller acknowledges that except for any express warranties and representations of Buyer contained in this Agreement, Seller is not relying on any written, oral, implied or other representations, statements or warranties by Buyer or any agent of Buyer, or any real estate broker or salesman in connection with Seller's lease of the Leased Premises. All previous written, oral, implied or other statements, representations, warranties or agreements, if any, are merged in this Agreement. Except as expressly set forth herein, Buyer shall have no liability to Seller, and Seller hereby releases Buyer from any liability (including contractual and/or statutory actions for contribution or indemnity), for, concerning or regarding (a) the nature and condition of the City Property, including the suitability thereof for any activity or use; (b) any improvements or substances located thereon; or (c) the compliance of the City Property with any laws, rules, ordinances or regulations of any government or other body. EXCEPT AS EXPRESSLY SET FORTH HEREIN, SELLER HEREBY AGREES TO ACCEPT THE LEASEHOLD INTEREST IN THE CITY PROPERTY IN ITS PRESENT CONDITION ON AN "AS IS", "WHERE IS" AND "WITH ALL FAULTS", INCLUDING ENVIRONMENTAL, AND ACKNOWLEDGES THAT (i) WITHOUT

THIS ACCEPTANCE, THE LEASE CONTEMPLATED BY THIS AGREEMENT WOULD NOT BE MADE, AND (ii) THAT BUYER SHALL BE UNDER NO OBLIGATION WHATSOEVER TO UNDERTAKE ANY REPAIR, ALTERATION, REMEDIATION OR OTHER WORK OF ANY KIND WITH RESPECT TO ANY PORTION OF THE CITY PROPERTY.

**6.3 Release.** Subject to the terms and conditions herein, to the fullest extent permitted by law and without limiting any of the foregoing, except with respect to a breach by Buyer of any of its representations, covenants or warranties contained in this Agreement or in Buyer's Closing documents, or Buyer's fraud, Seller on behalf of itself and its successors and assigns, waives its right to recover from, and forever releases and discharges, Buyer, the partners, trustees, shareholders, directors, officers, employees and agents of Buyer, and their respective heirs, successors, personal representatives and assigns, from any and all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever (including attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with the physical condition of the City Land or any law or regulation applicable thereto, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601 et seq.), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901 et seq.), the Clean Water Act (33 U.S.C. Section 1251 et seq.), the Safe Drinking Water Act (42 U.S.C. Section 300f et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.), the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), the California Hazardous Waste Control Law (California Health and Safety Code Sections 25100 25600), the Porter-Cologne Water Quality Control Act (California Water Code Section 13000 et seq.), and the Safe Drinking Water and Toxic Enforcement Act (California Health and Safety Code Section 25249.5 et seq.).

Seller expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

**“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.”**

  
\_\_\_\_\_  
Seller's Initials

Seller acknowledges and agrees that the provisions of this Section 6.3 are a material factor in Buyer's acceptance of the rent payable under the Ground Lease and that Buyer would be unwilling to lease the City Land unless Buyer is expressly released in

accordance with the foregoing provisions of this Section 6.3. The provisions of this Section 6.3 shall survive Closing or any termination of this Agreement.

**6.4 SCE Representations, Warranties and Covenants.** In addition to the foregoing representations and warranties of Seller, Seller hereby discloses to Buyer that SCE has made the following representations and warranties to Seller as contained in the Land Purchase Contract:

6.4.1 There are presently no pending or threatened condemnation actions or special assessments of any nature with respect to the Property or any part thereof, SCE has received no notice of any condemnation actions or special assessments being contemplated, and SCE does not have any knowledge of any being contemplated. SCE has received no request, written or otherwise, from any governmental entity with regard to dedication of the Property or any part thereof;

6.4.2 SCE has received no notice of, and has no other knowledge or information of, any pending or contemplated change in any regulation or private restriction applicable to the Property or any part thereof, of any pending or threatened judicial or administrative action, of any action pending or threatened by adjacent landowners or other persons or of any natural or artificial condition adversely affecting the Property or any part thereof;

6.4.3 There is no litigation or proceeding pending or threatened against or relating to any portion of the Property;

6.4.4 There are no outstanding debts, liabilities or obligations of SCE with respect to the Property or for services, labor or material furnished to the Property (whether known, unknown, absolute, accrued, contingent or of any other character);

6.4.5 There are no attachments, executions or assignments for the benefit of creditors or voluntary or involuntary proceedings in bankruptcy or under any other debtor relief laws contemplated by a pending or threatened action or suit against SCE or the Property;

6.4.6 SCE is not a "foreign person" as that term is defined in Section 1445 of the Internal Revenue Code of 1986, as amended, and applicable regulations;

6.4.7 There will be no parties in possession of any portion of the Property as lessees, tenants at sufferance, trespassers or otherwise;

6.4.8 To the best of SCE's knowledge, no part of the Property has been used as a land fill or for the use, generation, processing, storage or disposal of any hazardous or toxic materials, and no part of the Property contains any materials, whether brought to the Property, deposited thereon, used on the Property,

generated on the Property as a product or by-product of activities on the Property, or otherwise present: (i) that are or contain polychlorinated biphenyls (PCB's) or asbestos; (ii) that are wastes or other materials that qualify as hazardous wastes or other regulated products under the Resource Conservation and Recovery Act, as amended, and/or the regulations promulgated or adopted thereunder; (iii) that are hazardous substances or other regulated products as defined in the Comprehensive Environmental Response, Compensation and Liability Act, as amended (or regulations promulgated, adopted or incorporated thereunder); or (iv) that are otherwise classified as hazardous or regulated substances or waste under any federal, state or local law or regulation. To the best of SCE's knowledge, there are no underground or above ground storage tanks on the Property nor have there ever been any such tanks on the Property, and SCE has complied with and the Property is in compliance with all applicable laws, ordinances, regulations, statutes, rules and restrictions relating to the Property;

6.4.9 No person, firm or corporation or other entity has any right or option to acquire all or any portion of the Property.

Buyer acknowledges and agrees that Seller shall have no liability to Buyer by reason of any breach by SCE of any of the foregoing representations and warranties of SCE set forth in the SCE Purchase Contract, however, Seller agrees that it will pursue any and all rights and remedies against SCE for any such breach.

## **ARTICLE VII BUYER'S REPRESENTATIONS AND WARRANTIES**

**7.1 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:

7.1.1 Authority. Buyer is a municipal corporation 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.

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 Buyer or filed by Buyer, or to the best of Buyer's knowledge, pending in any current judicial or administrative proceeding against Buyer.

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



and effect and Escrow Holder shall cancel the Escrow immediately and return all money and/or documents to the respective party.

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.

**7.2 As Is.** Buyer acknowledges that except for any express warranties and representations contained in this Agreement, Buyer is not relying on any written, oral, implied or other representations, statements or warranties by Seller or any agent of Seller or any real estate broker or salesman. All previous written, oral, implied or other statements, representations, warranties or agreements, if any, are merged in this Agreement. Except as expressly set forth herein, Seller shall have no liability to Buyer, and Buyer hereby releases Seller from any liability (including contractual and/or statutory actions for contribution or indemnity), for, concerning or regarding (a) the nature and condition of the Property, including the suitability thereof for any activity or use; (b) any improvements or substances located thereon; or (c) the compliance of the Property with any laws, rules, ordinances or regulations of any government or other body. EXCEPT AS EXPRESSLY SET FORTH HEREIN, BUYER HEREBY ACKNOWLEDGES THAT SELLER, UNDER THE LAND CONTRACT IS ACCEPTING THE PROPERTY IN ITS PRESENT CONDITION ON AN "AS IS", "WHERE IS" AND "WITH ALL FAULTS" BASIS, INCLUDING AS TO ENVIRONMENTAL CONDITION, AND ACKNOWLEDGES THAT WITHOUT THIS ACCEPTANCE, THIS SALE WOULD NOT BE MADE, AND AS SUCH, BUYER ACCEPTS THE PROPERTY "AS IS". SELLER, EXCEPT AS SET FORTH IN THE GROUND LEASE, SHALL BE UNDER NO OBLIGATION WHATSOEVER TO UNDERTAKE ANY REPAIR, ALTERATION, REMEDIATION OR OTHER WORK OF ANY KIND WITH RESPECT TO ANY PORTION OF THE PROPERTY.

**7.3 Release.** Subject to the terms and conditions herein, to the fullest extent permitted by law and without limiting any of the foregoing, except with respect to a breach by Seller of any of its representations, covenants or warranties contained in this Agreement or in Seller's Closing documents, or Seller's fraud, Buyer on behalf of itself and its successors and assigns, waives its right to recover from, and forever releases and discharges, Seller, Seller's affiliates, Seller's investment manager, the partners, trustees, shareholders, directors, officers, employees and agents of each of them, and their respective heirs, successors, personal representatives and assigns, from any and all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever (including attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with the physical condition of the Property or any law or regulation applicable thereto, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601 et seq.), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901 et seq.), the Clean Water Act (33 U.S.C. Section 1251 et

seq.), the Safe Drinking Water Act (42 U.S.C. Section 300f et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.), the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), the California Hazardous Waste Control Law (California Health and Safety Code Sections 25100 25600), the Porter-Cologne Water Quality Control Act (California Water Code Section 13000 et seq.), and the Safe Drinking Water and Toxic Enforcement Act (California Health and Safety Code Section 25249.5 et seq.).

Buyer expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

**“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.”**

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Buyer's Initials

## **ARTICLE VIII DEFAULT AND TERMINATION**

**8.1 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.

**8.2 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.

**8.3 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 acquisition 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.

**8.4 Buyer's Termination.** If Buyer exercises its rights under this Agreement to terminate this acquisition prior to the Contingency Date, Buyer shall provide written notice to Seller and Escrow Holder. Upon receipt of said notice, Escrow Holder shall

immediately cancel the Escrow and return all money and/or documents to the respective party.

**8.5 Seller's Termination.** Seller may not terminate or rescind this Agreement unless such termination or rescission is in writing to Buyer and Escrow Holder. Without limiting the foregoing, Buyer acknowledges that Seller may terminate this Agreement upon any termination of the SCE Purchase Contract by Seller or SCE without any liability or obligation to Buyer, and Seller may exercise its rights under this Agreement to terminate this Agreement prior to the Contingency Date in which case Seller shall provide written notice to Buyer and Escrow Holder.

