

PURCHASE AND SALE AGREEMENT

(Property Address)

[Buyer's Name]

This Purchase and Sale Agreement ("Agreement") is entered into this ____ day of _____, 2021 ("Effective Date"), by and between the CITY OF RIVERSIDE, a California charter city and municipal corporation ("City" or "Seller") and [Buyer's name, entity type] ("Buyer"). City and Buyer are sometimes collectively referred to as the "Parties." In consideration of the mutual covenants and agreements, the parties agree to the terms and conditions as set forth below.

ARTICLE I AGREEMENT OF SALE

[Sections not relevant to the Local Preference proposal have been omitted]

ARTICLE VI BUYER'S OBLIGATIONS AFTER CLOSE OF ESCROW/ RIGHT OF REPURCHASE OPTION

6.1 Buyer Obligations Following Close of Escrow.

6.1.1 Development of the Property

6.1.1.1 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 Titles 19 and 20 of the Riverside Municipal Code as applicable.

6.1.1.2 Buyer shall obtain the required permits and commence construction of the Project no later than one hundred eighty (180) days after Close of Escrow, subject to Permitted Delays (as defined below). A "Permitted Delay" shall be any delays due to war, terrorism, invasion, insurrection, sabotage, inability to procure or general shortage of labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes or other labor disturbances, walk-outs, bankruptcy of any contractor being utilized by Buyer, riots, floods, earthquakes, fires, casualties, acts of God, adverse weather, judicial decisions, any act or failure to act by Sellers or Sellers' representatives, or any similar basis for excused performance which is not within the reasonable control of Buyer.

6.1.1.3 Buyer shall complete the construction of the Project within twenty-four (24) months after the commencement of construction of the Project, subject to Permitted Delays. Completion shall be defined as the Buyer receiving a Certificate of Occupancy from the City of Riverside - Building and Safety Division for the Project. Notwithstanding the foregoing and without limiting any extensions required for, upon mutual written agreement of the parties,

the construction deadline may be extended for up to three (3) months upon mutual agreement of Buyer and the Sellers.

6.1.2 Local Hiring Compliance

6.1.2.1 Buyer shall comply with all provisions of Resolution no. [#####] during construction of the Project. Buyer shall make good faith efforts to employ qualified local individuals in sufficient numbers so that no less than thirty (30) percent of the workforce, measured in labor hours, is comprised of local individuals for the construction of the Project.

6.1.2.2 “Local individual” shall mean an individual with a permanent residence within a 20-mile radius of the center of the City of Riverside.

6.1.2.3 “Good faith efforts” includes, but is not limited to: (1) Contacting and engaging local hiring halls and reputable recruitment sources, such as the American Jobs Center, to identify qualified local individuals; (2) Advertising available jobs in trade papers and newspapers of general circulation within the City of Riverside; (3) Providing ongoing assistance to local individuals in completing job application forms; (4) Conducting or participating in a job application workshop within the City of Riverside to assist the community in applying and interviewing for jobs in the contracting industry; (5) Conducting job interviews within 20 miles of the real property; and (6) Any other means of obtaining employees who are local individuals that are reasonably calculated to comply with the goals of this section.

6.1.2.4 Reports. No less than semi-annually, beginning upon the date of the issuance of the first building permit for construction, Buyer shall submit to the City’s Community and Economic Development Department, reports showing that either the thirty (30) percent local individuals hiring goal has been met, or that Buyer has made good faith efforts to reach that goal during the period covered by the report. Reports shall include the total number of employees hired, the total number of labor hours for the Project to date, the number local individuals hired, as defined in section 6.1.2.3, the total number of labor hours completed by local individuals, the name and address of each local individual hired, and the occupation or trade of each local individual hired. All reports shall be signed by Buyer under penalty of perjury.

6.1.2.5 Buyer shall have the right to determine the competency of all individuals hired, the number of employees required, the duties of such employees within their occupation, and shall have the right to reject an applicant for any reason; however, Buyer shall exercise this right in good faith and not for the purpose of avoiding the provisions of this section. Buyer shall retain records documenting reasons for rejection of local applicants and make them available for review by the City upon request.

6.1.2.6 Nothing in this section shall preclude Buyer from advertising regionally or nationally for employees in addition to its local outreach efforts.

6.1.2.7 The provisions of this section shall apply to the construction of the Project until the final certificate of occupancy for the Project has been issued by the City.

6.1.3 Skilled and Trained Workforce Compliance

6.1.3.1 Buyer shall comply with all provisions of Resolution no. [#####] during construction of the Project. Buyer shall work with area State certified apprenticeship programs to use a Skilled and Trained Workforce during the construction of the Project. Buyer shall has committed to employ a Skilled and Trained Workforce in sufficient numbers so that no less than [insert percentage] percent of the workforce, measured in labor hours, is comprised of individuals meeting the definition of Skilled and Trained Workforce for the construction of the Project. This shall apply only to apprenticeable occupations involved in the proposed construction for which there are State certified apprenticeship programs.

6.1.3.2 For the purposes of this section, “skilled and trained workforce” shall have the same meaning as is stated in Public Contract Code section 2601, except that any listed percentage thresholds in section 2601 shall not be mandatory for purposes of this Agreement.

