

## **PURCHASE, SALE AND DEVELOPMENT AGREEMENT**

### **GRAPEVINE ECONOMIC DEVELOPMENT FUND, INC.**

**(2731 and 2871 University Avenue)**

This Purchase, Sale and Development Agreement ("Agreement") is entered into this \_\_\_\_ day of \_\_\_\_\_, 2019, ("Effective Date"), by and between THE CITY OF RIVERSIDE, AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE, a public entity ("Seller"), and GRAPEVINE ECONOMIC DEVELOPMENT FUND, INC, a California corporation, its successor, heirs, and assignees ("Buyer"). In consideration of the mutual covenants and agreements, the parties agree to the following terms and conditions:

#### **ARTICLE I AGREEMENT OF SALE**

1.1 **Property.** Seller owns certain real property located at 2731 and 2871 University Avenue, Riverside, California, Assessor's Parcel Numbers 211-131-001, -021, -022, -023, -024, -026, -032, and -031, totaling approximately 1.9 acres ("Property"), all as more particularly described in Exhibit "A" (Legal Description) and depicted on Exhibit "B" (Plat Map), both of which are attached hereto and incorporated herein by reference.

1.2 **Intention; Conditions of Sale.** Seller agrees to sell, assign and convey all of its interest in, on and below the Property and Buyer desires to purchase in fee the Property for a mixed-use development including at least 60 dwelling units that will rent to mixed-income tenants, with at least 20% of the affordable dwelling units available to occupants at or below 50% of the Area Median Income, at the appropriate rents, as those are defined by the United States Department of Housing and Urban Development HUD Income Limits for Riverside County (2018 HUD Income Limits for Riverside County attached hereto and incorporated by reference as Exhibit "C") (plus one unit for the on-site property manager); at least 2,500 square feet of retail use; a Project gateway feature; and an open-space recreational feature to serve the Project; and 4 separate dwelling units for the City's Housing First Initiative (the "Housing First Units") (the "Project"). The Project includes and extends across property currently owned by the Housing Authority of the City of Riverside ("HA"), located at 2882 Mission Inn Avenue, APN 211-131-001 (the "HA Parcel"), subject to a separate sale or disposition agreement between Buyer and HA. The Housing First Units shall be of mixed bedroom quantities, available for HA use, in its sole discretion, to accommodate homeless persons without precondition or restriction by Buyer, its successors or assigns, any tenants, owners associations, CC&Rs, or any other entity. The HA is writing down the price of the HA Parcel as consideration for the Housing First Units; Buyer's, its successors or assigns, any tenants, owners associations, CC&Rs, or any other entity's, or Project's failure to provide the Housing First Units in accordance with this Agreement shall be a material failure of consideration. The above description of the Project is an absolute condition of the Successor Agency's sale to Buyer; Buyer, agrees to disclose, impose and record the description and its

conditions to Buyer's successors, assigns, any tenants, owners associations, CC&Rs, any other relevant entity or document.

**1.3 Incomplete Legal Description.** If the legal description of the Property is not complete or is inaccurate, this Agreement shall not be invalid and the legal description shall be completed or corrected at the expense of the Seller to meet the requirements of the title company to issue a title policy hereinafter described.

**1.4 Due Diligence.** Buyer shall have one year, plus up to two six-month extensions, following the Effective Date to perform, in its sole discretion, its due diligence review of the condition of Property and all other matters concerning the Property, including without limitation, condition of title, economic, financial, and accounting matters relating to or affecting the Property or its value, and the physical and environmental condition of the Property ("Due Diligence Period"). During the Due Diligence Period, Buyer will commence inquiries, with local, state and federal government agencies as it sees fit, retain such consultants, and taken such actions as Buyer deems necessary or appropriate to enter into this Agreement. Seller authorizes Buyer, its agents, contractors, consultants, to make all inquiries of appropriate governmental authorities with respect to the Property and to conduct investigations and tests on the property, as Buyer, in its good faith and reasonable judgment deems necessary to satisfy itself as to the condition of title to the Property and the feasibility of any proposed development on the Property. On or before the Due Diligence Period, Buyer shall deliver written notice to Seller accepting the Property, or terminating this Agreement. If Buyer fails to give such notice on or before the Due Diligence Period, Buyer shall be deemed to have accepted the Property and proceed with this Agreement.

