City of Loma Linda Official Report

Robert Ziprick, Chairman
Stan Brauer, Vice Chairman
Robert Christman, Board Member
Floyd Petersen, Board Member
Karen Hansberger, Board Member

CRA AGENDA:	February 8, 2005
TO:	Agency Board Members
VIA:	Dennis R. Halloway, Executive Director
FROM:	Pamela Byrnes-O'Camb, Secretary pbo
SUBJECT:	CRA Bill #R-2005-03 – Approving the Purchase Agreement and Joint Escrow Instructions for 25408 Durango Loop

RECOMMENDATION

It is recommended that the Agency Board adopt CRA Bill #R-2005-03.

BACKGROUND

The subject house is located within Tract 15917 (the Parkside Homes Development), and is one (1) of 35 houses within the Tract that has a long-term affordability covenant (Low Income) associated with it that runs with the land for a period of 30 years. The house was purchased in April 2002 by a first time homebuyer, who received Agency assistance of $12,756.10 ($8,000 down payment assistance and $4,756.10 land cost share).

The subject house is a 1,316 square foot, three-bedroom, 2-1/2 bath unit. In December 2004, the owner asked that the Agency purchase the house and then withdrew the request. The owner has confirmed that the family is relocating and has again asked the Agency to purchase the house. The Agency's acquisition of the house will ensure retention of the long-term affordability covenant in that the house will be sold to a purchaser whose gross annual income does not exceed 80 percent of County Median Income, adjusted as to family size. The Agency's offer of $145,000.00, which is considered to be within the "affordable" range, has been accepted, and the covenant will be protected.

ANALYSIS

Acquisition of the subject property will facilitate the Agency's affordable housing goals within the North Central Neighborhood in that it will provide for the retention of a long-term affordability covenant. The Agency has a list of potential persons and families who may purchase the house.

ENVIRONMENTAL

Not applicable.

FINANCIAL IMPACT

Account Number 79-1800-8835 $132,243.90 ($145,000 minus the Agency Loan of $12,756.10)

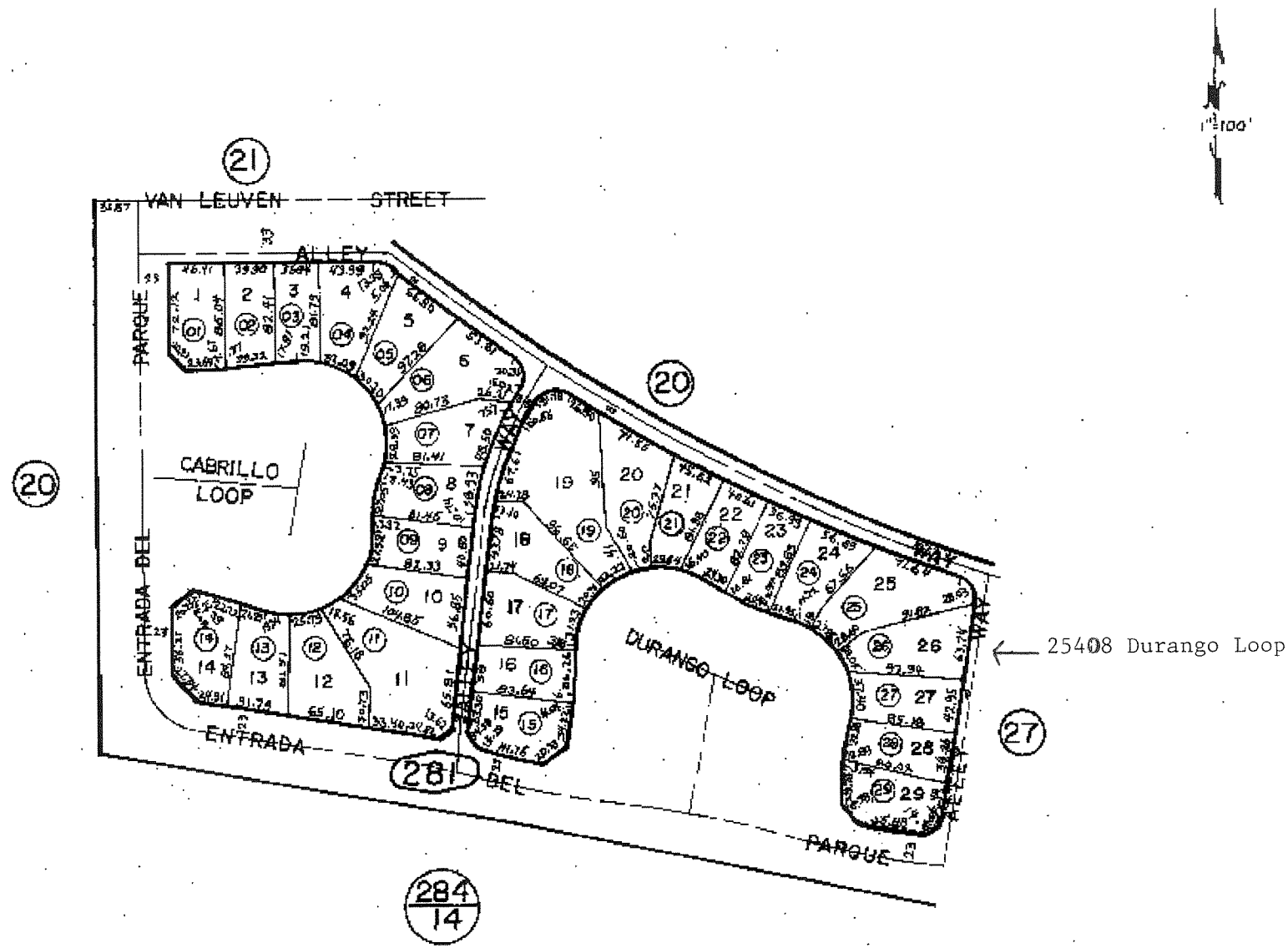
Attachment: Site Map
CRA Bill #R-2005-03
Purchase Agreement

