

CITY OF REDLANDS

AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS

THIS AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS ("Agreement"), dated October 3, 1995, ("Effective Date") is made and entered into by and between Filemon Landeros ("Buyer"), and the City of Redlands Redevelopment Agency ("Seller") (sometimes herein collectively referred to as the "Parties").

RECITALS

A. Whereas, Seller owns certain real property located along North Orange Street in the City of Redlands (the "City"), San Bernardino County, California, which is more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Property"); and

B. Whereas, Seller agrees to sell to Buyer and Buyer agrees to buy from Seller the Property on and subject to the terms and conditions contained herein;

NOW THEREFORE, in consideration of the mutual promises contained herein, the Parties hereto do hereby agree as follows:

AGREEMENT

1. PURCHASE PRICE

The purchase price for the Property shall be One Hundred Seventeen Thousand Seven Hundred Dollars (\$117,700) (the "Purchase Price").

1.1 **Deposit.** Buyer shall deposit into Escrow the sum of Ten Thousand Dollars (\$10,000) at the Opening of Escrow as an earnest money deposit. This initial deposit shall be placed in an interest bearing account and any interest earned thereon shall be for the benefit of the Buyer.

1.2 **Balance of Cash.** At least one business day prior to the Close of Escrow, Buyer shall deposit the sum of One Hundred Seven Thousand Seven Hundred Dollars (\$107,700) into escrow which equals the Purchase Prices less the Deposit described in Section 1.1.

2. TITLE TO PROPERTY

Seller shall, at the Close of Escrow, by grant deed convey to Buyer good and marketable fee title to the Property as evidenced by a Standard form A.L.T.A. Joint Protection Policy of Title

Insurance in an amount equal to the Purchase Price of the Property issued by Commonwealth Title Company (the "Title Company") showing title vested in Buyer subject to the exceptions to title approved by Buyer pursuant to Section 3.1 below. Seller shall be responsible for the premium for the standard policy of title insurance. Any additional endorsements or policy coverage requested by Buyer shall be at Buyer's sole cost and expense.

3. CONDITIONS OF PURCHASE

Buyer's obligation to perform this Agreement and acquire the Property shall be subject to the satisfaction of the following conditions, which are for Buyer's benefit only. In the event any of the following contingencies are not satisfied within the specified time limit(s), Buyer may, at its sole option, either waive such conditions or terminate this Agreement.

3.1 Approval of Title. Promptly after execution of this Agreement by Seller and Buyer, Escrow Holder shall deliver to Buyer a current preliminary title report ("PTR") covering the Property from the Title Company. Buyer shall have seven (7) days after receipt of the PTR to approve or disapprove the status of title to the Property as disclosed in the PTR. Any disapproval of status of title shall be within the reasonable discretion of Buyer and shall be limited to monetary encumbrances and covenants, conditions, restrictions, and easements of record which adversely affect the intended use of the Property. Any exception not disapproved in writing within the seven (7) day period shall be deemed approved by Buyer, and shall constitute a permitted exception hereunder. Any objection to a title exception shall be in writing, and Seller shall thereafter have seven (7) days within which to use reasonable efforts to cure or to provide assurance of the cure of the title defect and cause such item to be removed from the title policy to be issued at Close of Escrow. The term "reasonable efforts," as used in this Paragraph 3.1, shall not include any obligation of Seller to spend any money or to file a lawsuit or maintain any legal action to correct any exceptions within the seven (7) day period. Seller shall notify Buyer, in writing, of any disapproved title exceptions which Seller is unable to cause to be removed prior to or at Closing. Buyer shall then, within five (5) business days thereafter, elect by giving written notice to Seller and Escrow Holder (i) to terminate this Agreement, or (ii) to waive its disapproval of such exceptions, in which case such exceptions shall then be deemed to be permitted exceptions. Buyer's failure to give such notice shall be deemed an election to terminate this Agreement. In the event Buyer elects to terminate this Agreement, both Parties shall be relieved from any further liabilities and/or obligations under this Agreement.