**1.5 Due Diligence Materials.** Within ten (10) days of the Effective Date, Seller shall deliver or make available to Buyer complete copies of all materials relating to the use, ownership, condition, operation, development or marketing of the Property that are in possession or control of or available to Seller, including without limitation all preliminary plans, engineering and soils reports, title policies, surveys, maps, environmental inspections and reports, hazardous waste reports, appraisals, Long Range Property Management Plans approved by the Department of Finance, notices and other written communications from and to the Department of Finance, utilities capacity and location to the Property, grading, streets, storm drain, sewer, water, landscape and irrigation plans, "will-serve" letters, feasibility studies, claims, liabilities, leases, licenses, and consultant agreements ("Due Diligence Materials. Seller agrees to deliver any additional information, claims, notices, studies or any other communication Seller receives regarding the Property during the Due Diligence Period.

**1.6 Right of Entry.** After Seller's execution of this Agreement and during Escrow, Seller grants to Buyer and its agents, employees, contractors or subcontractors, the right to enter into and upon the Property for the purpose of conducting a Phase I Environmental Site Assessment, soil testing, environmental and engineering studies, and such further engineering, grading, archeological, geological or survey work as may be required for the preparation by Buyer of its development plans for the Property. Buyer must obtain Seller's permission, in writing, before any intrusive soil testing is performed. Buyer shall provide Seller with twenty-four (24) hours' notice prior to such entry. Prior to entry Buyer shall provide Seller with all certificates of insurance and additional insured endorsements in the amounts required by Seller, such as, but not limited to

commercial general, workers' compensation and automobile. Buyer agrees to keep the Property free and clear of any liens or encumbrances that may arise out of 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 including the preparation by Buyer of any plans or maps for the development or use of the Property, and the cost of filing, recording reports, plans, maps or other documents related thereto shall be at the sole cost and expense of and shall be paid by Buyer. Buyer hereby agrees to repair any damage done to the Property by Buyer, its agents, employees, servants or nominees, and Buyer shall restore the Property to the same or similar condition as existed on the Effective Date. Buyer shall not have any such obligation if Escrow closes and title to the Property vests in Buyer. The right to enter the Property shall be co-extensive with the period during which Escrow is open, or any extension thereof.

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

Buyer's above risk shall be capped at \$125,000. If the cost to remedy the above adverse conditions exceeds \$125,000, then the Parties agree to use their best efforts to adjust the sale price with their appropriate governing authorities. Buyer understands and agrees that approvals will be required from the City Council as Successor Agency to the Redevelopment Agency of the City of Riverside; the Riverside Countywide Oversight Board for the County of Riverside; and the State Department of Finance. If the Parties cannot agree upon and obtain approval for an adjustment from the relevant agencies and authorities, the Parties reserve their rights to reconsider this sale.

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

## **ARTICLE II**

### **PURCHASE PRICE, ESCROW, DEPOSIT AND BUYER'S OBLIGATIONS**

**2.1 Purchase Price.** The total purchase price to be paid by Buyer to Seller for the Property shall be the sum of One Million Two Hundred Seventy Thousand Dollars (\$1,270,000) ("**Purchase Price**"). The Purchase Price shall be payable to Seller in immediately available funds in accordance with the provisions and requirements of this Agreement.

**2.2 Escrow.** Within ten (10) days following the Effective Date, Seller shall open an escrow ("Escrow") with Stewart Title of California – Inland Empire Division, 7065 Indiana Avenue, Suite 100, Riverside, CA 92506 ("Stewart Title") as the Escrow Holder, for the purpose of consummating this Agreement. If the Parties are dissatisfied with Stewart Title, they may choose to select North American Title as the Escrow Holder. The parties hereto shall execute and

deliver to Escrow Holder such escrow instructions prepared by Escrow Holder as may be required to complete this transaction. Any such instructions shall not conflict with, amend, or supersede any provision of this Agreement. If there is any inconsistency between such instructions and this Agreement, this Agreement shall control.

2.3 **Deposit.** Within fifteen (15) calendar days following the opening of Escrow, Buyer shall deliver a deposit in the amount of Twenty-Five Thousand Dollars (\$25,000) ("Deposit") to the Escrow Holder which will be applied towards the Purchase Price at the Close of Escrow, subject however to the Seller's right to liquidated damages as set forth in Section 7.5 in the event of Buyer's default. After the Due Diligence Period, if Buyer has not terminated this Agreement as provided in Section 3.1 below, Buyer's Deposit shall become non-refundable but may still be applied towards the Purchase Price at the Close of Escrow. If this Agreement is terminated after Buyer's Due Diligence Period, the Deposit shall be released to Seller unless the parties agree to further extend the Agreement.