CRA AGENDA ITEM 3b

Ptn. Tract No. 15917, M.B. 275/31-37

Loma Linda City
Tax Rate Area
13010

283 - 28



RESOLUTION NO._____

A RESOLUTION OF THE LOMA LINDA REDEVELOPMENT AGENCY APPROVING AND AUTHORIZING THE EXECUTION OF AN AGREEMENT FOR THE ACQUISITION OF PROPERTY FROM GERARD HARRIS AND HEATHER HARRIS

WHEREAS, the Loma Linda Redevelopment Agency (the "Agency") is engaged in activities necessary to carry out and implement the Redevelopment Plan for the Loma Linda Redevelopment Project (the "Redevelopment Project") and the merged redevelopment project area ("Project Area") established thereby; and

WHEREAS, in order to carry out and implement such Redevelopment Plan the Agency proposes to enter into that certain Purchase and Sale Agreement and Joint Escrow Instructions substantially in the form submitted herewith (the "Agreement") with Gerard Harris and Heather Harris, husband and wife (collectively, the "Owner") for the sale by Owner and the acquisition by Agency of certain property located at 25408 Durango Loop, Loma Linda (the "Property"), all as more particularly set forth in the Agreement; and

WHEREAS, the Agency has duly considered the terms and conditions of the Agreement, and desires to approve the Agreement and authorize the acquisition of the Property by Agency under the terms of such Agreement; and

WHEREAS, the acquisition of the Property under the Agreement and the implementation of the Agreement will assist in the implementation of the Redevelopment Plan; and

WHEREAS, all actions required by all applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner; and

WHEREAS, the Agency has duly considered all of the terms and conditions of the proposed Agreement and believes that the Agreement and its implementation are in the best interests of the Agency as well as the City of Loma Linda and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, BE IT RESOLVED by the Loma Linda Redevelopment Agency as follows:

1. The Agency hereby approves the Agreement and authorizes and directs the Executive Director of the Agency to execute the Agreement on behalf of the Agency, and to execute the deed acceptance thereunder on behalf of the Agency.

2. The Agency additionally authorizes the Executive Director to take such actions as are necessary or convenient to comply with any applicable relocation requirements or enactments. The Executive Director of the Agency, or his designee, is authorized to implement the Agreement and take all further actions and execute all escrow documents and other documents which are necessary or appropriate to carry out the Agreement.

3. The Agency authorizes and approves the payment of such moneys and provision of other consideration as are provided for under the Agreement.

4. The Agency Secretary shall certify to the adoption of this Resolution.

The foregoing Resolution is hereby approved this 8th day of February 2005 by the following vote.

Ayes:
Noes:
Abstain:
Absent:

_____
Robert Ziprick, Chairman

ATTEST:

_____
Pamela Byrnes-O'Camb, Secretary

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

SELLER: Gerard Harris and Heather Harris

BUYER: Loma Linda Redevelopment Agency

DATED: February 8, 2005

BASIC TERMS

Effective Date:	The date this Agreement is approved by the Loma Linda Redevelopment Agency.
Seller:	Gerard Harris and Heather Harris
Seller's Address:	25408 Durango Loop Loma Linda, California 92354-2235 Telephone No. (909) 796-9720
Buyer:	Loma Linda Redevelopment Agency, a public body corporate and politic
Buyer's Address:	Loma Linda Redevelopment Agency Attention: Pam O'Camb, Agency Secretary 25541 Barton Road Loma Linda, California 92354 Tel. (909) 799-2819 Fax No.: (909) 799-2890
Contingency Date:	Thirty (30) days after the Effective Date
Purchase Price:	One Hundred Forty-Five Thousand and No/100 Dollars ($145,000.00).
Real Property:	That property generally known as 25408 Durango Loop, Loma Linda, California; 92354-2235; APN 0283-281-26-0-000
Closing Date or Closing:	March 21, 2005
Title Company:	First American Title Insurance Company 323 Court Street (P.O. Box 6327) San Bernardino, CA 92412 Telephone No.: (909) 889-0311 Fax No.: (909) 384-8464
Escrow Holder:	First American Title Insurance Company 323 Court Street (P.O. Box 6327) San Bernardino, CA 92412 Telephone No.: (909) 889-0311 Fax No.: (909) 384-8464

PURCHASE AND SALE AGREEMENT
AND
JOINT ESCROW INSTRUCTIONS

This **PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS** ("Agreement") is made and entered into as of the Effective Date by and between Seller and Buyer.

RECITALS

A. Seller is the fee owner of that real property located in the City of Loma Linda, California, legally described on Exhibit "A" attached hereto and made a part hereof (the "Real Property").

B. Seller has offered to sell to Buyer the Real Property described herein for the price and subject to the terms set forth below. Buyer desires to buy from Seller the Real Property, free and clear of encumbrances, as more specifically described below.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. **Purchase and Sale**. Seller hereby agrees to sell the Real Property to Buyer, and Buyer hereby agrees to purchase the Real Property from Seller, on the terms and conditions set forth in this Agreement. The term Real Property is defined collectively as the following:

(a) The fee interest in the Real Property;

(b) All rights, privileges, easements, licenses and interests appurtenant to the Real Property. Such rights shall be deemed to include, without limitation, all royalties, minerals, oil and gas rights and profits, water and water rights (whether or not appurtenant) owned by Seller; and

(c) All personal property, equipment, supplies, and fixtures owned by Seller and located at the Real Property;

(d) All of Seller's interest under contracts, leases, and other agreements associated with the Real Property; and

(e) All of Seller's interest as lessor in any lease or agreement to rent all or any portion of the Real Property.

2. **Payment of Consideration**. As consideration for the sale of the Real Property from Seller to Buyer, Buyer shall, at the Closing (as defined below), pay to Seller the Purchase Price for the Real Property as follows:

(a) Prior to Closing, Buyer shall deposit with Escrow Holder immediately available funds in the amount of One Hundred Thirty Two Thousand Two Hundred Forty Three Dollars and Ninety Cents ($132,243.90) (the "Cash Portion") and proof of cancellation of that certain promissory note dated as of April 18, 2002 in the amount of Twelve Thousand Seven Hundred Fifty Six Dollars and Ten Cents ($12,756.10) (the "Promissory Note") entered into by and between Buyer and Seller for a total of purchase price (the "Purchase Price") of One Hundred Forty-Five Thousand Dollars ($145,000.00), together with funds necessary to cover Buyer's closing costs described in Section 10(b), below.