## **ARTICLE IX MUTUAL AGREEMENTS; LEASE CONTINGENCY PERIOD**

**9.1 Studies.** Subject to Sections 4.1 and 4.2 above, the parties hereby authorizes the other party, its agents, employees, contractors and representatives, at that parties sole cost and expense, to conduct such necessary cultural, environmental phase I, lead base paint and asbestos studies as the party may require, provided that party shall notify the other party prior to conducting any such studies and the party may, in lieu of conducting such studies. In connection with such studies, Seller hereby grants to Buyer, its agents, employees, contractors and representatives, the rights of entry which Seller has under the SCE Purchase Contract as more specifically set forth in Section 4.1 above.

**9.2 CEQA Compliance.** Buyer and Seller understand, acknowledge and agree that the purchase and lease of the Leased Premises is contingent upon Buyer's compliance with the California Environmental Quality Act.

**9.3 Soil Inspection.** Subject to Sections 4.1 and 4.2 above, each party shall have the right to obtain a soil test report concerning the Property and/or the City Property. Said report shall be obtained at the parties' discretion and expense. The party conducting the inspection shall indemnify and hold the other party, harmless from any liability arising from said party's soils investigation and keep the property free from any liens, including mechanics liens, arising from persons or agents authorized to perform such soils investigation on behalf of the party.

**9.4 Abandonment of Personal Property.** Unless special arrangements have been made by the parties, any personal property left on the Property at the Close of Escrow shall be deemed abandoned and the property of the Buyer. Seller agrees that Buyer may dispose of the personal property without notice to the Seller and without sale at a public auction, provided Buyer shall notify SCE and shall comply with all applicable laws related to disposal of any such personal property.

**9.5 Other Agreements Affecting Property.** Seller and Buyer have made this Agreement upon the belief that there are no other agreements except this Agreement and the Ground Lease which will affect the Property beyond the Close of Escrow. 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. Buyer may thereafter, prior to the Close of Escrow, either terminate this acquisition or modify the offered Purchase Price. 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 such undisclosed agreements. Seller shall further indemnify and defend Buyer as necessary so that Buyer may use the Property for the contemplated public use.

**9.6 Condition of Property.** Upon Close of Escrow, Seller shall deliver the property to Buyer in its then as-is condition, it being understood that the Ground Lease shall govern the demolition, clean up and development of the Property and that Buyer shall have no responsibility under the Ground Lease for any of the demolition, clean up and development of the Property except as provided in the Ground Lease.

**9.7 Leasehold Contingency Period.** Prior to Close of Escrow, the parties shall satisfy themselves (as applicable) as to the following conditions precedent to entering into the Ground Lease (the "Lease Contingency Period"):

9.7.1 Seller shall review and approve the condition of title to the Leased Premises including a survey of such lands and all exceptions to title to the properties;

9.7.2 Seller shall review and approve the environmental condition of the Leased Premises including all existing and to be performed Phase I and Phase II hazardous materials investigations and reports, which shall be performed at Seller's sole expense;

9.7.3 The parties shall agree upon the terms of the Existing Lease Termination for the Property;

9.7.4 The parties to agree upon the terms and conditions of the Ground Lease including the fair market appraisal of the Leased Premises, the initial fair market monthly rent value, the annual CPI adjustments thereafter and ten (10) year fair market value adjustment methodology and Leasehold Mortgagee protections;

9.7.5 The parties to agree upon the terms of the Well Relocation Agreement for the relocation/reconfiguration of an existing underground well and terms, including estimated costs for completion of the Well Relocation Work based on the City of Riverside Public Utilities estimates and conditions for reservation of easements by City for continued use and access to such well;

9.7.6 The parties have agreed upon general configuration of the Leased Premises as a portion of the Property and the City Property as set forth in the conceptual site plan attached as Exhibit "D";

9.7.7 The parties have agreed upon the general parcel map/lot line adjustments that will constitute the agreed upon Leased Premises as separate

legal parcel(s) from the remainder of the City Property and Property, which separate parcel(s) will be retained by Buyer and NOT constitute a Part of the Leased Premises or Ground Lease.

9.7.8 The parties have also agreed upon the general layout for Seller's Improvements for the Leased Premises as set forth in the conceptual site plan (Exhibit "D"). If in the course of submitting a Site Plan Submittal package to the City of San Bernardino there are any material changes to the approved configuration and improvement layout for the Leased Premises as set forth in the conceptual site plan (Exhibit "D"), then Buyer shall have approval rights as to such level or levels of design as are required to be submitted to the City San Bernardino in connection with the application and processing by Seller of the Site Plan Submittal package and entitlements for the Improvements, but not to a level required to obtain building permits. Buyer shall have 15 days from any material Site Plan Submittal change to approve or reasonably disapprove Seller's revised Site Plan Submittal package. If Buyer shall fail to approve Seller's revised Site Plan Submittal package in writing within said fifteen (15) day period, Seller shall provide Buyer with a second written request for approval. If Buyer shall fail to approve Seller's revised Site Plan Submittal package in writing within ten (10) days after such second request by Seller, Buyer shall be deemed to have approved Seller's revised Site Plan Submittal package. If Buyer shall disapprove Seller's revised Site Plan Submittal package Buyer shall include in Buyer's disapproval notice Buyer's specific and reasonable objections to Seller's revised Site Plan Submittal package. Upon receipt of Buyer's objections to Seller's revised Site Plan Submittal package, either within the initial fifteen (15) day review period or the ten (10) day second review period, Seller and Buyer shall meet and confer to discuss Buyer's objections to Seller's revised Site Plan Submittal package and Seller shall make any changes to Seller's Site Plan Submittal package in order to address Buyer's reasonable objections and resubmit to Buyer for approval prior to submitting back to the City of San Bernardino. The parties agree to negotiate, in good faith, following any such re-submittal to resolve Buyer's concerns within ten (10) days of any such re-submittal by Seller. The parties will repeat the meet and confer and resubmittal process to obtain mutual approval of any Seller revised Site Plan Submittal package. If after Buyer's approval of any Seller revised Site Plan Submittal package Seller makes any material changes to the Site Plan Submittal package (whether based on its own desire or as required by the City of San Bernardino), Seller shall re-submit the modifications to the Site Plan Submittal package to Buyer for Buyer's approval pursuant to this Agreement prior to resubmitting to the City of San Bernardino.

9.7.9 Seller to complete all other due diligence investigations and analysis including feasibility analysis, utilities, condition of soils and other construction related issues, tenant demand, construction and permanent financing, entitlements and approvals, etc.

9.7.10 All parties shall bear their own expenses, including attorneys' fees and outside expert fees, in complying with these conditions.

## **ARTICLE X HAZARDOUS SUBSTANCES**

**10.1 Hazardous Substances Disclosure.** The Property and the City Property are subject to a disclosure as designated under Section 25359.7 of the Health and Safety Code, whereby sellers and lessors are 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 (as to the Property) and by Buyer (as to the City Property). Said review and approval will not be unreasonably withheld or delayed by Buyer or Seller.

**10.2 Hazardous Substances.** Seller represents and warrants that except as may be disclosed in any materials provided by SCE to Seller pursuant to the SCE Purchase Contract, Seller does not have knowledge of the existence or prior existence of any hazardous substances on the Property. In addition, except as may be disclosed in any materials provided by SCE to Seller pursuant to the SCE Purchase Contract, Seller has no actual knowledge of the existence or prior existence of any above or below ground storage tank or tanks on the Property. Buyer represents and warrants that except as may be disclosed in any materials provided by Buyer to Seller, Buyer does not have knowledge of the existence or prior existence of any hazardous substances on the City Property. In addition, except as may be disclosed in any materials provided by Buyer to Seller, Buyer has no actual knowledge of the existence or prior existence of any above or below ground storage tank or tanks on the City Property.

**10.3 Hazardous Substance Conditions Report.** Subject to Section 4.1 above, Buyer and Seller shall have each have the right to obtain a Hazardous Substance Conditions report(s) or other environmental studies concerning the Property and the City Property and relevant adjoining properties. Such report(s) will be obtained at Buyer's discretion and expense as to the Property and at Seller's discretion and expense as to the City Property. If Buyer or Seller elects to secure such reports, Buyer and Seller, as applicable, shall use reasonable diligence to obtain such a report on a timely basis. If Seller has such a report or obtains such a report from SCE as to the Property, Seller shall provide Buyer with a copy thereof. If Seller or Buyer has knowledge of any hazardous substance condition report that was prepared by any other person or entity including any governmental agency as to the Property or the City Property, Seller or Buyer, as applicable, shall inform the other of the existence of such a report and its location within fifteen (15) calendar days from the Effective Date.

**10.4 Hazardous Substance Defined.** A "Hazardous Substance" 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 Substance Condition" for purposes of this Agreement is defined as the existence on, under or relevantly adjacent to the Property or the City Property, as applicable, or a Hazardous Substance that would or could require remediation and/or removal under applicable federal, state or local law.

10.5 **Hazardous Substances Indemnity.** Seller expressly agrees to indemnify, defend, and hold Buyer and its respective officials, officers, employees, agents, successors and assigns, harmless from and against all costs and expenses that, foreseeably or unforeseeably, directly or indirectly, arises from, or is in any way related to, the existence, release, treatment, use, generation, transportation, storage, or disposal in, on, under, to, or from the Property of any Hazardous Substances that Seller has caused to occur or which are indemnified by SCE. For the purposes of this section, "costs and expenses" include, but are not limited to, the cost of any necessary, ordered, adjudicated, or otherwise required remediation or removal of Hazardous Substances, any cost of repair of improvements on the Property or adjacent property necessitated by or related to the remediation or removal of Hazardous Substances, the cost of any tests, samples, studies, investigations, or other preparation reasonably undertaken in preparation or furtherance of remediation or removal of Hazardous Substances, and the cost of preparing plans for the remediation or removal of Hazardous Substances.