6.1.3.2 Reports. No less than semi-annually, beginning upon the date of the issuance of the first building permit for construction, Buyer shall submit to the City’s Community & Economic Development Department, reports showing compliance with this section. The report shall demonstrate that Buyer has substantially complied with this section throughout the period covered by the report. Reports shall include the total number of skilled journeymen and apprentices hired in apprenticeable occupations, list by name and occupation the skilled journeymen hired and whether the journeyman is a graduate of a State certified apprenticeship program; list by name and occupation, the apprentices enrolled in a State certified apprenticeship program hired, and list all area State certified apprenticeship programs with which Buyer has worked with to meet the requirements of this Section.

6.1.3.3 Buyer shall have the right to determine the competency of all individuals hired, the number of employees required, the duties of such employees within their occupation, and shall have the right to reject an applicant for any reason; however, Buyer shall exercise this right in good faith and not for the purpose of avoiding the provisions of this section. Buyer shall retain records documenting reasons for rejection of local applicants and make them available for review by the City upon request.

6.1.3.4 Nothing in this section shall preclude Buyer from advertising regionally or nationally for employees in addition to its skilled and trained workforce outreach efforts.

6.1.3.5 The provisions of this section shall apply to the construction of the Project until the final certificate of occupancy for the Project has been issued by the City.

6.2 Sale to a Tax-Exempt Entity Prohibited. Buyer is prohibited from selling or transferring the Properties to any entity that is exempt from paying real property taxes.

ARTICLE VII DEFAULTS/LIQUIDATED DAMAGES

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 Closing.

7.2 **Opportunity to Cure.** No act, failure to act, event or circumstance which might be deemed to be a default by either party shall be deemed to be a default under any of the provisions of this Agreement, unless and until, notice thereof is first given by the non-defaulting party to the party alleged to be in default and said party fails to cure the alleged default within fifteen (15) days in the case of a non-monetary default, or five (5) days in the case of a monetary default.

7.3 **Remedies.** If Buyer is deemed to be in default hereunder, the Sellers shall be entitled to termination of this Agreement, at its discretion. Buyer's Default. If Buyer is deemed to be in default hereunder, prior to Close of Escrow, the Sellers shall be entitled to termination of this Agreement and shall retain the Deposit as liquidated damages as set forth in Section 7.5 below or may charge Buyer liquidated damages for Defaults arising under sections 7.5.1.

7.4 **Waiver of Right to Specific Performance.** If the Sellers fail to convey the Properties to Buyer in accordance with the provisions of this Agreement (other than an intentional refusal by Sellers to consummate its obligations hereunder), and such failure constitutes a default under this Agreement, Buyer hereby waives its right to receive any equitable relief, including without limitation the right to record a lis pendens against the Properties under applicable law or to pursue the specific performance of this Agreement.

7.5 **Liquidated Damages.** **THE PARTIES AGREE THAT AT THE TIME THIS AGREEMENT IS MADE AND ENTERED INTO, THE SELLERS DAMAGES UPON DEFAULT BY BUYER UNDER THIS AGREEMENT ARE EXTREMELY DIFFICULT OR IMPOSSIBLE TO CALCULATE AND BUYER AND THE SELLERS 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 THE SELLERS 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 THE SELLERS UPON BUYER'S DEFAULT. BUYER HEREBY AGREES THAT SHOULD BUYER DEFAULT IN THE PERFORMANCE OF BUYER'S OBLIGATION TO CLOSE THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT, OR TO PERFORM ANY OTHER OBLIGATIONS AFTER CLOSE OF ESCROW THE SELLERS SHALL BE ENTITLED TO COLLECT THE SUM REPRESENTING THE AMOUNT OF THE DEPOSIT AND REASONABLE ATTORNEY'S FEES INCURRED BY SELLER 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. THE PROVISIONS OF THIS SECTION 7.5 DO NOT LIMIT ANY**

DAMAGES DUE SELLER BY REASON OF BUYER’S ENTRY ONTO THE PROPERTIES PURSUANT TO SECTION 1.4. OR THE SELLERS RIGHT OF REPURCHASE. BUYER AGREES TO DELIVER, ON WRITTEN REQUEST OF THE SELLERS, SUCH INSTRUCTIONS AS MAY BE REASONABLY NECESSARY TO CAUSE THE ESCROW HOLDER TO DELIVER THE DEPOSIT TO THE SELLERS.

Buyer's Initials

Sellers Initials

7.5.1 Local Hiring/ Skilled and Trained Workforce Program Liquidated Damages. Failure of Buyer to comply with the provisions of section 6.1.2 (Local Hiring Compliance) and 6.1.3 (Skilled and Trained Workforce Compliance) will result in damages being sustained by City. Such damages are, and will continue to be, impracticable and extremely difficult to determine. For each semi-annual report that Buyer fails to comply with sections 6.1.2 or 6.1.3, Buyer shall pay to City, the sum of Twenty-Five Thousand Dollars (\$25,000) for each violation of 6.1.2 and 6.1.3. Execution of this Agreement shall constitute agreement by City and Buyer that said sum is the minimum value of the costs and actual damage caused by the failure of Buyer to comply. Such sum is liquidated damages and shall not be construed as a penalty, and will be owed to the City upon City’s notice to Buyer.

Buyer's Initials

Sellers Initials

[Remaining sections not relevant to the Local Preference proposal have been omitted]