3. Escrow and Deposit.

(a) Opening of Escrow. For the purposes of this Agreement, the escrow ("Escrow") shall be deemed opened ("Opening of Escrow") on the date that Escrow Holder receives a copy of this Agreement fully executed by Buyer and Seller. Buyer and Seller shall use their best efforts to cause the Opening of Escrow to occur on or before two (2) business days after the Effective Date. Escrow Holder shall promptly notify Buyer and Seller in writing of the date of the Opening of Escrow. Buyer and Seller agree to execute, deliver and be bound by any reasonable or customary supplemental escrow instructions or other instruments reasonably required by Escrow Holder to consummate the transaction contemplated by this Agreement; provided, however, that no such instruments shall be inconsistent or in conflict with, amend or supersede any portion of this Agreement. If there is any conflict or inconsistency between the terms of such instruments and the terms of this Agreement, then the terms of this Agreement shall control. Without limiting the generality of the foregoing, no such instruments shall extinguish any obligations imposed by this Agreement or any other agreement between Seller and Buyer.

(b) Closing. For purposes of this Agreement, the "Closing" or "Closing Date" shall be the date the Deed (as defined below) is recorded pursuant to applicable law in the county in which the Real Property is located. Unless changed in writing by Buyer and Seller, the Closing shall occur on the Closing Date, March 21, 2005 (the "Closing Date") or as soon thereafter as the conditions precedent to closing are satisfied pursuant to Sections 6 and 7 of this Agreement. If the Closing has not, for any reason, occurred by the Closing Date, then either Buyer or Seller may terminate this Agreement by delivering written notice to the other at any time after the outside Closing Date; provided, however, that if either party is in default under this Agreement at the time of such termination, then such termination shall not affect the rights and remedies of the non-defaulting party against the defaulting party.

4. Seller's Delivery of Real Property and Formation Documents. Within ten (10) days after the Effective Date, Seller shall deliver to Buyer the following items (collectively, the Property Documents"):

(a) Copies of tax bills.

(b) Such proof of Sellers' authority and authorization to enter into this Agreement and to consummate this transaction as may be reasonably requested by Buyer and the Title Company.

(c) Seller's written confirmation that there are no leases and rental agreements ("Leases") as to the Real Property or any portion thereof.

5. **Buyer's Right of Entry**. From and after the Opening of Escrow through the earlier to occur of the termination of this Agreement or the Closing, Buyer and Buyer's employees, agents, consultants and contractors shall have the right to enter upon the Real Property during normal business hours, provided reasonable prior notice has been given to Seller.

6. **Buyer's Conditions Precedent and Termination Right**.

(a) **Conditions Precedent**. The Closing and Buyer's obligation to consummate the transaction contemplated by this Agreement are subject to the timely satisfaction or written waiver of the following conditions precedent (collectively, "Buyer's Contingencies"), which are for Buyer's benefit only.

(i) Title Review. Within seven (7) calendar days after the Opening of Escrow, Seller shall cause the Title Company to deliver to Buyer a preliminary title report (the "Report") describing the title to the Real Property, together with copies of the plotted easements and the exceptions (the "Exceptions") set forth in the Report; provided that the cost of the Report shall be borne by Agency. Seller acknowledges that the Report shall include an endorsement against the effect of any mechanics' liens; Seller will provide such indemnity or other assurances as necessary to induce the Title Company to provide such endorsement. On or before the Contingency Date, Buyer shall have approved in writing, in Buyer's sole discretion, any matters of title disclosed by the following (collectively, the "Title Documents"): (i) the Report; (ii) the Exceptions; (iii) the legal description of the Real Property and (iv) any survey Buyer desires to obtain at Buyer's sole cost and expense. Buyer shall have the same rights to approve or disapprove any exceptions to title that are not created by Buyer and that come into existence after issuance of the Report but prior to Closing. Seller shall, on or before the Closing, remove all deeds of trust, mortgages and delinquent taxes (but not the lien for any real property taxes or assessments not yet delinquent).

(ii) Buyer's Title Policy. On or before the Closing, the Title Company shall, upon payment (by Buyer) of the Title Company's premium, have agreed to issue to Buyer, a CLTA owner's policy of title insurance ("Buyer's Title Policy") in the amount of the Purchase Price showing fee title to the Real Property vested solely in Buyer and subject only to the (i) the standard, preprinted exceptions to Buyer's Title Policy; (ii) liens to secure payment of real estate taxes or assessments not yet delinquent; (iii) matters affecting the Real Property created by or with the written consent of Buyer; and (iv) those matters specifically approved in writing by Buyer. Buyer shall have the right, at its sole cost and expense, to obtain coverage beyond that offered by a CLTA policy; provided, however, that Buyer's ability to obtain such extended coverage shall not be a Buyer's Contingency and Buyer's obligations hereunder shall in no way be conditioned or contingent upon obtaining such extended coverage. Buyer shall have sole responsibility for obtaining, and bearing the cost of, any endorsements and for any survey or other matters required by the Title Company for such extended coverage

(iii) Physical and Legal Inspections and Studies. On or before the Contingency Date, Buyer shall have approved in writing, in Buyer's reasonable discretion, the results of any physical and legal (but not feasibility or economic) inspections, investigations, tests and studies Buyer elects to make or obtain, including, but not limited to, investigations with regard to zoning, building codes and other governmental regulations; engineering tests; soils, seismic and geologic reports; environmental audits, inspections and studies; environmental investigation or other invasive or subsurface testing; and any other physical or legal inspections and/or investigations as Buyer may elect to make or obtain.

(iv) Natural Hazard Disclosure Statement. Seller shall deliver to Buyer a Natural Hazard Disclosure Statement pursuant to AB 1195 on or before the Contingency Date.

(v) Property and Formation Documents. On or before the Contingency Date, Buyer shall have approved in writing, in Buyer's reasonable discretion, the terms, conditions and status of all of the Property Documents.