## **ARTICLE XI MISCELLANEOUS**

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

11.2 **Assignment.** Neither this Agreement nor any rights under this Agreement may be assigned by any party without the prior written consent of the other party.

11.3 **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.

11.4 **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.

11.5 **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.

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

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

11.8 **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**

City of Riverside  
Public Utilities Department  
3750 University Avenue, 3<sup>rd</sup> Floor  
Riverside, CA 92501  
Phone: (951) 826-2135  
Fax: (951) 826-2450

**Seller**

Hillwood Enterprises, L.P.  
c/o Hillwood Development Company, LLC  
901 Via Piemonte, Suite 175  
Ontario, California 91764  
Phone: (909) 382-2154  
Fax: (909) 382-0073

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 email 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. Emails shall be deemed delivered on the date of such transmission.

11.9 **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.



**11.10 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.

**11.11 Further Acts.** In addition to the acts and deeds recited herein and contemplated and performed, executed and/or delivered by Sellers and Buyer, Sellers 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.

**11.12 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.

**11.13 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.

**11.14 Attorneys' Fees.** In the event that any party hereto 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 each party in any such action shall bear their own costs thereof, including attorneys' fees.

**11.15 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.

**11.16 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, sex, genetic information, gender, gender identity, gender expression, 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.

11.17 **Date of Agreement.** The date of the Agreement as used in this Agreement shall refer to the date this Agreement is signed and approved by the governing body of Buyer. It is understood and agreed that no employee, officer or director(s) of Buyer has any authority to bind the Buyer, which is a public entity, except upon prior approval by the governing body of Buyer.

11.18 **Survival of Warranties.** All of the warranties, representations, covenants and agreements of the parties hereto contained in this Agreement shall survive the Close of Escrow for a period of twelve (12) months.

11.19 **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.

11.20 **Agreement Not to Lease.** Buyer agrees not to rent, lease, license or allow any person to take possession of the Property or any portion of the Property or building or structure located thereon, other than those parties that may be residing in the Property as of the Effective Date.


IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

CITY OF RIVERSIDE

HILLWOOD ENTERPRISES, L.P, a  
Texas limited partnership

By \_\_\_\_\_  
City Manager

By: AHB, LLC,  
a Texas limited liability company,  
its general partner

By:   
Name: John M. Magness  
Title: Senior Vice President

ATTEST:

By: \_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

By:   
Chief Assistant City Attorney

CA 16-1482  
11/21/16

**Exhibit A**  
**"SCE Land"**



INDICATES SCE PROPERTY  
CONTAINS: 75,000 SQ. FT.  
1.722 AC. ±

## **Exhibit A**

### **"SCE Land"**

#### **Meets & Bounds Description**

A PORTION OF LOT 13 OF BLOCK 54 AS SHOWN ON MAP OF RANCHO SAN BERNARDINO, IN THE CITY OF SAN BERNARDINO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7 OF MAPS, PAGE 2, SAN BERNARDINO COUNTY RECORDS, WHICH IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE NORTHERLY BOUNDARY LINE OF LOT 24 OF SAID BLOCK 54, SAID NORTHERLY BOUNDARY LINE BEING COINCIDENT WITH THE SOUTHERLY LINE OF DUMAS DRIVE, AS SHOWN UPON THE MAP OF VALLEY TRUCK FARMS, BEING TRACT NO. 1995 AND RECORDED IN BOOK 29 OF MAPS, PAGE 13 THEREOF, SAN BERNARDINO COUNTY RECORDS, SAID POINT OF COMMENCEMENT BEING SOUTH 89° 47' WEST 453.01 FEET FROM THE NORTHEASTERLY CORNER OF SAID LOT 24 OF BLOCK 54 OF SAID RANCHO AND ALSO DISTANT SOUTH 89° 47' WEST 1789.4 FEET FROM THE INTERSECTION OF SAID SOUTHERLY LINE OF DUMAS DRIVE WITH THE CENTER LINE OF WATERMAN AVENUE;

THENCE FROM SAID POINT OF COMMENCEMENT SOUTH 0° 39' 45" EAST, 1235.98 FEET;

THENCE SOUTH 9° 12' 45" EAST, 153.46 FEET; THENCE SOUTH 2° 25' 15" WEST, 255.59 FEET TO THE TRUE POINT OF BEGINNING;

THENCE FROM SAID TRUE POINT OF BEGINNING SOUTH 2° 25' 15" WEST, 250 FEET;

THENCE SOUTH 87° 34' 45" EAST, 300 FEET; THENCE NORTH 2° 25' 15" EAST, 250 FEET;

THENCE NORTH 87° 34' 45" WEST, 300 FEET TO THE TRUE POINT OF BEGINNING.

APN: 0141-421-14

CONTAINING: 75,000 SQUARE FEET OR 1.722 ACRES MORE OR LESS.

## **Exhibit B**

### **"Ground Lease Area"**

#### **LEGAL DESCRIPTION**

THAT PORTION OF PARCELS 1 AND 2, AS DESCRIBED BELOW, IN THE CITY OF SAN BERNARDINO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA. LYING SOUTHERLY OF THE SOUTHERLY LINE OF THE LAND DESCRIBED IN THE EASEMENT DEEDS GRANTED TO CALIFORNIA ELECTRIC POWER COMPANY, RECORDED FEBRUARY 13, 1957 AS INSTRUMENT NO. 1019, IN BOOK 4155, PAGE 501, AND MAY 10, 1957 AS INSTRUMENT NO. 334, IN BOOK 4226, PAGE 588, BOTH OF OFFICIAL RECORDS OF SAID COUNTY.

#### **PARCEL 1:**

THE EAST 2/3RDS OF LOTS 13 AND 24 IN BLOCK 54 AS SHOWN ON MAP OF RANCHO SAN BERNARDINO, IN THE CITY OF SAN BERNARDINO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA. AS PER PLAT RECORDED IN BOOK 7 OF MAPS, PAGE 2, RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCELS:

A. BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 24; THENCE RUNNING SOUTH AND ALONG THE EAST LINE OF SAID LOT, A DISTANCE OF 594 FEET; THENCE WEST 440; THENCE NORTH 594 FEET TO THE NORTH BOUNDARY LINE OF SAID LOT 24; THENCE EAST ON AND ALONG SAID BOUNDARY LINE 440 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

B. COMMENCING AT THE NORTHWEST CORNER OF THE EAST 1/3 OF SAID LOT 24; THENCE WESTERLY ALONG THE NORTHERLY LINE OF SAID LOT 24, A DISTANCE OF 80 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING WESTERLY ON THE NORTHERLY LINE OF SAID LOT 24, A DISTANCE OF 117.74 FEET; THENCE SOUTHERLY AND PARALLEL WITH THE WESTERLY LINE OF THE EAST 1/3 OF SAID LOT, A DISTANCE OF 450 FEET; THENCE EASTERLY AND PARALLEL TO THE NORTHERLY LINE OF SAID LOT, A DISTANCE OF 117.74 FEET; THENCE NORTHERLY AND PARALLEL WITH THE WESTERLY LINE OF THE EAST 1/3 OF SAID LOT, A DISTANCE OF 450 FEET TO THE POINT OF BEGINNING.

C. ALL OF THE EAST 1/2 OF THE WEST 2/3RDS OF SAID LOT 24, AND THE NORTH 1/2 OF THE EAST 1/2 OF THE WEST 2/3RDS OF SAID LOT 13 LYING WITHIN A STRIP OF LAND 400 FEET WIDE BEING 200 FEET ON EACH SIDE OF, MEASURED AT RIGHT ANGLES TO, THE FOLLOWING DESCRIBED CENTER LINE:

BEGINNING AT A POINT IN THE NORTH LINE OF SAID LOT 24, DISTANT THEREON NORTH 89° 36' 13.5" WEST 200 FEET FROM THE SOUTHEAST CORNER OF LOT 45 OF SAID BLOCK 54, SAID SOUTHEAST CORNER OF LOT 45 BEING A POINT IN THE NORTH LINE OF SAID LOT 24; THENCE SOUTH 0° 20' 14" WEST 1163.86 FEET; THENCE SOUTHWESTERLY 1039.88 FEET ALONG A TANGENT CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 1200 FEET AND A CENTRAL ANGLE OF 49° 39' 03"; THENCE SOUTH 49° 59' 17" WEST 807.37 FEET TO POINT OF ENDING OF THE CENTER LINE HEREIN DESCRIBED, SAID POINT BEING NORTH 49° 59' 17" EAST 75.85 FEET FROM A POINT IN THE SOUTH LINE OF LOT 14 OF SAID BLOCK 54, DISTANCE THEREON 619.16 FEET FROM THE SOUTHEAST CORNER OF SAID LOT 14.

## **Exhibit B**

### **"Ground Lease Area"**

D. ALL THAT PORTION OF THE SOUTH 1/2 OF THE EAST 2/3RDS OF SAID LOT 13 DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 13; THENCE NORTHERLY 498.04 FEET ALONG THE EAST LINE OF SAID LOT 13; THENCE SOUTH 84° 04' 36" WEST 886.36 FEET TO A POINT ON THE WEST LINE OF SAID EAST 2/3 OF LOT 13, DISTANT THEREON NORTHERLY 397.85 FEET FROM THE SOUTHWEST CORNER OF SAID EAST 2/3RDS OF LOT 13; THENCE SOUTHERLY 397.85 FEET ALONG SAID WEST LINE TO THE SOUTHWEST CORNER, THENCE EASTERLY ALONG THE SOUTH LINE OF SAID LOT 13 TO THE POINT OF BEGINNING.