3.2 Inspections. Buyer or Buyer's agent shall have the right to physically inspect and perform such tests, including an environmental investigation, and to perform such zoning and economic feasibility and suitability studies (hereinafter collectively "Inspections") on the Property as Buyer deems necessary. All Inspections shall be done at Buyer's sole cost and expense. Upon completion of such Inspections, the Property shall be returned to its original condition. Buyer shall have the right, in the exercise of its good faith discretion, to approve or disapprove of the condition of the Property as disclosed in such Inspections within ten (10) days from the Effective Date of this Agreement. Any disapproval of the condition of the Property shall be in writing and given to Seller

within such ten (10) day period. In the event Buyer does not disapprove the condition of the Property within the ten (10) day period, this condition shall be deemed waived. In the event Buyer disapproves the condition of the Property within the ten (10) day period, this Agreement shall terminate and the Parties shall be relieved from any further liabilities and/or obligations under this Agreement.

4. ESCROW

4.1 Opening. The purchase and sale of the Property shall be completed through an escrow ("Escrow") to be opened at the Redlands office of Guardian Escrow, or other escrow company mutually acceptable to the Parties (the "Escrow Holder"). Within five (5) days after the mutual execution of this Agreement, Buyer or Seller shall deposit with the Escrow Holder one fully executed counterpart of this Agreement, which shall constitute the Escrow instructions along with any additional Escrow instructions executed by the Parties pursuant to Section 5.5 of this Agreement. The date of delivery to Escrow Holder of such fully executed counterpart shall be deemed the opening of escrow ("Opening of Escrow") and Escrow Holder shall notify Buyer and Seller in writing of the Opening of Escrow date, the date set for Close of Escrow, and its acceptance of the escrow instructions.

4.2 Closing. Escrow shall close, if at all, on or before the date which is fifteen (15) days from the date of Opening of Escrow.

4.3 Costs. Seller shall pay all the usual Escrow costs and charges normally paid by a seller in an escrow closing in San Bernardino County, including without limitation one-half of the Escrow fee and the premium for the title insurance policy to be delivered to Buyer. Buyer shall pay one-half of the Escrow fee and such other costs and charges normally paid by a Buyer in an escrow closing in San Bernardino County.

4.4 Prorations. Current real property taxes, bonds and assessments shall be prorated at the date of recordation of the deed, on the basis of a thirty (30) day month.

4.5 Additional Documents. Buyer and Seller shall execute such additional Escrow instructions as Escrow Holder may reasonably require to act as Escrow Holder, but in no event shall said additional Escrow instructions increase the rights of one party against the other party hereto or modify the terms and conditions of this Agreement.

4.6 Delivery of Documents. Escrow Holder to prepare the Grant Deed and Buyer shall deliver the Purchase Price to Escrow Holder at least one (1) business day prior to the Close of Escrow.

4.7 Vesting. Unless otherwise agreed by the Parties in escrow, title shall vest at Close of Escrow in the name of Filemon Landeros.

5. RIGHT OF ENTRY

Buyer, his agents and employees, are hereby granted the right at all reasonable times during Escrow to enter on the Property for the purpose of conducting fair market appraisals, physical inspections, environmental investigations and such other studies and surveying work as Buyer may reasonably require. At least forty-eight (48) hours prior to entry, Buyer shall notify Seller, in writing, of its intention to do so. Buyer agrees to keep the Property free from all liens and to indemnify, defend and hold harmless Seller from all loss, liability, damage, cost and expense (including, but not limited to, attorneys' fees and costs) incurred, suffered by, or claimed against Seller by reason of any actual damage to the Property or injury to persons caused by Buyer and/or its agents, employees or contractor in exercising its rights above. This indemnity shall survive the Closing or any termination of this Agreement.

6. SELLER'S REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGEMENTS

Seller hereby makes the following representations, warranties, and acknowledgements and agrees that such representations, warranties and acknowledgements shall survive the Close of Escrow.

6.1 Seller has full right, power, and authority to execute this Agreement and to convey fee simple title to the Property to Buyer as provided herein.

6.2 Seller is not a foreign person under Section 1445 Internal Revenue Code and will execute a Certificate of Non-foreign status and deposit same into the Escrow prior to the Close of Escrow.

6.3 Except as otherwise disclosed in this Agreement or disclosed in any reports to be delivered hereunder, Seller has no actual knowledge of any violations or alleged violations of any federal, state, county or other governmental or quasi governmental law, statute, ordinance, regulation or administrative or judicial order with respect to the Property.

