

CITY OF REDLANDS

AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS

THIS AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS ("Agreement"), dated October 16, 2001, ("Effective Date") is made and entered into by and between the City of Redlands ("Seller") and Michael L. Taylor ("Buyer") herein after collectively referred to as the "Parties".

RECITALS

A. Whereas, Seller owns certain real property located at 1109 Herald Street, Redlands, California (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 hereby agree as follows:

AGREEMENT

1. PURCHASE PRICE

The total price for the Property to be paid at Close of Escrow shall be Twenty Two Thousand Dollars (\$22,000.00), the "Purchase Price."

1.1 Payment. Buyer shall deposit into Escrow a cash sum of Twenty Two Thousand Dollars (\$22,000.00).

2. TITLE TO PROPERTY

Seller shall, at 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 First American 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 the date of Escrow Holder's provision of the PTR to Buyer 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. With the prior consent of Seller, Buyer or Buyer's agent shall have the right to physically inspect 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 fourteen (14) 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 fourteen (14) day period. In the event Buyer does not disapprove the condition of the Property within the fourteen (14) day period, this condition shall be deemed waived. In the event Buyer disapproves the condition of the Property within the fourteen (14) 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 Guardian Escrow (the "Escrow Holder"). Upon the mutual execution of this Agreement, 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 4.5 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 on or before the date which is thirty (30) 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 shall 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.

5. SELLER'S REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGMENTS

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

5.1 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.

5.2 All the documents executed by Seller which are to be delivered to Buyer at Close of Escrow shall be duly authorized, executed and delivered by Seller and shall be legal, valid and

binding obligations of Seller enforceable against Seller in accordance with their respective terms, and shall not violate any Agreement to which Buyer is a party or to which it is subject.

5.3 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 Close of Escrow.

5.4 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.

5.5 Seller acknowledges and agrees it has voluntarily offered to sell the Property to Buyer, that the Property is occupied by Seller, that the offer to sell the Property to Buyer was not induced by Buyer's actual or proposed redevelopment of the Property or any land surrounding the Property, that the purchase price represents fair market value for the Property, and that no federal funding is involved in Buyer's acquisition of the Property.

5.6 Seller further acknowledges and agrees it is not entitled to any relocation assistance payments as a result of Buyer's purchase of the Property.

6. BUYER'S REPRESENTATIONS AND WARRANTIES

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

6.1 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.

6.2 All the documents executed by Buyer which are to be delivered to Seller at Close of Escrow shall be duly authorized, executed and delivered by Buyer and shall be legal, valid and binding obligations of Buyer enforceable against Buyer in accordance with their respective terms.

7. NOTICE

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.

Seller:
City of Redlands
P.O. Box 3005

Buyer:
Michael L. Taylor
1415 E. Sixth Street

Redlands, California 92373
Attention: Marjie Pettus

Beaumont, California 92223-2505

8. GENERAL PROVISIONS

8.1 Entire Agreement. This Agreement supersedes any prior oral or written agreements between Buyer and Seller and contains the entire Agreement of the Parties as to the matters covered hereby. 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, except a subsequent amendment to this Agreement, executed by the Parties hereto. All obligations of Buyer and Seller under this Agreement and the Escrow shall be joint and several.

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

8.3 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.

8.4 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.

8.5 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.

8.6 Attorney's Fees. In the event any action is commenced to enforce or interpret the terms or conditions of this Agreement, the prevailing party shall, in addition to any costs or other relief, be entitled to recover its reasonable attorneys' fees.

8.7 Amendment. Any amendment to this Agreement shall be in writing and executed by the Parties hereto.

9. BROKERS AND FINDERS

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

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

Executed this 16th day of October, 2001, at Redlands, California.

SELLER: CITY OF REDLANDS

By: Patricia Gilbreath
Patricia Gilbreath, Mayor

ATTEST:

By: Beatrice Sanchez for
Lorrie Poyzer, City Clerk

BUYER:

Michael L. Taylor
Michael L. Taylor