#### **PARCEL 2:**

ALL OF LOT 12, BLOCK 54, OF THE FORTY ACRE SURVEY OF THE RANCHO SAN BERNARDINO, AS PER PLAT RECORDED IN BOOK 7 OF MAPS, PAGE 2, OFFICIAL RECORDS OF SAID COUNTY; AND ALSO THAT PORTION OF LOT 25, IN SAID BLOCK 54, OF SAID FORTY ACRE SURVEY OF THE SAID RANCHO SAN BERNARDINO, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 25; THENCE NORTH ALONG THE EAST LINE OF SAID LOT 25, 26 RODS, MORE OR LESS, TO THE SOUTHEAST CORNER OF THE LAND DEEDED TO ERASMUS C. BIGGS BY DEED DATED JUNE 21, 1865, AND RECORDED IN BOOK "F" OF DEEDS, PAGE 612, RECORDS OF SAID COUNTY; THENCE WEST ALONG THE SOUTH LINE OF THE LAND SO DEEDED, 80 RODS, MORE OR LESS, TO THE WEST LINE OF SAID LOT 25; THENCE SOUTH ALONG THE WEST LINE OF SAID LOT 25, 26 RODS, MORE OR LESS, TO THE SOUTHWEST CORNER OF SAID LOT 25, THENCE EAST ALONG THE SOUTH LINE OF SAID LOT 25, 80 RODS, MORE OR LESS TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION WITHIN THE SOUTH ONE-HALF OF SAID LOT 12.

ALSO EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCELS:

#### **PARCEL AA:**

BEGINNING ON THE WESTERLY LINE OF WATERMAN AVENUE, 82.5 FEET WIDE, DISTANT ALONG SAID WESTERLY LINE AND ITS SOUTHERLY PROLONGATION, NORTH 2,954 FEET FROM ITS INTERSECTION WITH THE CENTER LINE OF COLTON AVENUE, 82.5 FEET WIDE; THENCE WEST AT RIGHT ANGLES TO SAID WESTERLY LINE OF WATERMAN AVENUE, A DISTANCE OF 570 FEET; THENCE IN A NORTHWESTERLY DIRECTION TO A POINT ON THE WESTERLY LINE OF SAID LOT 12; DISTANT ALONG SAID WESTERLY LINE, NORTH 500 FEET FROM THE SOUTHWEST CORNER OF SAID LOT 12; THENCE ALONG SAID WESTERLY LINE OF LOT 12, SOUTH 500 FEET TO SAID SOUTHWEST CORNER; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 12 EAST TO THE SOUTHEAST CORNER OF SAID LOT 12, SAID SOUTHEAST CORNER BEING ON THE WESTERLY LINE OF SAID WATERMAN AVENUE; THENCE ALONG THE EASTERLY LINE OF SAID LOT 12; SAID EASTERLY LINE BEING ALSO SAID WESTERLY LINE OF WATERMAN AVENUE, NORTH TO THE POINT OF BEGINNING.

## **Exhibit B**

### **"Ground Lease Area"**

PARCEL BB:

BEGINNING AT A POINT IN THE CENTERLINE OF WATERMAN AVENUE, AN 82.5 FOOT STREET, DISTANT THEREON 646.58 FEET NORTHERLY OF THE INTERSECTION OF SAID CENTERLINE WITH THE EASTERLY PROLONGATION OF THE SOUTH LINE OF SAID LOT 12; THENCE SOUTH 84° 04' 36" WEST, 1326.92 FEET TO A POINT IN THE NORTH LINE OF THAT PROPERTY CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED OCTOBER 17, 1956, IN BOOK 4065, PAGE 513, OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, SAID POINT BEING NORTH 84° 04' 36" EAST, 4.90 FEET FROM A POINT IN THE WEST LINE OF SAID LOT 12 WHICH IS 498.04 FEET NORTHERLY FROM THE SOUTHWEST CORNER OF SAID LOT 12; THENCE SOUTHEASTERLY AND EASTERLY ALONG THE SAID NORTH LINE OF THE STATE OF CALIFORNIA PROPERTY AND ITS EASTERLY PROLONGATION TO THE INTERSECTION THEREOF WITH THE CENTER LINE OF SAID WATERMAN AVENUE; THENCE NORTHERLY ALONG SAID CENTER LINE OF WATERMAN AVENUE, 352.16 FEET TO THE POINT OF BEGINNING.

PARCEL CC:

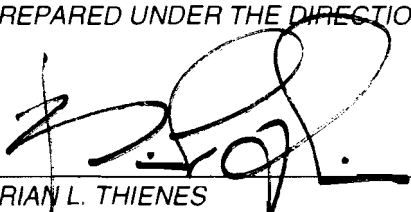
BEGINNING AT A POINT ON THE CENTERLINE OF WATERMAN AVENUE, DISTANT THEREON 646.58 FEET NORTH FROM THE INTERSECTION OF THE EASTERLY PROLONGATION OF THE SOUTH LINE OF SAID LOT 12 WITH THE SAID CENTERLINE OF WATERMAN AVENUE; THENCE SOUTH 83° 01" WEST, 150.65 FEET; THENCE NORTH 59° 13' 48" EAST, 61.72 FEET; THENCE NORTH 0° 50' 42" EAST, 636.60 FEET; THENCE NORTH 89° 33' 06" EAST, 13 FEET; THENCE NORTH 0° 26' 54" WEST, 38.18 FEET; THENCE SOUTH 89° 33' 06" WEST, 13 FEET; THENCE NORTH 3° 33' or EAST, 430.05 FEET, MORE OR LESS TO A POINT ON THE SOUTH PROPERTY LINE OF PARCEL OF LAND CONVEYED TO JOSEPH G. LAZAR, ET AL, BY DEED RECORDED SEPTEMBER 08, 1959 IN BOOK 4923, PAGE 75, OFFICIAL RECORDS OF SAN BERNARDINO COUNTY; THENCE EAST ALONG SAID PROPERTY LINE TO A POINT ON THE CENTER LINE OF SAID WATERMAN AVENUE; THENCE SOUTH 0° 26' 54" EAST, ALONG SAID CENTERLINE OF WATERMAN AVENUE TO THE POINT OF BEGINNING.

**CONTAINING:** 2,164,531 SQUARE FEET OR 49.691 ACRES MORE OR LESS.

**EXHIBIT "B"** ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

**SUBJECT TO:** COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, EASEMENTS AND RIGHTS-OF-WAY, IF ANY.

PREPARED UNDER THE DIRECTION OF:

  
BRIAN L. THIENES  
P.L.S. No. 5750  
REG. EXP. 12/31/17

12/27/16  
DATE

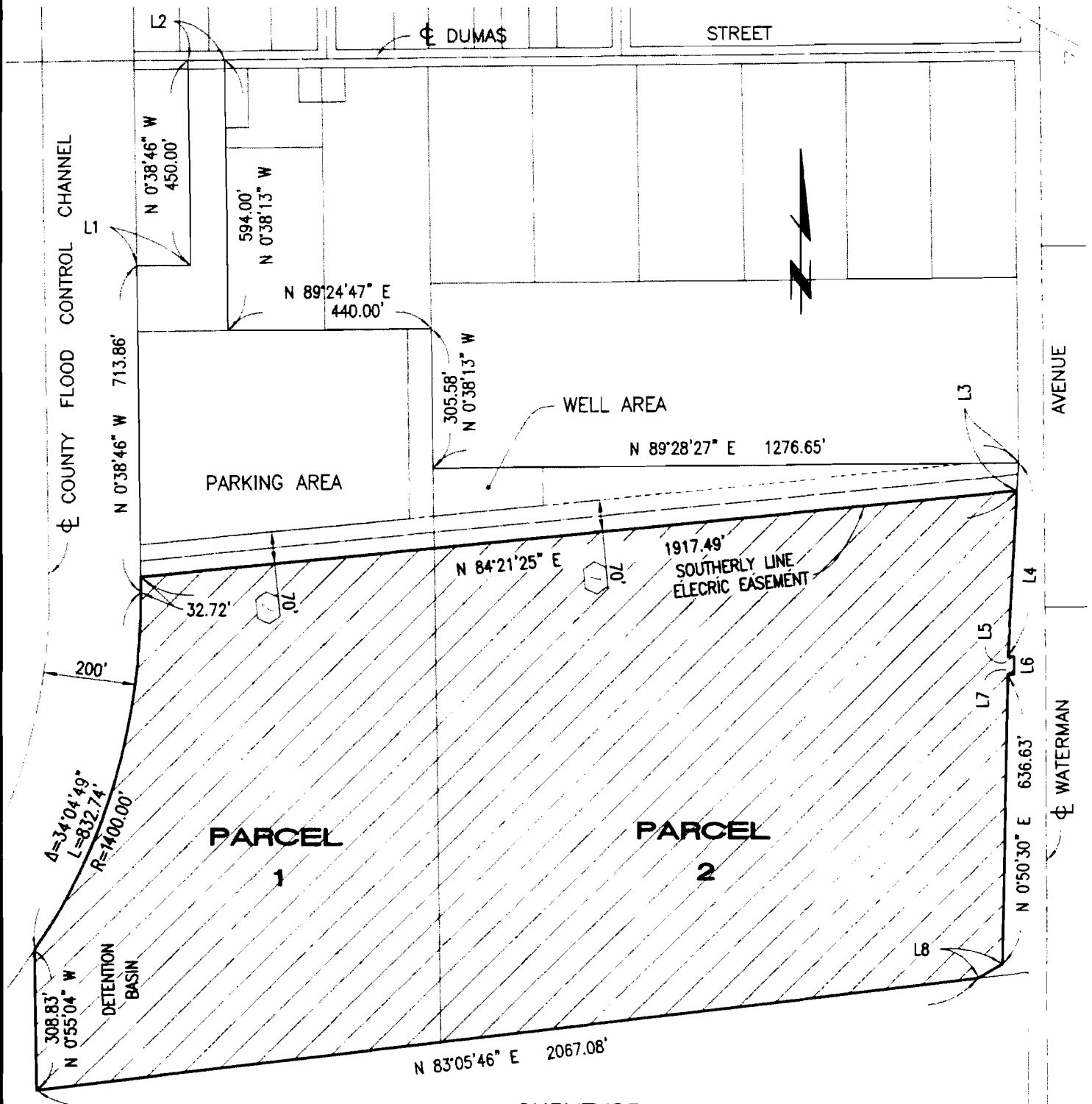




SCALE: 1" = 300'

## Exhibit B

### "Ground Lease Area"



SEE SHEET 2 FOR

LINE TABLE, EASEMENT NOTES, AND LEGEND

PREPARED BY:

**Thienes Engineering, Inc.**  
CIVIL ENGINEERING • LAND SURVEYING  
14349 FIRESTONE BOULEVARD  
LA MIRADA, CALIFORNIA 90638  
PH. (714) 521-4811 FAX (714) 521-4173