#### 2.4 **Buyer's Obligations During Escrow.**

2.4.1 Buyer shall submit an application(s) to the City of Riverside's ("City") Community & Economic Development Department, Planning Division ("Planning Division") for:

- (a) A tentative parcel map, tract map and/or lot consolidation as appropriate within twelve (12) months after the Effective Date
- (b) Design Review of Buyer's proposed development of the Project including specific site plan and preliminary elevations ("Project Design") within seven (7) months after the Effective Date;
- (c) Entitlements and environmental clearance for the Project including any conditional use permits ("Entitlements") within twelve (12); and

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

- (a) Within thirty-six (36) months from the Effective Date, Buyer shall have obtained all necessary Entitlements.
- (b) Within thirty-six (36) months following the Effective Date, Buyer shall provide proof of financing or cash equivalent equal to the construction cost of the Project as shown on Buyer's Development Pro-forma.

### **ARTICLE III CLOSING**

3.1 **Closing Date.** Escrow shall close within the earlier of thirty-six (36) months following the Effective Date ("Close of Escrow"), or Buyer has obtained its financing

commitments and entitlements. Close of Escrow is subject to Buyer completing all of Buyer's obligations as described in Section 2.4 above and in Section 3.2 below. If Escrow is not in a condition to close by the Close of Escrow, any party who is not then in default, upon notice in writing to the Escrow Holder and the other party, may demand the return of their documents and cancellation of the Escrow. Unless objected to in writing within ten (10) days from the receipt of the notice of cancellation, the Escrow will automatically be canceled. If no demand for cancellation is made, then Escrow will close as soon as possible. Notwithstanding the foregoing, the Close of Escrow may be extended by mutual agreement if the parties are diligently attempting to resolve the issue(s) that may be preventing or delaying the Close of Escrow.

### **3.2 Closing Documents.**

3.2.1 Seller, prior to the Close of Escrow, shall deliver to Escrow Holder each of the following items, the delivery of each of which shall be a condition to the performance by Buyer of its obligations under this Agreement:

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

3.2.2 Buyer, prior to the Close of Escrow, shall deliver to Escrow Holder each of the following items, the delivery of each of which shall be a condition to the performance by Seller of its obligations under this Agreement:

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

3.3 **Taxes.** Buyer understands and acknowledges that Seller, as a public entity, is not being assessed for any real property taxes or for any special assessments on the Property.

However, upon the Close of Escrow, Buyer understands and acknowledges that real property taxes and special assessments will be assessed against the Property and Buyer will be responsible for the same if Buyer is not eligible for tax exemption. Buyer agrees to hold Seller harmless for any and all real property taxes and/or special assessments on the Property assessed on and after Close of Escrow.

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

3.4.1 The Buyer is entering into this Agreement based upon the following representations of the Seller:

(a) The Seller represents and warrants that Seller is not a "foreign person" as defined in Section 1445 (f)(3) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder;

(b) Except as disclosed to Buyer in the preliminary title report from the Escrow Holder, Seller has not sold, leased, mortgaged, hypothecated or otherwise transferred all or any interest in the Property, nor has Seller entered into any contract or agreement to do so;

(c) Seller is not aware of any written notice of any litigation or governmental proceeding pending or threatened against Property except as expressly disclosed to Buyer in this Agreement, and the Exhibits hereto;

(d) Seller is not aware of any written notice from any governmental authority of any violation of any law applicable to Property except as expressly disclosed to Buyer pursuant to this Agreement and the Exhibits hereto;

(e) Seller is not aware of any unrecorded management, service, supply, maintenance or other agreements or contracts with respect to or affecting Property that would be binding upon the Buyer or Property after the Closing;

(f) Seller shall deliver Property at Closing vacant, free of leases and tenancies or any other encumbrances to title, unless the Buyer accepts such claims;

(g) Other than as disclosed in this Agreement, the Seller does not, and the Seller will not, on or before the Closing Date, violate any judicial order, writ, injunction or decree to which the Seller is a party or by which the Seller or Property is subject or bound;

(h) The Seller has conducted a good faith review of its files, books and records and documents relating to the environmental condition or governmental compliance of Property and has, to the best of the Seller's knowledge, made full and complete copies of said material available to the Buyer;

(i) Other than as disclosed to the Buyer in writing, to the best of the Seller's knowledge, the Seller is not aware of any material environmental contamination or other material facts that could lead to material environmental contamination or remediation on Property.