(vi) Delivery of Documents. Seller's delivery of all documents described in Section 8, below.

(vii) Representations and Warranties. All representations and warranties of Seller contained in this Agreement shall be materially true and correct as of the date made and as of the Closing.

(viii) No Default. As of the Closing, Seller shall not be in default in the performance of any material covenant or agreement to be performed by Seller under this Agreement.

(b) Termination Right. Should any of Buyer's Contingencies not be met, Buyer may, by written notice to Seller, terminate this Agreement. If this Agreement is so terminated, then (except to the extent expressly allocated to one party hereto by this Agreement) any escrow, title or other cancellation fees shall be paid by Buyer, unless Seller is in default hereunder, in which case Seller shall pay all such fees. If Buyer has neither terminated this Agreement in writing ("Termination Notice") on or before 5:00 p.m. on the Contingency Date as to the items set forth in Sections 6(a)(i)-(vi) inclusive, nor provided a written satisfaction or waiver notice to Seller of each Buyer's Contingency to be satisfied as of the Contingency Date, then all such Buyer's Contingencies shall be deemed to have been satisfied and this Agreement shall continue pursuant to its terms. If Buyer has not delivered a Termination Notice as the items set forth in Sections 6(a)(vii)-(viii) inclusive, prior to the Closing, such Buyer's Contingencies shall be deemed to have been satisfied.

(c) Seller's Cure Right. Buyer shall notify Seller, in Buyer's Termination Notice, of Buyer's disapproval or conditional approval of any Title Documents. Seller shall then have the right, but not the obligation, to (i) remove from title any disapproved or conditionally approved Exception(s) (or cure such other title matters that are the basis of Buyer's disapproval or conditional approval of the Title Documents) within five (5) business days after Seller's receipt of Buyer's Termination Notice, or (ii) provide assurances reasonably

satisfactory to Buyer that such Exception(s) will be removed (or other matters cured) on or before the Closing. With respect to any such Exception, it shall be sufficient for purposes hereof for Seller to commit in writing, within the applicable period, to remove such Exception at or before the Closing. Seller's failure to remove such Exception after committing to do so shall be a default hereunder. An Exception shall be deemed removed or cured if Seller furnishes Buyer with evidence that the Title Company will issue the Buyer's Title Policy, as defined herein, at the Closing deleting such Exception or providing an endorsement (at Seller's expense) reasonably satisfactory to Buyer concerning such Exception. If Seller cannot or does not remove or agree to remove any of the disapproved Exception(s) (or cure other matters) within such five (5) business day period, Buyer shall have three (3) business days after the expiration of such five (5) business day period to give Seller written notice that Buyer elects to proceed with the purchase of the Real Property subject to the disapproved Title Document(s), it being understood that Buyer shall have no further recourse against Seller for such disapproved Title Exception(s).

7. Seller's Condition Precedent. The Closing and Seller's obligations with respect to the transaction contemplated by this Agreement are subject to the timely satisfaction or written waiver of the following condition precedent ("Seller's Contingency"), which is for Seller's benefit only: Buyer's delivery of all documents described in Section 9(a), below.

8. Seller's Deliveries to Escrow Holder.

(a) Seller's Delivered Documents. At least one (1) business day prior to the Closing Date, Seller shall deposit or cause to be deposited with Escrow Holder the following items, duly executed and, where appropriate, acknowledged ("Seller's Delivered Items"):

(i) Deed. The Grant Deed in the form attached hereto as Exhibit B (the "Deed").

(ii) FIRPTA/Tax Exemption Forms. The Transferor's Certification of Non-Foreign Status in the form attached hereto as Exhibit C (the "FIRPTA Certificate"), together with any necessary tax withholding forms, and a duly executed California Form 593-C, as applicable (the "California Exemption Certificate").

(iii) Possession of Real Property. Possession of the Real Property, subject only to the Permitted Exceptions.

(iv) Authority. Such proof of Seller's authority and authorization to enter into this Agreement and to consummate this transaction as may be reasonably requested by Buyer and the Title Company.

(v) Further Documents or Items. Any other documents or items reasonably required to close the transaction contemplated by this Agreement as determined by the Title Company.

(b) Failure to Deliver. Should any of Seller's Delivered Items not be timely delivered to Escrow, Buyer may, by written notice to Seller, terminate this Agreement; provided, however, that Buyer may (but shall not be obligated to) in such notice provide Seller

with five (5) business days to deliver all of Seller's Delivered Items. If Buyer's notice provides Seller such five (5) business days to deliver Seller's Delivered Items, and if Seller's Delivered Items are not delivered within such period, then this Agreement shall automatically terminate without further action or notice. In the event of any such termination, any cash deposited by Buyer shall immediately be returned to Buyer. Under no circumstances shall Buyer have any responsibility to or duty to pay consultants or real estate brokers retained by Seller, Seller being solely responsible in connection with any such contractual arrangements of Seller.

9. Buyer's Deliveries to Escrow. At least one (1) business day prior to the Closing Date, Buyer shall deposit or cause to be deposited with Escrow Holder the following, each duly executed and acknowledged, by Buyer as appropriate ("Buyer's Delivered Items"):

(i) Funds and Promissory Note. The Cash Portion, together with additional funds necessary to pay Buyer's closing costs set forth in Section 10(b) herein, and (i) the Promissory Note or (ii) evidence of cancellation of the Promissory Note; provided, however, that in the event Seller does not qualify for an exemption from California withholding tax under Section 18662 of the California Revenue and Taxation Code, as evidenced by the delivery at Closing of the California Exemption Certificate duly executed by Seller, Title Company shall withhold three and one-third percent (3-1/3%) of the Purchase Price on behalf of Buyer for payment to the California Franchise Tax Board in accordance with Section 11(b) hereof. In the event Seller is not exempt from such withholding or does not otherwise deliver the California Exemption Certificate at Closing, Buyer shall execute and deliver three (3) originals of California Form 597 to Title Company at or immediately after Closing.

(ii) Change of Ownership Report. One (1) original Preliminary Change of Ownership Report.