6.4 This Agreement has been duly executed by Seller and constitutes the valid and binding Agreement of Seller enforceable against Seller in accordance with its terms.

7. BUYER'S REPRESENTATIONS AND WARRANTIES

Buyer hereby makes the following representations, warranties, and acknowledgments and agrees that such representations, warranties and acknowledgements shall survive the Close of Escrow.

7.1 Buyer hereby represents and warrants that the person executing this Agreement has the full authority and power to enter into this Agreement on behalf of Buyer to purchase the Property from Seller, and to take all actions required of it by the terms of this Agreement.

7.2 All the documents executed by Buyer which are to be delivered to Seller at the Close of Escrow will be duly authorized, executed, and delivered by Buyer and will be legal, valid, and binding obligations of Buyer enforceable against Buyer in accordance with their respective terms, and will not violate any Agreement to which Buyer is a party or to which it is subject.

7.3 That (i) prior to the Close of Escrow, Buyer will have had the opportunity to investigate all physical, land use and economic aspects of the Property and to make all inspections and investigations of the Property which Buyer deems necessary or desirable to protect its interest in acquiring the Property, including, without limitation, environmental audits and assessments, toxic reports, surveys, investigation of land use and development rights, development restrictions and conditions that are or may be imposed by governmental agencies, soils and geological reports, engineering and structural tests, insurance contracts, cost to complete studies, governmental agreements and approvals, and (ii) except as otherwise expressly set forth in this Agreement, neither Seller, nor anyone acting for or on behalf of Seller, has made any representation, warranty, promise or statement, express or implied, to Buyer, or to anyone acting for or on behalf of Buyer, concerning the Property or the use thereof. Buyer further represents and warrants that with respect to any representation, warranty, promise or statement, express or implied, of Seller, or anyone acting for or on behalf of Seller, other than as expressly set forth in this Agreement, and that all matters concerning the Property have been or shall be independently verified by Buyer prior to the Closing, and that Buyer shall purchase the Property on Buyer's own prior investigations and examination of the Property (or Buyer's election not to do so); **AND THAT BUYER IS PURCHASING THE PROPERTY IN AN "AS IS" PHYSICAL CONDITION AND IN AN "AS IS" STATE OF REPAIR.**

8. NOTICE

Unless otherwise provided herein, any notice, tender, or delivery to be given hereunder by either party to the other may be effected by personal delivery in writing or by registered or certified mail, postage prepaid, return receipt requested, and shall be deemed communicated upon delivery or as of mailing. Mailed notices shall be addressed as set forth below, but each party may change his address by written notice in accordance with this Section.

Buyers:
Filemon Landeros
617 West Lugonia Avenue
Redlands, California 92374

Seller:
City of Redlands Redevelopment Agency
P.O. Box 3005
Redlands, California 92373
Attention: Marjie Pettus

9. GENERAL PROVISIONS

9.1 Entire Agreement. This Agreement supersedes any prior oral or written agreement and contains the entire Agreement of the Parties as to the matters covered hereby. No amendment

of this Agreement and no other agreement, statement, or promise made by any party or to any employee, officer, or agent of any party to this Agreement shall be binding. All obligations of Buyer and Seller under this Agreement and the Escrow shall be joint and several.

9.2 Time is of the Essence. Time is of the essence of this Agreement and the Escrow referred to herein.

9.3 Captions and Construction. The captions appearing at the commencement of the paragraphs hereof are descriptive only and for convenience in reference. Should there be any conflict between any such caption and the paragraph at the head of which it appears, the paragraph shall control and govern in the construction of this Agreement. This Agreement shall be construed as a whole and in accordance with its fair meaning. Organization is for convenience and shall not be used in construing meaning.

9.4 Buyer's Performance. Close of Escrow and performance of any duty imposed on Buyer by this Agreement is conditioned on Seller's full performance of all duties imposed on Seller in this Agreement.

9.5 Seller's Performance. Close of Escrow and performance of any duty imposed on Seller by this Agreement is conditioned on Buyer's full performance of all duties imposed on Buyer in this Agreement.

9.6 Counterparts. This Agreement may be executed in any number of counterparts each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same instrument.