3.4.2 At the Closing, the Seller shall deliver to the Buyer a certificate (the "Bring-Down Certificate") stating that the representations and warranties contained in this Section remain true and correct as of the Closing Date in all material respects or stating any material variance therefrom as to which the Buyer has not consented or waived objection.

3.4.3 Between the date hereof and Closing:

(a) The Seller shall maintain and operate Property in substantially the same condition and manner as Property is now maintained and operated by the Seller, subject to reasonable wear and tear.

(b) The Seller will not pledge, sell or otherwise transfer or restrict the use of any "air" rights associated with or belonging to Property by virtue of and zoning resolution or any predecessor statutes.

(c) The Seller shall not willfully undertake or permit any activity that would render any of Seller's representations or warranties untrue or misleading in any material respect.

(d) Seller shall not enter into any leases, contracts or agreements that would affect Property post-Closing.

3.4.4 The Buyer represents and warrants to the Seller as follows:

(a) Buyer is a business organization that has been duly organized and is validly existing and in good standing in the state in which was formed, and it is qualified to do business in the state of California;

(b) this Agreement and all closing documents to be executed by the Buyer at or prior to closing will be duly authorized, executed and delivered by Buyer;

(c) this Agreement and all documents executed by Buyer will not violate any provision of any agreement or judicial order to which Buyer is a party or to which Buyer is subject;

(d) Buyer has not made a general assignment for the benefit of creditors or filed a voluntary petition in bankruptcy or suffered the appointment of a receiver or the attachment or other judicial seizure of any of its assets; and

(e) Buyer has deposited the Deposit with the Escrow Holder; and

(f) Buyer has conducted its own independent investigation of Property and has investigated or been provided with the opportunity to investigate all matters relating to title, all governmental and other legal requirements such as taxes, assessments, and zoning, the physical condition and aspects of Property, including any geo-technical and environmental conditions of Property, any easements or access rights affecting Property, and all other matters of material significance affecting Property, and that Buyer is purchasing Property based upon its own independent investigations of Property consistent with the provisions of this Agreement and all other agreements to be executed at Closing.

Except for those representations, warranties, or statements made by Seller specifically set forth in this Agreement or any other agreement executed in connection with the Closing, the Buyer

has not been induced by, and has not relied upon, any representation, warranty, promise or statement made by Seller or any of its representatives.



### 3.5 Costs.

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

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

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

## ARTICLE IV "AS-IS" PURCHASE

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

4.2 **As-Is Property.** On the Close of Escrow, Buyer will be familiar with the Property and will have made such independent investigations as Buyer deems necessary or appropriate concerning the Property. Seller makes no representations or warranties and specifically disclaims any representation, warranty or guaranty, oral or written, past, present or future with respect to the use, physical condition or any other aspect of the Property, including without limitation the structural integrity of any improvements, the manner, construction, condition, state of repair or lack of repair of any improvements, the conformity of any improvements to any plans or specifications, including but not limited to, any plans and specifications that may have been or which may be provided to Buyer, the conformity of the Property to past, current or future applicable zoning or building code requirements or the compliance with any other laws, rules, ordinances, or regulations of any government or other body, the financial earning capacity or expenses history of the operation of the Property, the nature and extent of any right-of-way, lease, possession, lien, encumbrance, license, reservation, condition, or otherwise, the existence of soil instability, past soil repairs, soil additions or conditions of soil fill, susceptibility to landslides, sufficiency of undershoring, sufficiency of drainage, whether the Property is located wholly or partially in a flood plain or a flood hazard boundary or similar area, the existence or nonexistence of hazardous waste or other toxic materials of any kind, whether known or unknown and whether or not regulated or governed by applicable laws (including, without limitation, hydrocarbons or asbestos), or any other matter affecting the condition, stability, suitability or integrity of the Property or portion thereof. Notwithstanding Seller's disclaimer outlined herein, nothing in this disclaimer diminishes or eradicates the Entitlements that Buyer obtains from the appropriate regulatory authorities which include and are not limited to zoning, parcel maps, condominium maps, and other necessary permits and approvals to purchase and develop the Property.