(iii) Certificate of Acceptance. One (1) original Certificate of Acceptance executed by Buyer to be attached to the Deed.

(iv) Final Escrow Instructions. Buyer's final written escrow instructions to close escrow in accordance with the terms of this Agreement.

(v) Authority. Such proof of Buyer's authority and authorization to enter into this Agreement and to consummate the transaction contemplated hereby as may be reasonably requested by Seller or the Title Company.

(vi) Further Documents or Items. Any other documents or items reasonably required to close the transaction contemplated by this Agreement as determined by the Title Company.

10. Costs and Expenses.

(a) Seller's Costs. If the transaction contemplated by this Agreement is consummated, then Seller shall bear the following costs: (i) Seller's share of prorations, (ii) costs, if any, for such services as Seller may request that Escrow perform on its behalf (which foregoing items collectively constitute "Seller's Costs").

(b) **Buyer's Costs**. If the transaction contemplated by this Agreement is consummated, then Buyer shall bear the following costs and expenses: (i) Escrow Holder's fee, (ii) Buyer's share of prorations, (iii) the Buyer's Title Policy and (iv) (1) document recording fees; if any, and (2) documentary transfer tax, if any (collectively, "Buyer's Costs").

(c) **Generally**. Each party shall bear the costs of its own attorneys, consultants, and real estate brokers in connection with the negotiation and preparation of this Agreement and the consummation of the transaction contemplated hereby. The items provided in this Section are hereinafter referred to as "General Expenses."

11. **Prorations; Withholding**.

(a) All revenues (if any) and expenses relating to the Real Property (including, but not limited to, property taxes, utility costs and expenses, water charges and sewer rents and refuse collection charges) shall be prorated as of the Closing Date. Not less than five (5) business days prior to the Closing, Seller shall deliver to Buyer a tentative schedule of prorations for Buyer's approval (the "Proration and Expense Schedule"). If any prorations made under this Section shall require final adjustment after the Closing, then the parties shall make the appropriate adjustments promptly when accurate information becomes available and either party hereto shall be entitled to an adjustment to correct the same. Any corrected or adjustment proration shall be paid promptly in cash to the party entitled thereto.

(b) In the event Seller does not qualify for an exemption from California withholding tax under Section 18662 of the California Revenue and Taxation Code (the "Tax Code") as evidenced by the delivery to Buyer at Closing of the California Exemption Certificate duly executed by Seller, (i) Title Company shall withhold three and one-third percent (3-1/3%) of the Purchase Price on behalf of Buyer at Closing for payment to the California Franchise Tax Board in accordance with the Tax Code, (ii) Buyer shall deliver three (3) duly executed originals of California Form 597 to Title Company at or immediately after Closing, (iii) two (2) executed originals of California Form 597 shall be delivered by Title Company to Seller, and (iv) on or before the 20th day of the month following the month title to the Real Property is transferred to Buyer (as evidenced by the recording of the Grant Deed), Title Company shall remit such funds withheld from the Purchase Price, together with one (1) executed original of California Form 597 to the California Franchise Tax Board on behalf of Buyer. Buyer and Seller hereby appoint Title Company as a reporting entity under the Tax Code, authorized to withhold and remit the withholding tax contemplated under the Tax Code, together with such other documents required by the Tax Code (including, without limitation, California Form 597), to the California Franchise Tax Board.

12. **Closing Procedure**. When the Title Company is ready to issue the Buyer's Title Policy and all required documents and funds have been deposited with Escrow Holder, Escrow Holder shall immediately close Escrow in the manner and order provided below.

(a) **Recording**. Escrow Holder shall cause the Deed to be recorded pursuant to applicable law in the county in which the Real Property is located and obtain conformed copies thereof for distribution to Buyer and Seller.

(b) **Disburse Funds**. Escrow Holder shall debit or credit (as provided herein) all Buyer's Costs, Seller's Costs and General Expenses, prorate matters and withhold funds as provided herein. The Purchase Price, less any applicable debits or credits (as provided herein) shall be distributed by check jointly payable to Gerard Harris and Heather Harris unless Escrow Holder is instructed otherwise in writing signed by Gerard Harris and Heather Harris (and, in such event, in accordance with such instructions).

(c) **Documents to Seller**. Escrow Holder shall deliver to Seller the Promissory Note (or evidence that the Promissory Note has been cancelled), a conformed copy of the Deed, and a copy of each other document (or copies thereof) deposited into Escrow by Buyer pursuant hereto.

(d) **Documents to Buyer**. Escrow Holder shall deliver to Buyer the original FIRPTA Certificate, the original California Exemption Certificate (as applicable), a conformed copy of the Deed, the Report, and each other document (or copies thereof) deposited into Escrow by Seller pursuant hereto, including, without limitation, those documents referenced in Section 8.

(e) **Title Company**. Escrow Holder shall cause the Title Company to issue the Buyer's Title Policy to Buyer.

(f) **Closing Statement**. Escrow Holder shall forward to both Buyer and Seller a separate accounting of all funds received and disbursed for each party.

(g) **Informational Reports**. Escrow Holder shall file any information reports required by Internal Revenue Code Section 6045(e), as amended.

(h) **Possession**. Possession of the Real Property shall be delivered to Buyer at the Closing.

13. **Representations and Warranties**.

(a) **Seller's Representations and Warranties**. In consideration of Buyer entering into this Agreement and as an inducement to Buyer to purchase the Real Property, Seller, and each of Gerard Harris and Heather Harris, makes the following representations and warranties as of the Effective Date and as of the Closing, each of which is material and is being relied upon by Buyer (and the truth and accuracy of which shall constitute a condition precedent to Buyer's obligations hereunder), and all of which shall survive Closing:

(i) Seller has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated hereby.

(ii) All requisite action (corporate, trust, partnership or otherwise) has been taken by Seller in connection with entering into this Agreement and the instruments referenced herein; and, by the Closing, all such necessary action will have been taken to authorize the consummation of the transaction contemplated hereby. By the Closing no additional consent of any individual, director, manager, shareholder, partner, member, trustee,

trustor, beneficiary, creditor, investor, judicial or administrative body, governmental authority or other party shall be required for Buyer to consummate the transaction contemplated by this Agreement.