9.7 Successors and Assigns. Each covenant and condition contained in this Agreement shall inure to the benefit of and be binding on the Parties to this Agreement, their respective heirs, personal representatives, assigns, and other successors in interest.

9.8 Attorney's Fees. If any party shall bring an action against another arising out of this Agreement, then the party in whose favor the final judgement is entered shall be entitled to have and recover from the other party its reasonable attorney's fees and other reasonable expenses in connection with such action or proceedings, in addition to its recoverable court costs.

10. **BROKERS AND FINDERS**

Buyer and Seller warrant that the execution of this Agreement was not induced or procured through any person, firm, or corporation acting as a broker or finder. Buyer agrees to indemnify and hold the Seller harmless from and against any damage, liability or cost, including without limitations, reasonable attorney's fees, arising from or in connection with any claim by any other person, firm, or corporation based upon its having acted as broker or finder for or in connection with this transaction on behalf of Buyer.

11. LIQUIDATED DAMAGES

THE PARTIES ACKNOWLEDGE AND AGREE THAT BUYER'S UNEXCUSED FAILURE TO PURCHASE THE PROPERTY MAY RESULT IN DAMAGES TO SELLER, IN AN AMOUNT NOT READILY ASCERTAINABLE BY THE PARTIES. SUCH DAMAGES WOULD INVOLVE VARIABLE FACTORS SUCH AS THE REMOVAL OF THE PROPERTY FROM THE MARKET, POSTPONEMENT OF SALES AND PROPERTY TAX REVENUES FROM THE PROPERTY TO THE COMMUNITY, AND THE FAILURE OF THE SELLER TO EFFECT ITS PURPOSES AND OBJECTIVES WITHIN REASONABLE TIME RESULTING IN ADDITIONAL IMMEASURABLE DAMAGE AND LOSS TO THE SELLER AND COMMUNITY. IT IS IMPRACTICABLE AND EXTREMELY DIFFICULT TO FIX THE AMOUNT OF SUCH DAMAGES TO THE SELLER, BUT THE PARTIES ARE OF THE OPINION, UPON THE BASIS OF ALL INFORMATION AVAILABLE TO THEM, THAT SUCH DAMAGE WOULD BE APPROXIMATELY EQUAL TO THE AMOUNT OF THE DEPOSIT SET FORTH IN SECTION 1.1 AT THE TIME OF DEFAULT. IN THE EVENT OF SUCH DEFAULT BY BUYER AND THE ELECTION OF SELLER TO TERMINATE THIS AGREEMENT AND ESCROW AND TO OBTAIN THE LIQUIDATED DAMAGES PURSUANT TO THIS PARAGRAPH, SELLER SHALL BE RELEASED FROM SELLER'S OBLIGATION TO SELL THE PROPERTY TO BUYER AND BY PLACING THEIR INITIALS HERE, BUYER () AND SELLER () AGREE THAT SELLER SHALL RETAIN AS LIQUIDATED DAMAGES THE DEPOSIT DESCRIBED IN SECTION 1.1 ABOVE AND SELLER SHALL HAVE NO OTHER RIGHTS OR REMEDIES WHATSOEVER, OTHER THAN RETAINING THE DEPOSIT AS LIQUIDATED DAMAGES AND THE EXTINGUISHMENT OF ALL FURTHER OBLIGATIONS UNDER THIS AGREEMENT TO BUYER. IN THE EVENT THIS PARAGRAPH SHALL BE VOID FOR ANY REASON, SELLER SHALL BE ENTITLED TO THE FULL EXTENT OF DAMAGES OR OTHER REMEDIES OTHERWISE PROVIDED BY LAW OR EQUITY.

IN WITNESS WHEREOF, the parties hereto executed this Agreement on the dates set forth opposite their respective signatures hereto.

BUYERS:


Filemon Landeros

Executed this 5 day of October, 1995,
at Holladay, CA.

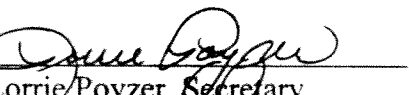
SELLER: CITY OF REDLANDS REDEVELOPMENT AGENCY

By: 
Sven Larson
Chairman

Executed this 3rd day of October, 1995,
at Redlands, California

By: 
Gary M. Luebbers
Executive Director

ATTEST:

By: 
Lorrie Poyzer, Secretary