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

4.4 **As-Is.** BUYER EXPRESSLY ACKNOWLEDGES AND AGREES THAT THE PROPERTY IS BEING SOLD AND ACCEPTED ON AN "AS-IS, WHERE-IS" BASIS, AND IS BEING ACCEPTED WITHOUT ANY REPRESENTATION OR WARRANTY. IF BUYER ELECTS TO PROCEED WITH THE PURCHASE OF THE PROPERTY, ANY OBJECTIONS WHICH BUYER MAY HAVE WITH RESPECT TO THE PROPERTY (INCLUDING, WITHOUT LIMITATION, ANY ENVIRONMENTAL MATTERS, HAZARDOUS SUBSTANCES, WASTES OR TOXIC MATERIALS THAT MAY BE LOCATED ON, UNDER OR ABOUT THE PROPERTY, WHETHER KNOWN OR UNKNOWN) SHALL BE WAIVED BY BUYER, EXCEPT AS SPECIFIED IN SECTION 1.7.

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

**ASSUMES ALL RESPONSIBILITY FOR ANY CONTAMINATION THAT IS PRESENT ON THE PROPERTY DUE TO PRIOR AND/OR EXISTING USES OF THE PROPERTY, CONSISTENT WITH THE PROVISIONS OF SECTION 1.7.**

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

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

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

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



Buyer's Initials

**ARTICLE V**  
**REPRESENTATIONS, WARRANTIES AND INDEMNITIES**

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

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

5.1.2 There are no attachments, claims, assignments for the benefit of creditors, receiverships, conservatorships or voluntary or involuntary proceedings in bankruptcy or any other debtor relief actions contemplated by Seller or filed by Seller, or to the best of Seller's knowledge, pending in any current judicial or administrative proceeding against Seller or otherwise affecting the Property.

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

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

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

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

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

5.2.2 There are no attachments, assignments for the benefit of creditors, receiverships, conservatorships or voluntary or involuntary proceedings in bankruptcy or any other debtor relief actions contemplated by Buyer or filed by Buyer, or to the best of Buyer's knowledge, pending in any current judicial or administrative proceeding against Buyer.

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

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

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

### **6.1 Buyer's Obligations After the Close of Escrow.**

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

6.1.2 Buyer shall commence construction of the Project no later than three hundred and sixty (360) days after Close of Escrow, subject to force majeure delays (including, without limitation, acts of destruction by nature). Failure to commence construction or start grading as required herein shall result in the payment of a Five Hundred Dollar (\$500) per diem penalty by Buyer to the Seller for failure to commence construction within three hundred and eighty (360) days from the Close of Escrow. Notwithstanding the foregoing, upon mutual written agreement of the parties, the construction commencement deadline may be extended for up to three (3) months.

6.1.3 Buyer shall substantially complete construction of the Project within thirty-six (36) months following the commencement of construction, subject to Force Majeure delays. Substantial completion of construction shall be signaled by the issuance of a Temporary Certificate of Occupancy. Failure to substantially complete construction as required herein shall result in the payment of a Five Hundred Dollar (\$500) per diem penalty by Buyer to the Seller for failure to substantially complete construction within thirty-six (36) months from the Close of Escrow. Notwithstanding the foregoing, upon mutual written agreement of the parties, the construction deadline may be extended for up to three (3) months.

6.1.4 Force Majeure shall mean that schedules shall provide for extensions of time in performance for delays caused by reasons beyond the control of the parties, including without limitation: unavailable labor, material shortages, acts of destruction by nature or inclement weather; war or terrorism, riots, civil unrest, strikes, embargos, damage to work in progress by reason of fire, theft, or other casualty or loss; entitlement challenges, loss of funding, severely adverse economic cycles or economic downturns, delays in receiving materials or unavailable

materials, acts of God, discovery of new or unknown contaminants which prevent work, or unusual and unexpected delays in approval by any State or Federal agency. The time for performance as specified in this Agreement shall be appropriately and reasonably extended by the time of the delay resulting from such specific event and the time reasonably required to resume the work.

## **ARTICLE VII DEFAULTS**

7.1 **Default.** A party shall be deemed in default hereunder if any of the warranties or representations set forth herein are or become untrue or if it fails to meet, comply with, or perform any covenant, agreement, or obligation on its part required within the time limits and in the manner required in this Agreement for any reason other than a default by the other party hereunder or termination of this Agreement prior to Close of Escrow.

7.2 **Opportunity to Cure.** No act, failure to act, event or circumstance which might be deemed to be a default by either party shall be deemed to be a default under any of the provisions of this Agreement, unless and until, notice thereof is first given by the non-defaulting party to the party alleged to be in default and said party fails to commence to cure the alleged default within thirty (30) days in the case of a non-monetary default (or, if the event of default is such that cannot be cured within thirty (30) days, the party shall be entitled to commence the cure within such time and thereafter diligently prosecute it to completion), or fifteen (15) days in the case of a monetary default.