SURVEYOR:

PREPARED UNDER THE DIRECTION OF:

*[Signature]*  
BRIAN L. THIENES  
P.L.S. NO. 5750  
REG. EXP. DEC. 31, 2017  
DATE 12/27/16



## Exhibit B

### "Ground Lease Area"

LINE TABLE		
LINE #	LENGTH	BEARING
L1	117.74'	N 25°23'40" E
L2	80.07'	N 89°24'47" E
L3	61.35'	N 03°11'49" E
L4	424.40'	N 03°11'49" E
L5	13.00'	N 89°32'54" E
L6	38.18'	N 00°27'06" W
L7	13.00'	N 89°32'54" E
L8	61.72'	N 59°18'06" E

1 GRANT OF EASEMENT RECORDED FEBRUARY 13, 1957  
AS INSTR. NO. 1019 IN BOOK 4155, PAGE 501, O.R.

2 GRANT OF EASEMENT RECORDED MAY 10, 1957  
AS INSTR. NO. 334 IN BOOK 4226, PAGE 588, O.R.

#### LEGEND:



INDICATES GROUND LEASE AREA  
CONTAINS: 2,164,531 SQ. FT.  
49.691 AC. ±

## **Exhibit C**

### **"Access Only Area"**

#### **LEGAL DESCRIPTION**

THAT PORTION OF PARCELS 1 AND 2, AS DESCRIBED BELOW, IN THE CITY OF SAN BERNARDINO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, LYING NORTHERLY OF THE SOUTHERLY LINE OF THE LAND DESCRIBED IN THE EASEMENT DEEDS GRANTED TO CALIFORNIA ELECTRIC POWER COMPANY, RECORDED FEBRUARY 13, 1957 AS INSTRUMENT NO. 1019, IN BOOK 4155, PAGE 501, AND MAY 10, 1957 AS INSTRUMENT NO. 334, IN BOOK 4226, PAGE 588, BOTH OF OFFICIAL RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM THOSE PORTIONS IDENTIFIED AS **PARKING AREA** AND **WELL AREA** DESCRIBED AS FOLLOWS:

**PARKING AREA:**

THE WESTERLY 586.00 FEET OF SAID PARCEL 1, LYING NORTHERLY OF THE NORTHERLY LINE OF SAID DEEDS TO CALIFORNIA ELECTRIC COMPANY AND SOUTHERLY OF A LINE PARALLEL WITH AND DISTANT 594.00 FEET MEASURED AT A RIGHT ANGLE FROM THE CENTERLINE OF DUMAS STREET.

**WELL AREA:**

THE WESTERLY 239.00 FEET OF SAID PARCEL 2, LYING NORTHERLY OF THE NORTHERLY LINE OF SAID DEEDS TO CALIFORNIA ELECTRIC COMPANY.

---

**PARCEL 1:**

THE EAST 2/3RDS OF LOTS 13 AND 24 IN BLOCK 54 AS SHOWN ON MAP OF RANCHO SAN BERNARDINO, IN THE CITY OF SAN BERNARDINO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7 OF MAPS, PAGE 2, RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCELS:

A. BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 24; THENCE RUNNING SOUTH AND ALONG THE EAST LINE OF SAID LOT, A DISTANCE OF 594 FEET; THENCE WEST 440; THENCE NORTH 594 FEET TO THE NORTH BOUNDARY LINE OF SAID LOT 24; THENCE EAST ON AND ALONG SAID BOUNDARY LINE 440 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

B. COMMENCING AT THE NORTHWEST CORNER OF THE EAST 1/3 OF SAID LOT 24; THENCE WESTERLY ALONG THE NORTHERLY LINE OF SAID LOT 24, A DISTANCE OF 80 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING WESTERLY ON THE NORTHERLY LINE OF SAID LOT 24, A DISTANCE OF 117.74 FEET; THENCE SOUTHERLY AND PARALLEL WITH THE WESTERLY LINE OF THE EAST 1/3 OF SAID LOT, A DISTANCE OF 450 FEET; THENCE EASTERLY AND PARALLEL TO THE NORTHERLY LINE OF SAID LOT, A DISTANCE OF 117.74 FEET; THENCE NORTHERLY AND PARALLEL WITH THE WESTERLY LINE OF THE EAST 1/3 OF SAID LOT, A DISTANCE OF 450 FEET TO THE POINT OF BEGINNING.

C. ALL OF THE EAST 1/2 OF THE WEST 2/3RDS OF SAID LOT 24, AND THE NORTH 1/2 OF THE EAST 1/2 OF THE WEST 2/3RDS OF SAID LOT 13 LYING WITHIN A STRIP OF LAND 400 FEET WIDE BEING 200 FEET ON EACH SIDE OF, MEASURED AT RIGHT ANGLES TO, THE FOLLOWING DESCRIBED CENTER LINE:

## **Exhibit C**

### **"Access Only Area"**

BEGINNING AT A POINT IN THE NORTH LINE OF SAID LOT 24, DISTANT THEREON NORTH 89° 36' 13.5" WEST 200 FEET FROM THE SOUTHEAST CORNER OF LOT 45 OF SAID BLOCK 54, SAID SOUTHEAST CORNER OF LOT 45 BEING A POINT IN THE NORTH LINE OF SAID LOT 24; THENCE SOUTH 0° 20' 14" WEST 1163.86 FEET; THENCE SOUTHWESTERLY 1039.88 FEET ALONG A TANGENT CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 1200 FEET AND A CENTRAL ANGLE OF 49° 39' 03"; THENCE SOUTH 49° 59' 17" WEST 807.37 FEET TO POINT OF ENDING OF THE CENTER LINE HEREIN DESCRIBED. SAID POINT BEING NORTH 49° 59' 17" EAST 75.85 FEET FROM A POINT IN THE SOUTH LINE OF LOT 14 OF SAID BLOCK 54, DISTANCE THEREON 619.16 FEET FROM THE SOUTHEAST CORNER OF SAID LOT 14.

D. ALL THAT PORTION OF THE SOUTH 1/2 OF THE EAST 2/3RDS OF SAID LOT 13 DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 13; THENCE NORTHERLY 498.04 FEET ALONG THE EAST LINE OF SAID LOT 13; THENCE SOUTH 84° 04' 36" WEST 886.36 FEET TO A POINT ON THE WEST LINE OF SAID EAST 2/3 OF LOT 13, DISTANT THEREON NORTHERLY 397.85 FEET FROM THE SOUTHWEST CORNER OF SAID EAST 2/3RDS OF LOT 13; THENCE SOUTHERLY 397.85 FEET ALONG SAID WEST LINE TO THE SOUTHWEST CORNER, THENCE EASTERLY ALONG THE SOUTH LINE OF SAID LOT 13 TO THE POINT OF BEGINNING.

#### **PARCEL 2:**

ALL OF LOT 12, BLOCK 54, OF THE FORTY ACRE SURVEY OF THE RANCHO SAN BERNARDINO, AS PER PLAT RECORDED IN BOOK 7 OF MAPS, PAGE 2, OFFICIAL RECORDS OF SAID COUNTY; AND ALSO THAT PORTION OF LOT 25, IN SAID BLOCK 54, OF SAID FORTY ACRE SURVEY OF THE SAID RANCHO SAN BERNARDINO. DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 25; THENCE NORTH ALONG THE EAST LINE OF SAID LOT 25, 26 RODS, MORE OR LESS, TO THE SOUTHEAST CORNER OF THE LAND DEEDED TO ERASZMUS C. BIGGS BY DEED DATED JUNE 21, 1865, AND RECORDED IN BOOK "F" OF DEEDS, PAGE 612, RECORDS OF SAID COUNTY; THENCE WEST ALONG THE SOUTH LINE OF THE LAND SO DEEDED, 80 RODS, MORE OR LESS, TO THE WEST LINE OF SAID LOT 25; THENCE SOUTH ALONG THE WEST LINE OF SAID LOT 25, 26 RODS, MORE OR LESS, TO THE SOUTHWEST CORNER OF SAID LOT 25. THENCE EAST ALONG THE SOUTH LINE OF SAID LOT 25, 80 RODS, MORE OR LESS TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION WITHIN THE SOUTH ONE-HALF OF SAID LOT 12.

ALSO EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCELS:

#### **PARCEL AA.**

BEGINNING ON THE WESTERLY LINE OF WATERMAN AVENUE, 82.5 FEET WIDE, DISTANT ALONG SAID WESTERLY LINE AND ITS SOUTHERLY PROLONGATION, NORTH 2,954 FEET FROM ITS INTERSECTION WITH THE CENTER LINE OF COLTON AVENUE, 82.5 FEET WIDE; THENCE WEST AT RIGHT ANGLES TO SAID WESTERLY LINE OF WATERMAN AVENUE, A DISTANCE OF 570 FEET; THENCE IN A NORTHWESTERLY DIRECTION TO A POINT ON THE WESTERLY LINE OF SAID LOT 12; DISTANT ALONG SAID WESTERLY LINE, NORTH 500 FEET FROM THE SOUTHWEST CORNER OF SAID LOT 12; THENCE ALONG SAID WESTERLY LINE OF LOT 12, SOUTH 500 FEET TO SAID SOUTHWEST CORNER; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 12 EAST TO THE SOUTHEAST CORNER OF SAID LOT 12,

## **Exhibit C**

### **"Access Only Area"**

SAID SOUTHEAST CORNER BEING ON THE WESTERLY LINE OF SAID WATERMAN AVENUE; THENCE ALONG THE EASTERLY LINE OF SAID LOT 12; SAID EASTERLY LINE BEING ALSO SAID WESTERLY LINE OF WATERMAN AVENUE, NORTH TO THE POINT OF BEGINNING.