(iii) The individuals executing this Agreement and the instruments referenced herein on behalf of Seller have the legal power, right and actual authority to bind Seller to the terms and conditions hereof and thereof.

(iv) Neither the execution or delivery of this Agreement or the documents or instruments referenced herein, nor incurring the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement or the documents or instruments referenced herein or therein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, lease or other agreement or instrument to which Seller is a party or that affect the Real Property, including, but not limited to, any of the Title Documents or the Property Documents.

(v) There is no pending litigation nor, to the best of Seller's knowledge, threatened litigation, which does or will adversely affect the Real Property.

(vi) There are no actions or proceedings pending or, to the best of Seller's knowledge, threatened against Seller, before any court or administrative agent in any way connected with or relating to the Real Property, or affecting Seller's ability to fulfill all of its obligations under this Agreement.

(vii) Seller has made no written or oral commitments to or agreements with any governmental authority or agency materially and adversely affecting the Real Property, or any part hereof, or any interest therein, which will survive the Closing. Seller has entered into no understanding or agreement with any taxing or assessing authority respecting the imposition or deferment of any taxes or assignments respecting the Real Property.

(viii) To the best of Seller's knowledge, Seller is not in default of its obligations under any contract, agreement or instrument to which Seller is a party pertaining to the Real Property. To the best of the Seller's knowledge, no document supplied to Buyer by Seller contains any untrue statement of a material fact, and no document omits any facts that would be necessary, in the circumstances, to make the document supplied not misleading.

(ix) There are no mechanics', materialmen's or similar claims or liens presently claimed or which will be claimed against the Real Property for work performed or commenced for Seller or on Seller's behalf prior to the date of this Agreement. Seller agrees to hold Buyer harmless from all costs, expenses, liabilities, losses, charges, and fees, including attorney fees, arising from or relating to any such lien or any similar lien claims against the Real Property and arising from work performed or commenced for Seller or on Seller's behalf prior to Closing.

(x) There are no undisclosed contracts, licenses, commitments, undertakings or other written or oral agreements for services, supplies or materials concerning

the use, operation, maintenance, or management of the Real Property that will be binding upon Buyer or the Real Property after the Closing. There are no oral contracts or other oral agreements for services, supplies or materials, affecting the use, operation, maintenance or management of the Real Property.

(xi) There are not as of the Effective Date of this Agreement, nor will there be as of the Closing, any written or oral leases or contractual right or option to lease, purchase, or otherwise enjoy possession, rights or interest of any nature in and to the Real Property or any part thereof, and no person other than Buyer shall have any right of possession to the Real Property or any part thereof as of the Closing.

(xii) No person, excepting Seller, has possession or any rights to possession of the Real Property or portion thereof.

(b) **Subsequent Changes to Seller's Representations and Warranties**. If, prior to the Closing, Buyer or Seller should learn, discover or become aware of any existing or new item, fact or circumstance which renders a representation or warranty of Seller set forth herein incorrect or untrue in any respect (collectively, the "Seller Representation Matter"), then the party who has learned, discovered or become aware of such Representation Matter shall promptly give written notice thereof to the other party and Seller's representations and warranties shall be automatically limited to account for the Representation Matter. Buyer shall have the right to approve or disapprove any such change and to terminate this Agreement by written notice to Seller if Buyer reasonably disapproves any such change. If Buyer does not elect to terminate this Agreement, Seller's representation shall be qualified by such Seller Representation Matter and Seller shall have no obligation to Buyer for such Seller Representation Matter.

(c) **Buyer's Representations and Warranties**. In consideration of Seller entering into this Agreement and as an inducement to Seller to sell the Real Property, Buyer makes the following representations and warranties as of the date hereof and at and as of the Closing, each of which is material and is being relied upon by Seller (and the truth and accuracy of which shall constitute a condition precedent to Seller's obligations hereunder), and all of which shall survive Closing:

(i) Buyer has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated hereby.

(ii) All requisite governmental action has been taken by Buyer in connection with entering into this Agreement and the instruments referenced herein; and, by the Closing, all such necessary action will have been taken to authorize the consummation of the transaction contemplated hereby. By the Closing no additional consent of any individual, judicial or administrative body, governmental authority or other party shall be required for Seller to consummate the transaction contemplated by this Agreement.

(iii) The individuals executing this Agreement and the instruments referenced herein on behalf of Buyer have the legal power, right and actual authority to bind Buyer to the terms and conditions hereof and thereof.

(iv) Neither the execution and delivery of this Agreement and the documents and instruments referenced herein, nor incurring the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement and the documents and instruments referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease or other agreement or instrument to which Buyer is a party or by which any of Buyer's properties are bound.

(d) **Subsequent Changes to Buyer's Representations and Warranties**. If, prior to the Closing, Seller or Buyer should learn, discover or become aware of any existing or new item, fact or circumstance which renders a representation or warranty of Buyer set forth herein incorrect or untrue in any respect (collectively, the "Buyer's Representation Matter"), then the party who has learned, discovered or become aware of such Buyer's Representation Matter shall promptly give written notice thereof to the other party and Buyer's representations and warranties shall be automatically limited to account for the Buyer's Representation Matter. Seller shall have the right to approve or disapprove any such change and to terminate this Agreement by written notice to Buyer if Seller reasonably disapproves any such change. If Seller does not elect to terminate this Agreement, Buyer's representation shall be qualified by such Buyer's Representation Matter and Buyer shall have no obligation to Seller for such Buyer's Representation Matter.

14. **"AS IS" Sale**. As a material inducement to the execution and delivery of this Agreement by Seller and the performance by Seller of its duties and obligations hereunder, Buyer does hereby acknowledge, represent, warrant and agree that except as specifically provided in this Agreement, Buyer is purchasing the Real Property in an "AS-IS" condition as of the Closing Date. Buyer further acknowledges that the period of time between the Effective Date and the Contingency Date is an adequate amount of time for Buyer to conduct its investigations regarding the Real Property.

15. **General Provisions**.