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

7.4 **Liquidated Damages.** BUYER AND SELLER AGREE THAT AT THE TIME THIS AGREEMENT IS MADE AND ENTERED INTO, SELLER'S DAMAGES UPON DEFAULT BY BUYER UNDER THIS AGREEMENT ARE EXTREMELY DIFFICULT OR IMPOSSIBLE TO CALCULATE AND BUYER AND SELLER AGREE THAT THE AMOUNT OF LIQUIDATED DAMAGES SET FORTH HEREIN IS A REASONABLE ESTIMATE UNDER THE CIRCUMSTANCES EXISTING AT THE TIME THIS AGREEMENT IS MADE OF THE DAMAGES SELLER WOULD SUSTAIN BECAUSE OF SUCH DEFAULT BY BUYER UNDER THIS AGREEMENT. FURTHER, BUYER DESIRES TO HAVE A LIMIT PLACED ON THE AMOUNT OF DAMAGE TO BE PAID TO SELLER UPON BUYER'S DEFAULT. BUYER HEREBY AGREES THAT SHOULD BUYER DEFAULT IN THE PERFORMANCE OF BUYER'S OBLIGATION PRIOR TO THE CLOSE OF ESCROW, SELLER SHALL BE ENTITLED TO THE SUM OF TWENTY-FIVE THOUSAND DOLLARS (\$25,000) AS LIQUIDATED DAMAGES FROM BUYER. THE FOREGOING PROVISIONS OF THIS SECTION 7.5 CONSTITUTE THE SOLE AND EXCLUSIVE MONETARY REMEDY AVAILABLE TO SELLER AS A



**RESULT OF A DEFAULT BY BUYER OF ITS OBLIGATIONS UNDER THIS AGREEMENT PRIOR TO CLOSE OF ESCROW. THE PROVISIONS OF THIS SECTION 7.5 DO NOT LIMIT ANY DAMAGES DUE SELLER BY REASON OF BUYER'S ENTRY ONTO THE PROPERTY PURSUANT TO SECTION 1.6.**

EdA LR  
Buyer's Initials

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

### **ARTICLE VIII MISCELLANEOUS**

- 8.1 **Exhibits.** All Exhibits annexed hereto are a part of this Agreement for all purposes.
- 8.2 **Assignability.** Buyer may not at any time assign any of its rights, title, and interest in and to this Agreement, other than to an affiliate of Buyer.
- 8.3 **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of Seller and Buyer, and their respective successors, heirs and permitted assigns.
- 8.4 **Captions.** The captions, headings, and arrangements used in this Agreement are for convenience only and do not in any way affect, limit, amplify, or modify the terms and provisions hereof.
- 8.5 **Number and Gender of Words.** Whenever herein the singular number is used, the same shall include the plural where appropriate, and words of any gender shall include each other gender where appropriate.
- 8.6 **Notices.** All notices, terminations, waivers and other communications hereunder shall be in writing and shall be delivered personally or shall be sent by registered or certified United States mail or a nationally recognized, overnight courier service, postage prepaid, and addressed as follows:

If to Seller:

City of Riverside  
Real Property Services Division  
3900 Main Street  
Riverside, CA 92522  
Attn: David Welch, Community and Economic  
Development Director  
Phone: (951) 826-5665  
Email: [dwelch@riversideca.gov](mailto:dwelch@riversideca.gov)

If to Buyer:

Grapevine Economic Development Fund, Inc.  
15301 Ventura Blvd., Bldg. B, Suite 490  
Sherman Oaks, CA 91403  
Attn: Leticia Lazo-Acevedo  
Phone: (818) 285-8137  
Fax: (818) 935-6461  
Via Email: [leti@grapevinedevelopment.com](mailto:leti@grapevinedevelopment.com)  
With copy to: [fili@grapevinedevelopment.com](mailto:fili@grapevinedevelopment.com)

Any notice in accordance herewith shall be deemed received when delivery is received or refused, as the case may be. Additionally, notices may be given by telephone facsimile transmission, provided that an original of said transmission shall be delivered to the addressee by a nationally recognized overnight delivery service on the business day following such transmission. Telephone facsimiles shall be deemed delivered on the date of such transmission.