PARCEL BB:

BEGINNING AT A POINT IN THE CENTERLINE OF WATERMAN AVENUE, AN 82.5 FOOT STREET, DISTANT THEREON 646.58 FEET NORTHERLY OF THE INTERSECTION OF SAID CENTERLINE WITH THE EASTERLY PROLONGATION OF THE SOUTH LINE OF SAID LOT 12; THENCE SOUTH  $84^{\circ} 04' 36''$  WEST, 1326.92 FEET TO A POINT IN THE NORTH LINE OF THAT PROPERTY CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED OCTOBER 17, 1956, IN BOOK 4065, PAGE 513, OFFICIAL RECORDS OF SAN BERNARDINO COUNTY, SAID POINT BEING NORTH  $84^{\circ} 04' 36''$  EAST, 4.90 FEET FROM A POINT IN THE WEST LINE OF SAID LOT 12 WHICH IS 498.04 FEET NORTHERLY FROM THE SOUTHWEST CORNER OF SAID LOT 12; THENCE SOUTHEASTERLY AND EASTERLY ALONG THE SAID NORTH LINE OF THE STATE OF CALIFORNIA PROPERTY AND ITS EASTERLY PROLONGATION TO THE INTERSECTION THEREOF WITH THE CENTER LINE OF SAID WATERMAN AVENUE; THENCE NORTHERLY ALONG SAID CENTER LINE OF WATERMAN AVENUE, 352.16 FEET TO THE POINT OF BEGINNING.

PARCEL CC:

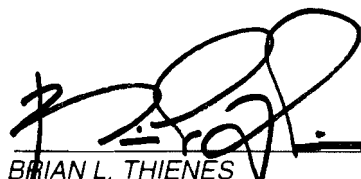
BEGINNING AT A POINT ON THE CENTERLINE OF WATERMAN AVENUE, DISTANT THEREON 646.58 FEET NORTH FROM THE INTERSECTION OF THE EASTERLY PROLONGATION OF THE SOUTH LINE OF SAID LOT 12 WITH THE SAID CENTERLINE OF WATERMAN AVENUE; THENCE SOUTH  $83^{\circ} 01'$  WEST, 150.65 FEET; THENCE NORTH  $59^{\circ} 13' 48''$  EAST, 61.72 FEET; THENCE NORTH  $0^{\circ} 50' 42''$  EAST, 636.60 FEET; THENCE NORTH  $89^{\circ} 33' 06''$  EAST, 13 FEET; THENCE NORTH  $0^{\circ} 26' 54''$  WEST, 38.18 FEET; THENCE SOUTH  $89^{\circ} 33' 06''$  WEST, 13 FEET; THENCE NORTH  $3^{\circ} 33'$  or EAST, 430.05 FEET, MORE OR LESS TO A POINT ON THE SOUTH PROPERTY LINE OF PARCEL OF LAND CONVEYED TO JOSEPH G. LAZAR, ET AL, BY DEED RECORDED SEPTEMBER 08, 1959 IN BOOK 4923, PAGE 75, OFFICIAL RECORDS OF SAN BERNARDINO COUNTY; THENCE EAST ALONG SAID PROPERTY LINE TO A POINT ON THE CENTER LINE OF SAID WATERMAN AVENUE; THENCE SOUTH  $0^{\circ} 26' 54''$  EAST, ALONG SAID CENTERLINE OF WATERMAN AVENUE TO THE POINT OF BEGINNING.

**CONTAINING:** 258,636 SQUARE FEET OR 5.937 ACRES MORE OR LESS.

**EXHIBIT "B"** ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

**SUBJECT TO:** COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, EASEMENTS AND RIGHTS-OF-WAY, IF ANY.

PREPARED UNDER THE DIRECTION OF:

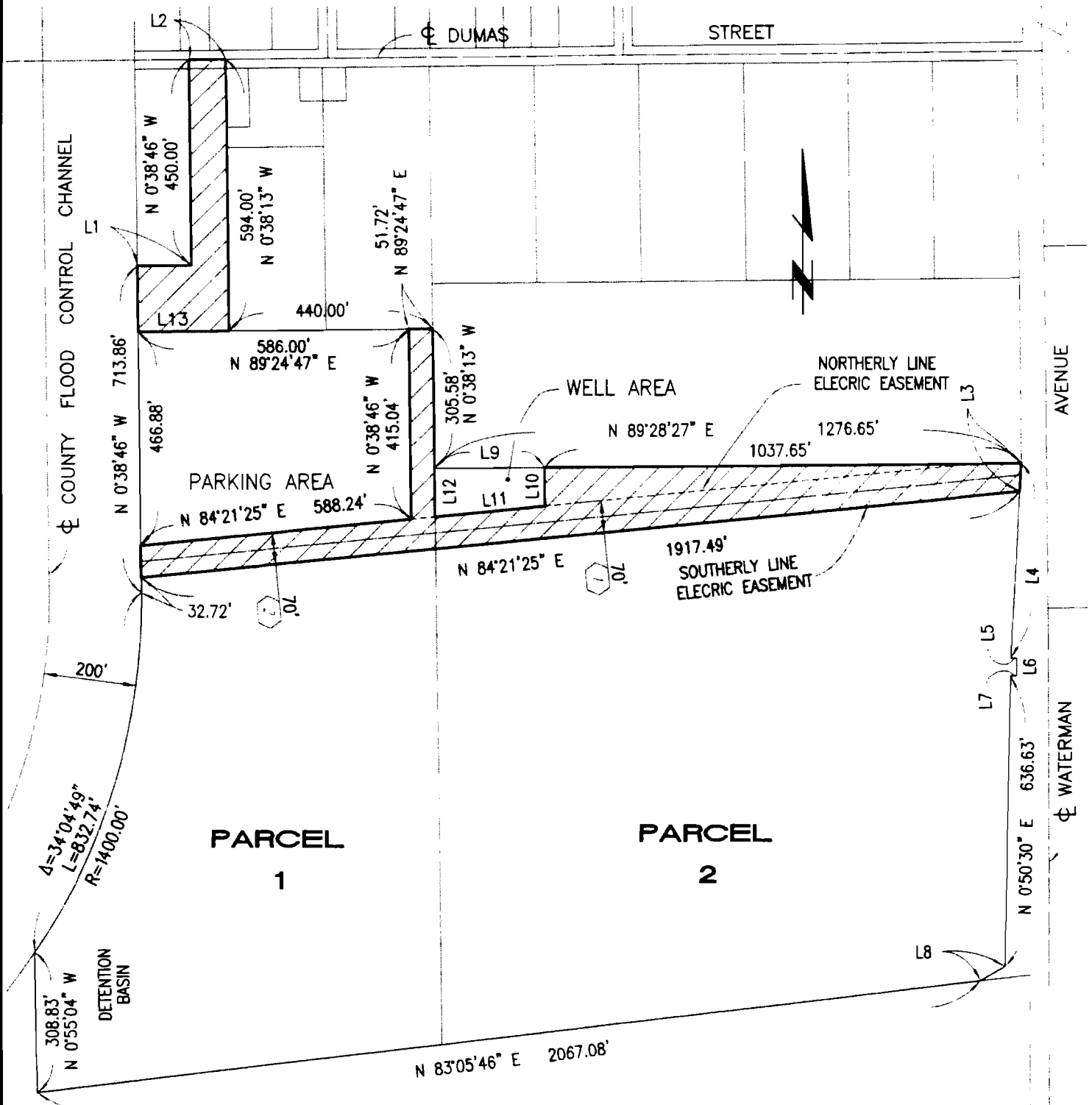
  
BRIAN L. THIENES  
P.L.S. No. 5750  
REG. EXP. 12/31/17

12/27/16  
DATE



SCALE: 1" = 300'

## Exhibit C "Access Only Area"



SEE SHEET 2 FOR

LINE TABLE, EASEMENT NOTES, AND LEGEND

PREPARED BY:

**Thienes Engineering, Inc.**  
CIVIL ENGINEERING • LAND SURVEYING  
14349 FIRESTONE BOULEVARD  
LA MIRADA, CALIFORNIA 90638  
PH. (714) 521-4811 FAX (714) 521-4173

SURVEYOR:

PREPARED UNDER THE DIRECTION OF:

*[Signature]* 12/27/14  
BRIAN L. THIENES  
P.L.S. NO. 5750  
REG. EXP. DEC. 31, 2017



## Exhibit C

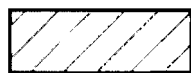
### "Access Only Area"

LINE TABLE		
LINE #	LENGTH	BEARING
L1	117.74'	N 25°23'40" E
L2	80.07'	N 89°24'47" E
L3	61.35'	N 03°11'49" E
L4	424.40'	N 03°11'49" E
L5	13.00'	N 89°32'54" E
L6	38.18'	N 00°27'06" W
L7	13.00'	N 89°32'54" E
L8	61.72'	N 59°18'06" E
L9	239.00'	N 89°28'27" E
L10	83.49'	N 00°38'13" W
L11	239.92'	N 84°21'25" E
L12	104.89'	N 00°38'13" W
L13	197.72'	N 89°24'47" E

1 GRANT OF EASEMENT RECORDED FEBRUARY 13, 1957  
AS INSTR. NO. 1019 IN BOOK 4155, PAGE 501, O.R.

2 GRANT OF EASEMENT RECORDED MAY 10, 1957  
AS INSTR. NO. 334 IN BOOK 4226, PAGE 588, O.R.

#### LEGEND:



INDICATES ACCESS ONLY AREA  
CONTAINS: 258,636 SQ. FT.  
5.932 AC. ±

## **Exhibit D**

### **"Parking Area"**

#### **LEGAL DESCRIPTION**

THAT PORTION OF PARCEL 1, AS DESCRIBED BELOW, IN THE CITY OF SAN BERNARDINO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, LYING NORTHERLY OF THE SOUTHERLY LINE OF THE LAND DESCRIBED IN THE EASEMENT DEEDS GRANTED TO CALIFORNIA ELECTRIC POWER COMPANY, RECORDED FEBRUARY 13, 1957 AS INSTRUMENT NO. 1019, IN BOOK 4155, PAGE 501, AND MAY 10, 1957 AS INSTRUMENT NO. 334, IN BOOK 4226, PAGE 588, BOTH OF OFFICIAL RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

THE WESTERLY 586.00 FEET OF SAID PARCEL 1, LYING NORTHERLY OF THE NORTHERLY LINE OF SAID DEEDS TO CALIFORNIA ELECTRIC COMPANY AND SOUTHERLY OF A LINE PARALLEL WITH AND DISTANT 594.00 FEET MEASURED AT A RIGHT ANGLE FROM THE CENTERLINE OF DUMAS STREET.