(a) **Condemnation**. If any material portion of the Real Property shall be taken or appropriated by a public or quasi public authority exercising the power of eminent domain, Buyer shall have the right, at its option, to (i) terminate this Agreement or (ii) proceed with the purchase of the Real Property and receive all of the award or payment made in connection with such taking.

(b) **Notices**. All notices, demands, requests or other communications required or permitted hereunder (collectively, "Notices") shall be in writing, shall be addressed to the receiving party as provided in the Basic Term section above, and shall be personally delivered, sent by overnight mail (Federal Express or another carrier that provides receipts for all deliveries), sent by certified mail, postage prepaid, return receipt requested, or sent by facsimile transmission (provided that a successful transmission report is received). All Notices

shall be effective upon receipt at the appropriate address. Notice of change of address shall be given by written notice in the manner detailed in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no Notice in accordance with this Section was given shall be deemed to constitute receipt of such Notice. The providing of copies of Notices to the parties' respective counsels is for information only, is not required for valid Notice and does not alone constitute Notice hereunder. Notice to either Gerard Harris or Heather Harris shall be deemed to constitute Notice to the Seller and each of Gerard Harris and Heather Harris.

(c) **Brokers**. Seller assumes sole responsibility for any consultants or brokers ("Seller's Agents") it may have retained in connection with the sale of the Real Property (and Agency shall have no responsibility in connection with such matters). Buyer and Seller each represent to the other that, except for Seller's Agents (as to whom Seller shall solely be responsible), no brokerage commission, finder's fee or other compensation of any kind is due or owing to any person or entity in connection with this Agreement. Each party agrees to and does hereby indemnify and hold the other free and harmless from and against any and all costs, liabilities or causes of action or proceedings which may be instituted by any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of the indemnifying party in connection with this Agreement. Seller may direct the Escrow Agent to make payment to Seller's Agents in amounts to be determined from moneys payable to Seller in escrow.

(d) **Joint and Several Liability of Seller**. Each and every provision of this Agreement for which Seller is responsible shall constitute a joint and several liability of each of Gerard Harris and Heather Harris. Each of Gerard Harris and Heather Harris is authorized to act on behalf of Seller.

(e) **Waiver, Consent and Remedies**. Each provision of this Agreement to be performed by Buyer and Seller shall be deemed both a covenant and a condition and shall be a material consideration for Seller's and Buyer's performance hereunder, as appropriate, and any breach thereof by Buyer or Seller shall be deemed a material default hereunder. Either party may specifically and expressly waive in writing any portion of this Agreement or any breach thereof, but no such waiver shall constitute a further or continuing waiver of a preceding or succeeding breach of the same or any other provision. A waiving party may at any time thereafter require further compliance by the other party with any breach or provision so waived. The consent by one party to any act by the other for which such consent was required shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or any similar acts in the future. No waiver or consent shall be implied from silence or any failure of a party to act, except as otherwise specified in this Agreement. All rights, remedies, undertakings, obligations, options, covenants, conditions and agreements contained in this Agreement shall be cumulative and no one of them shall be exclusive of any other. Except as otherwise specified herein, either party hereto may pursue any one or more of its rights, options or remedies hereunder or may seek damages or specific performance in the event of the other party's breach hereunder, or may pursue any other remedy at law or equity, whether or not stated in this Agreement.

(f) **Cooperation**. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be required in order to consummate the purchase and sale herein contemplated and shall use all reasonable efforts to accomplish the Closing in accordance with the provisions hereof.

(g) **Attorney's Fees**. In the event any declaratory or other legal or equitable action is instituted between Seller, Agency and/or Escrow Agent in connection with this Agreement, then as between Agency and Seller the prevailing party shall be entitled to recover from the losing party all of its costs and expenses including court costs and reasonable attorney's fees, and all fees, costs and expenses incurred on any appeal or in collection of any judgment.

(h) **Time**. Time is of the essence of every provision herein contained. In the computation of any period of time provided for in this Agreement or by law, the day of the act or event from which said period of time runs shall be excluded, and the last day of such period shall be included, unless it is a Saturday, Sunday, or legal holiday, in which case the period shall be deemed to run until 5:00 p.m. of the next day that is not a Saturday, Sunday, or legal holiday. Except as otherwise expressly provided herein, all time periods expiring on a specified date or period herein shall be deemed to expire at 5:00 p.m. on such specified date or period.

(i) **Counterparts; Facsimile Signatures**. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument. A facsimile signature shall be deemed an original signature.

(j) **Captions**. Any captions to, or headings of, the sections or subsections of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

(k) **No Obligations to Third Parties**. Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties to this Agreement to, any person or entity other than the parties hereto.

(l) **Amendment to this Agreement**. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

(m) **Waiver**. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

(n) **Applicable Law**. This Agreement shall be governed by and construed in accordance with the local law of the State of California.

(o) **Exhibits and Schedules**. The exhibits and schedules attached hereto are incorporated herein by this reference for all purposes.

(p) **Entire Agreement**. This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between, and the final expression of, Buyer and Seller with respect to the subject matter hereof. The parties hereto expressly agree and confirm that this Agreement is executed without reliance on any oral or written statements, representations or promises of any kind which are not expressly contained in this Agreement. No subsequent agreement, representation or promise made by either party hereto, or by or to an employee, officer, agent or representative of either party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

(q) **Successors and Assigns**. This Agreement shall be binding upon and shall inure to the benefit of the permitted successors and assigns of the parties hereto.

(r) **Assignment**. This Agreement may not be assigned without the prior written consent of the other party hereto, which consent shall not unreasonably be withheld.

(s) **Relocation Waiver.** This Agreement deals fully and comprehensively with any relocation benefits or assistance for Seller arising from or in connection with the sale of the Real Property and the cessation of Seller's rights to the Real Property.