**8.7 Governing Law and Venue.** The laws of the State of California shall govern the validity, construction, enforcement, and interpretation of this Agreement. All claims, disputes and other matters in question arising out of or relating to this Agreement, or the breach thereof, shall be decided by proceedings instituted and litigated in the state court in the County of Riverside, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county.

**8.8 Entirety.** This Agreement embodies the entire agreement between the parties and supersedes all prior written or oral agreements and understandings, if any, between them concerning the subject matter contained herein. There are no representations, agreements, arrangements, or understandings, oral or written, between the parties hereto, relating to the subject matter contained in this Agreement which are not fully expressed herein.

**8.9 Amendments.** This Agreement may be amended or supplemented only by written documents signed by the parties. Any amendment to reduce or modify the sales price will require the prior approval of the Riverside Countywide Oversight Board for the County of Riverside.

**8.10 Severability.** If any of the provisions of this Agreement, or its application to any party or circumstance, is held to be illegal, invalid, or unenforceable under present or future laws, such provision shall be fully severable. This Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of this Agreement and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement. In lieu of such illegal, invalid, or unenforceable provision, there shall be added automatically as a part of this Agreement, a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible to make such provision legal, valid, and enforceable.

**8.11 Further Acts.** In addition to the acts and deeds recited herein and contemplated and performed, executed and/or delivered by Seller and Buyer, Seller and Buyer agree to perform, execute and/or deliver or cause to be performed, executed and/or delivered at the Close of Escrow



or after the Close of Escrow any and all such further acts, deeds, and assurances as may be necessary to consummate the transactions contemplated herein.

8.12 **Construction.** No provision of this Agreement shall be construed in favor of, or against, any particular party by reason of any presumption with respect to the drafting of this Agreement; both parties, being represented by counsel, having fully participated in the negotiation of this instrument.

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

8.14 **Waiver of Covenants, Conditions or Remedies.** The waiver by one party of the performance of any covenant, condition or promise, or of the time for performing any act under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by such party of any other covenant, condition or promise, or of the time for performing any other act required under this Agreement. The exercise of any remedy provided in this Agreement shall not be a waiver of any other remedy provided by law, and the provisions of this Agreement for any remedy shall not exclude any other remedies unless they are expressly excluded.

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

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

8.17 **CEQA Compliance.** Buyer and Seller understand, acknowledge and agree that the close of this escrow is contingent upon compliance with the California Environmental Quality Act ("CEQA"). Both Parties agree to timely cooperate in the CEQA process.

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

(signatures on following page)

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

**Seller:**

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


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

Al Zelinka  
City Manager, on behalf of  
the Successor Agency to the  
Redevelopment Agency of the  
City of Riverside

**Buyer:**

GRAPEVINE ECONOMIC  
DEVELOPMENT FUND, INC.,  
a California corporation

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

  
Name: Leticia Lazo-Acevedo  
Title: Chair

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

  
Name: Ruben Romero  
Title: Secretary

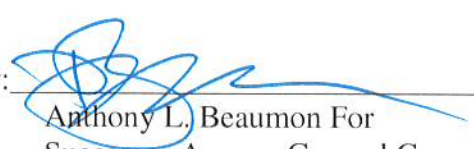
**ATTESTED TO:**

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

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

**APPROVED AS TO FORM:**

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

  
Anthony L. Beaumont For  
Successor Agency General Counsel

18-0303 ALB 3/23/18

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**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

## EXHIBIT "A"

APN's: 211-131-021, -022, -023, -024, -026, -031 and -032

### Parcel "A"

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

Lot 24 together with Lots 25 through 32 in Block 11, Map of Whites Addition, as shown by map on file in Book 6 of Maps, at Page 48 thereof, Records of San Bernardino County, California;

**Excepting therefrom** the southwesterly 10.50 feet, measured at right angles, of said Lots 24 through 28, and Lot 30 in Block 11 of said Map of Whites Addition;

**Also excepting therefrom** those portions of said Lots 31 and 32, described in Grant Deed to the City of Riverside, a Municipal Corporation, recorded October 3, 1981, as Instrument No. 204583, Official Records of Riverside County, California;

**Also excepting therefrom** that portion of said Lot 29, described in Grant Deed to the City of Riverside, a Municipal Corporation, recorded November 17, 1989, as Instrument No. 404230, Official Records of Riverside County, California.