---

#### **PARCEL 1:**

THE EAST 2/3RDS OF LOTS 13 AND 24 IN BLOCK 54 AS SHOWN ON MAP OF RANCHO SAN BERNARDINO, IN THE CITY OF SAN BERNARDINO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7 OF MAPS, PAGE 2, RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCELS:

A. BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 24; THENCE RUNNING SOUTH AND ALONG THE EAST LINE OF SAID LOT, A DISTANCE OF 594 FEET; THENCE WEST 440; THENCE NORTH 594 FEET TO THE NORTH BOUNDARY LINE OF SAID LOT 24; THENCE EAST ON AND ALONG SAID BOUNDARY LINE 440 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

B. COMMENCING AT THE NORTHWEST CORNER OF THE EAST 1/3 OF SAID LOT 24; THENCE WESTERLY ALONG THE NORTHERLY LINE OF SAID LOT 24, A DISTANCE OF 80 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING WESTERLY ON THE NORTHERLY LINE OF SAID LOT 24, A DISTANCE OF 117.74 FEET; THENCE SOUTHERLY AND PARALLEL WITH THE WESTERLY LINE OF THE EAST 1/3 OF SAID LOT, A DISTANCE OF 450 FEET; THENCE EASTERLY AND PARALLEL TO THE NORTHERLY LINE OF SAID LOT, A DISTANCE OF 117.74 FEET; THENCE NORTHERLY AND PARALLEL WITH THE WESTERLY LINE OF THE EAST 1/3 OF SAID LOT, A DISTANCE OF 450 FEET TO THE POINT OF BEGINNING.

C. ALL OF THE EAST 1/2 OF THE WEST 2/3RDS OF SAID LOT 24, AND THE NORTH 1/2 OF THE EAST 1/2 OF THE WEST 2/3RDS OF SAID LOT 13 LYING WITHIN A STRIP OF LAND 400 FEET WIDE BEING 200 FEET ON EACH SIDE OF, MEASURED AT RIGHT ANGLES TO, THE FOLLOWING DESCRIBED CENTER LINE:

BEGINNING AT A POINT IN THE NORTH LINE OF SAID LOT 24, DISTANT THEREON NORTH 89° 36' 13.5" WEST 200 FEET FROM THE SOUTHEAST CORNER OF LOT 45 OF SAID BLOCK 54, SAID SOUTHEAST CORNER OF LOT 45 BEING A POINT IN THE NORTH LINE OF SAID LOT 24; THENCE SOUTH 0° 20' 14" WEST 1163.86 FEET; THENCE SOUTHWESTERLY 1039.88 FEET ALONG A TANGENT CURVE CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 1200 FEET AND A CENTRAL ANGLE OF 49° 39' 03"; THENCE SOUTH 49° 59' 17" WEST 807.37 FEET TO POINT OF ENDING OF THE CENTER LINE HEREIN DESCRIBED, SAID POINT BEING NORTH 49° 59' 17" EAST 75.85 FEET FROM A POINT IN THE SOUTH LINE OF LOT 14 OF SAID



**Exhibit D**  
**"Parking Area"**

BLOCK 54, DISTANCE THEREON 619.16 FEET FROM THE SOUTHEAST CORNER OF SAID LOT 14.

D. ALL THAT PORTION OF THE SOUTH 1/2 OF THE EAST 2/3RDS OF SAID LOT 13 DESCRIBED AS FOLLOWS:


BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 13; THENCE NORTHERLY 498.04 FEET ALONG THE EAST LINE OF SAID LOT 13; THENCE SOUTH 84° 04' 36" WEST 886.36 FEET TO A POINT ON THE WEST LINE OF SAID EAST 2/3 OF LOT 13, DISTANT THEREON NORTHERLY 397.85 FEET FROM THE SOUTHWEST CORNER OF SAID EAST 2/3RDS OF LOT 13; THENCE SOUTHERLY 397.85 FEET ALONG SAID WEST LINE TO THE SOUTHWEST CORNER, THENCE EASTERLY ALONG THE SOUTH LINE OF SAID LOT 13 TO THE POINT OF BEGINNING.

**CONTAINING:** 258,400 SQUARE FEET OR 5.932 ACRES MORE OR LESS.

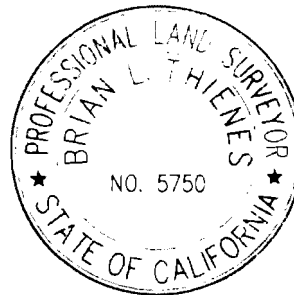
**EXHIBIT "B"** ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

**SUBJECT TO:** COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, EASEMENTS AND RIGHTS-OF-WAY, IF ANY.

PREPARED UNDER THE DIRECTION OF:

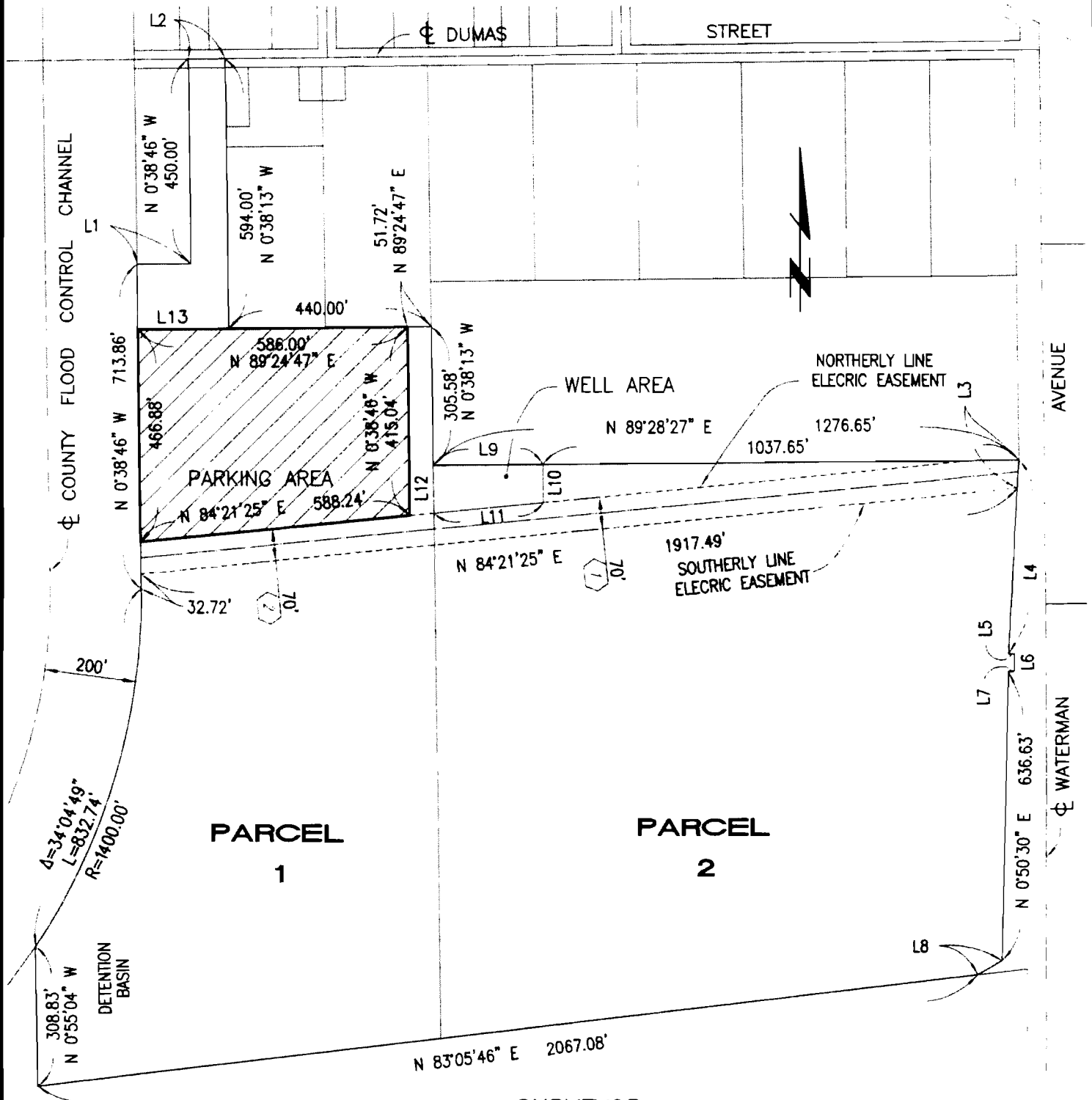
  
BRIAN L. THIENES  
P.L.S. No. 5750  
REG. EXP. 12/31/17

12/27/16  
DATE



SCALE: 1" = 300'

## Exhibit D "Parking Area"



SEE SHEET 2 FOR

LINE TABLE, EASEMENT NOTES, AND LEGEND

**PREPARED BY:**

**Thienes Engineering, Inc.**  
CIVIL ENGINEERING • LAND SURVEYING  
14349 FIRESTONE BOULEVARD  
LA MIRADA, CALIFORNIA 90638  
PH. (714) 521-4811 FAX (714) 521-4173

**SURVEYOR:**

PREPARED UNDER THE DIRECTION OF:

*[Signature]*  
BRIAN L. THIENES  
P.L.S. NO. 5750  
REG. EXP. DEC. 31, 2017  
DATE 12/27/16