Containing 81,138 S.F. more or less

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

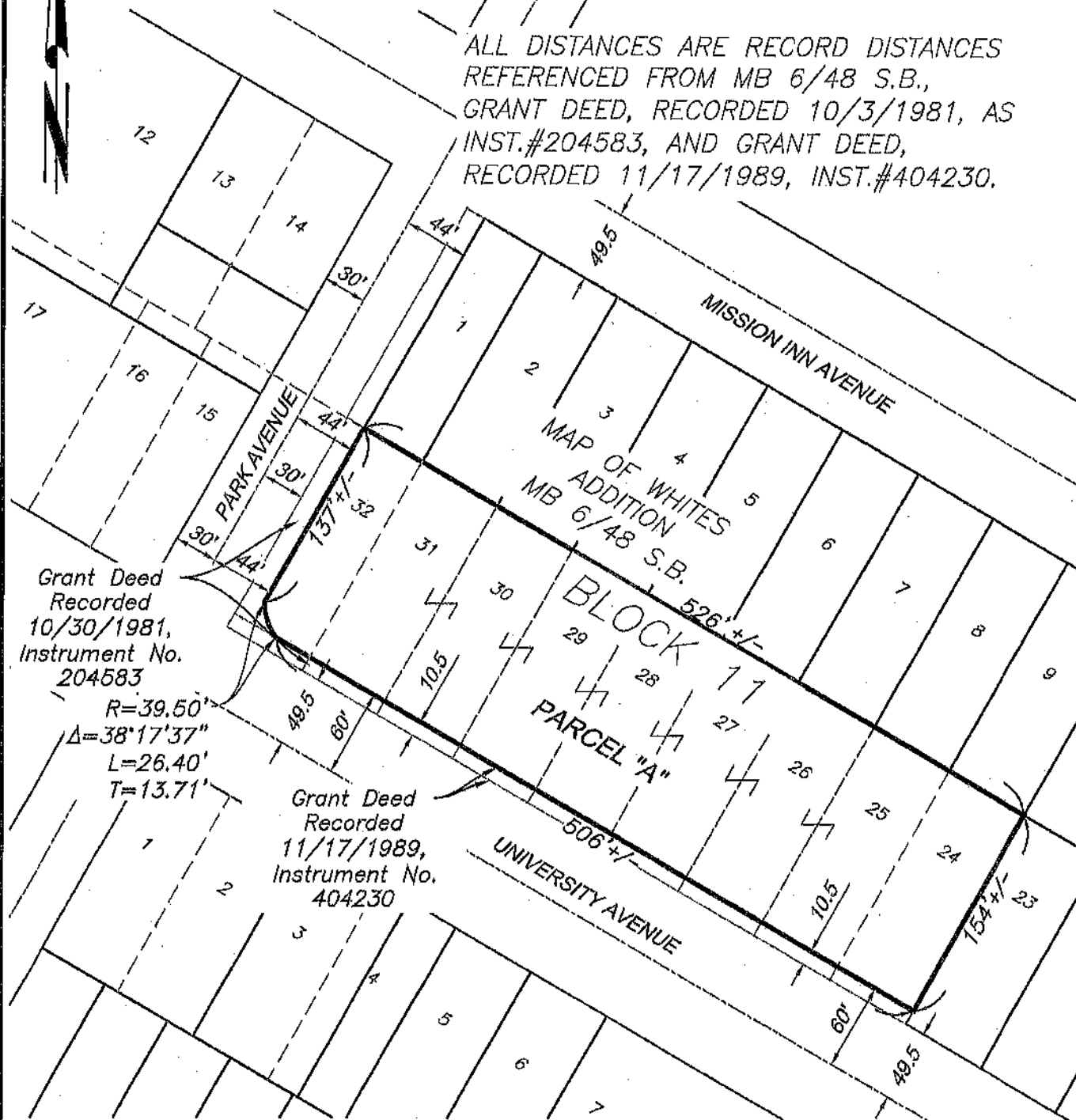
  
Curtis C. Stephens, L.S. 7519

5/28/19 Prep. DBW  
Date



**EXHIBIT "B"**  
**PLAT MAP**

ALL DISTANCES ARE RECORD DISTANCES  
 REFERENCED FROM MB 6/48 S.B.,  
 GRANT DEED, RECORDED 10/3/1981, AS  
 INST.#204583, AND GRANT DEED,  
 RECORDED 11/17/1989, INST.#404230.



• CITY OF RIVERSIDE, CALIFORNIA •

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

SHEET 1 OF 1

SCALE: 1" = 100' DRAWN BY: DBW DATE: 5/28/19

SUBJECT: University Avenue/Park Avenue Project