## Exhibit D

### "Parking Area"

LINE TABLE		
LINE #	LENGTH	BEARING
L1	117.74'	N 25°23'40" E
L2	80.07'	N 89°24'47" E
L3	61.35'	N 03°11'49" E
L4	424.40'	N 03°11'49" E
L5	13.00'	N 89°32'54" E
L6	38.18'	N 00°27'06" W
L7	13.00'	N 89°32'54" E
L8	61.72'	N 59°18'06" E
L9	239.00'	N 89°28'27" E
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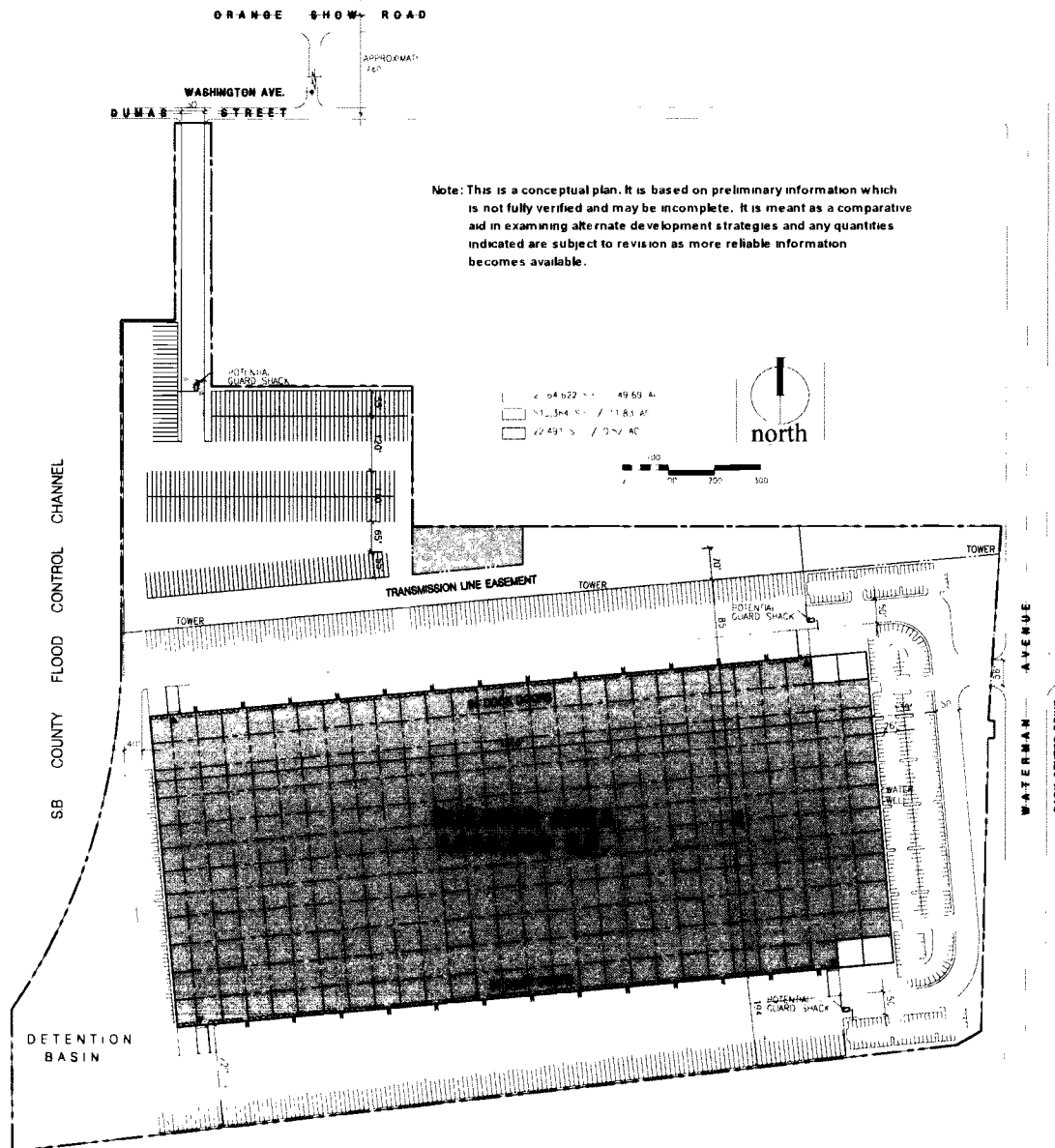
- ① GRANT OF EASEMENT RECORDED FEBRUARY 13, 1957  
AS INSTR. NO. 1019 IN BOOK 4155, PAGE 501, O.R.
- ② GRANT OF EASEMENT RECORDED MAY 10, 1957  
AS INSTR. NO. 334 IN BOOK 4226, PAGE 588, O.R.

#### LEGEND:

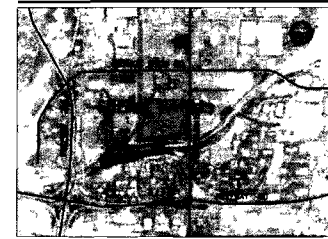


INDICATES PARKING AREA  
CONTAINS: 258,400 SQ. FT.  
5.932AC. ±

# Exhibit E



## Aerial Map



## Tabulation

<b>SITE AREA</b>	
In s.f.	2,702,477 s.f.
In acres	62.04 ac
<b>BUILDING AREA</b>	
Office	5,000 s.f.
Warehouse	1,059,880 s.f.
<b>TOTAL</b>	<b>1,064,880 s.f.</b>
<b>COVERAGE</b>	<b>39.4%</b>
<b>AUTO PARKING REQUIRED</b>	
1/1,250 s.f.	852 stalls
<b>AUTO PARKING PROVIDED</b>	
Standard (9' x 19')	436 stalls
<b>TRAILER PARKING PROVIDED</b>	
Trailer (10' x 55')	563 stalls
<b>TRAILERS @ DOCK DOORS PROVIDED</b>	
Dock Door	188 doors
Grade level door	4 doors
<b>TOTAL PARKING PROVIDED</b>	
Auto & Trailers	1,191 stalls
<b>ZONING ORDINANCE FOR CITY</b>	
Current Zoning Designation - Public / Commercial Recreation (PCR)	
Proposed Zoning Designation - Light Industrial (IL)	
<b>MAXIMUM BUILDING HEIGHT ALLOWED</b>	
Height - 50'	
<b>MAXIMUM FLOOR AREA RATIO</b>	
FAR - .75	
<b>SETBACKS</b>	
Front - 20'	
Side - 10' major highway / arterial st - 20'	
Street Side - 10'	
Rear - 10'	

## Legend

- WAREHOUSE
- OFFICE
- ▼ DRIVE



18831 Barden Ave Ste #100  
Irvine CA 92612  
9491 863-1770  
www.hparchs.com

## Conceptual Site Plan Gateway South Building 4

City of San Bernardino, CA



October 25 2016 / Job #15408

Scheme 3

## **EXHIBIT F**

### **MEMORANDUM OF LEASE**

WHEN RECORDED MAIL TO:

City Clerk  
City of Riverside  
City Hall, 3900 Main Street  
Riverside, CA 92522

Project: Hillwood-Waterman

FREE RECORDING

This instrument is for the benefit of the City of  
Riverside and is entitled to be recorded without fee  
(Government Code § 6103)

For Recorder's Office Use Only

### **MEMORANDUM OF LEASE**

This MEMORANDUM OF LEASE ("Memorandum") is hereby made as of this \_\_\_\_ day of, by and between the City of Riverside, a California charter city and municipal corporation ("City") and VERIFY ("Lessee").

### **WITNESSETH THAT:**

WHEREAS, City and Lessee entered into that certain Ground Lease Agreement dated as of \_\_\_\_\_ (hereinafter, the "Lease"), for those certain premises more particularly described on Exhibit A, attached hereto and incorporated herein (the "Property");

WHEREAS, City and Lessee make this Memorandum pursuant to the laws of the State of California and desire that this Memorandum be recorded in the Official Records of the County of San Bernardino, California. The following is a correct statement of information with respect to such Lease and of provisions therein contained.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, City and Lessee hereby agree as follows:

1. The term of the Lease is Fifty-Five (55) years. The Term of the Lease is estimated to commence on November \_\_, 2016.
2. Subject to the terms and conditions more particularly set forth in the Lease, Lessee is granted (i) a limited Right of First Refusal to purchase the Property, and (ii) a Right of First Offer to purchase such Property.
3. Reference is made to the Lease for a full statement of the terms and conditions of the Lease, all of which are hereby incorporated by reference.

4. Nothing in this Memorandum may be construed to amend, modify, change, alter, amplify, interpret or supersede any of the terms and provisions of the Lease, which shall in all things control.

IN WITNESS WHEREOF, City and Lessee have executed this Memorandum as of the day and year first above written.

CITY:

LESSEE:

CITY OF RIVERSIDE

VERIFY

By: \_\_\_\_\_  
City Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

By:  
Colleen Nicol  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Assistant City Attorney

## **EXHIBIT F**

### **INSURANCE REQUIREMENTS**

Each contractor performing any portion of the Well Relocation Work shall secure and maintain, at its own expense, and with companies with a Best rating of no less than A and a Financial Rating of at least VII, the following minimum insurance coverages:

A. Workers' compensation insurance (statutory limits in accordance with the laws of the state in which the Well Relocation Work shall be performed) and employer's liability insurance with limits not less than:

- (i) \$1,000,000 bodily injury by accident (each accident);
- (ii) \$1,000,000 bodily injury by disease (policy limit); and
- (iii) \$1,000,000 bodily injury by disease (each employee).

B. Business automobile liability insurance, including liability arising out of "any auto" or all owned, non-owned, leased and hired automobiles, trucks, trailers and semi-trailers with limits of not less than \$1,000,000 each accident.

C. Commercial general liability insurance, written on an occurrence basis only (a "modified occurrence" or "claims made" policy is not acceptable), providing coverage for bodily injury, property damage, personal and advertising injury and contractual liability, for premises-operations (including, but not limited to, explosion, collapse and underground coverage) and for products-completed operations, with limits not less than:

- (i) \$1,000,000 bodily injury and property damage per occurrence limit,
- (ii) \$2,000,000 annual general aggregate limit,
- (iii) \$1,000,000 personal injury and advertising injury limit, and
- (iv) \$2,000,000 annual products-completed operations aggregate limit.

Such commercial general liability policy shall name, by endorsement, the City and its officers, agents and employees as additional insureds, which endorsement shall state that it includes completed operations coverage. It is further agreed and the endorsement shall provide that such insurance afforded by this policy for the benefit of the additional insureds shown shall be primary insurance but only as respects any claims, loss or liability arising out of the operations of the named insureds, and any insurance maintained by the additional insureds shall be non-contributing.