SELLER HAS BEEN ADVISED BY COUNSEL OF HIS/HER CHOOSING REGARDING POTENTIAL RELOCATION BENEFITS IN CONNECTION WITH THE ACQUISITION OF THE REAL PROPERTY BY THE BUYER, WHICH IS A PUBLIC AGENCY. IN CONSIDERATION OF RECEIPT OF "AGENCY'S" AGREEMENT TO CANCEL THE PROMISSORY NOTE AND TO PAY, IN ADDITION TO THE CASH AMOUNT OF ONE HUNDRED THIRTY TWO THOUSAND TWO HUNDRED FORTY THREE DOLLARS AND NINETY CENTS ($132,243.90) FOR THE PROPERTY, ADDITIONAL AMOUNTS FOR CLOSING COSTS, SELLER RELEASES ANY CLAIMS FOR RELOCATION BENEFITS, RELOCATION ASSISTANCE AND COMPENSATION FOR GOODWILL, LOSS OF USE OF THE SUBJECT PROPERTY, AND ANY AND ALL CLAIMS RELATED TO THE REAL PROPERTY AND THE VACATION AND RELINQUISHMENT THEREOF BY "SELLER."

/

Gerard Harris and Heather Harris

(t) **Nondiscrimination**. There shall be no discrimination against, or segregation of, any person or group of persons on account of race, color, creed, sex, marital status, national origin, religion or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Real Property, nor shall the grantee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Real Property.

[signatures begin on the following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

"SELLER"

Gerard Harris and Heather Harris, husband and wife

By: _____
Gerard Harris

By: _____
Heather Harris

"BUYER"

LOMA LINDA REDEVELOPMENT AGENCY, a public body corporate and politic

By: _____
Dennis R. Halloway
Its: Executive Director

ATTEST:

_____
Pamela Byrnes O'Camb
Agency Secretary

APPROVED AS TO FORM:

_____
Stradling Yocca Carlson & Rauth,
Agency Counsel

Acceptance by Escrow Holder:

First American Title Insurance Company hereby acknowledges that it has received a fully executed copy of the foregoing Purchase and Sale Agreement and Joint Escrow Instructions by and between Gerard Harris and Heather Harris, husband and wife ("Seller"), and the Loma Linda Redevelopment Agency, a public body corporate and politic, as Buyer, and agrees to act as Escrow Holder thereunder and to be bound by and strictly perform the terms thereof as such terms apply to Escrow Holder.

Dated: _____, 2005

FIRST AMERICAN TITLE INSURANCE COMPANY

By: _____
Name: :_____
Its: :_____

EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of Loma Linda, County of San Bernardino, State of California, described as follows:

Lot 26 of Tract 15917, as per plat recorded in Book 275 of Maps, Pages 31-37, inclusive, in the Office of the County Recorder of said County.

APN: 0283-281-26-0-000

EXHIBIT B

DEED

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO: Stradling Yocca Carlson & Rauth 660 Newport Center Drive Suite 1600 Newport Beach, California 92660 Attn: Mark J. Huebsch, Esq.	
APN: 0283-281-26-0-000	[Space above for recorder.]

Exempt from recording fee and documentary transfer tax pursuant to Government Code Section 27283.

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Gerard Harris and Heather Harris, husband and wife, as to an undivided interest (collectively, "Grantor"), hereby grants to the Loma Linda Redevelopment Agency, a public body corporate and politic, that certain real property located in the County of San Bernardino, State of California, more particularly described on **Exhibit A** attached hereto and incorporated herein by this reference.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of _____, 200_.

Gerard Harris and Heather Harris, husband and wife

By: _____
Gerard Harris

By: _____
Heather Harris

EXHIBIT "A" TO GRANT DEED

LEGAL DESCRIPTION

Real property in the City of Loma Linda, County of San Bernardino, State of California, described as follows:

Lot 26 of Tract 15917, as per plat recorded in Book 275 of Maps, Pages 31-37, inclusive, in the Office of the County Recorder of said County.

APN: 0283-281-26-0-000

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN BERNARDINO)

On _____, before me, _____, Notary Public,
(Print Name of Notary Public)

personally appeared _____,

☐ personally known to me
-or-
☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

_____
Signature Of Notary

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General

☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other: _____

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title Or Type Of Document

_____
Number Of Pages

_____
Date Of Document

_____
Signer(s) Other Than Named Above

CERTIFICATE OF ACCEPTANCE

This is to certify that the fee interest in real property conveyed under the foregoing Grant Deed by Gerard Harris and Heather Harris, husband and wife, as to the following property:

Lot 26 of Tract 15917, as per plat recorded in Book 275 of Maps, Pages 31-37, inclusive, in the Office of the County Recorder of said County.

APN: 0283-281-26-0-000

is hereby accepted by the Executive Director of the LOMA LINDA REDEVELOPMENT AGENCY on behalf of the Agency Board pursuant to authority conferred by Resolution No. ____ of said Agency Board adopted on December 14, 2004, and the Grantee consents to recordation thereof by its duly authorized officer.

LOMA LINDA REDEVELOPMENT AGENCY,
a public body corporate and politic

Dated: _____, 2005

By: _____
Dennis R. Halloway
Its: Executive Director

ATTEST:

_____
Pamela Byrnes O'Camb
Agency Secretary

EXHIBIT C

FIRPTA Certificate

TRANSFEROR'S CERTIFICATE OF NON-FOREIGN STATUS

To inform the Loma Linda Redevelopment Agency ("Transferee"), that withholding of tax under Section 1445 of the Internal Revenue Code of 1986, as amended ("Code") will not be required upon the transfer of certain real property to the Transferee by Gerard Harris and Heather Harris, husband and wife (collectively, "Transferor"), the undersigned hereby certifies the following:

1. The Transferor, Gerard Harris and Heather Harris, is not a foreign person or citizen, foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Code and the Income Tax Regulations promulgated thereunder);

2. The Transferor's social security number or U.S. employer identification number is as follows: for Gerard Harris _____ and for Heather Harris _____.

3. The Transferor's home or office address is:

25408 Durango Loop
Loma Linda, California 92354-2235

The Transferor, and each of Gerard Harris and Heather Harris, understands that this certification may be disclosed to the Internal Revenue Service by the Transferee and that any false statement contained herein could be punished by fine, imprisonment or both. Under penalty of perjury, I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document.

Gerard Harris and Heather Harris, husband and wife

By: _____
Gerard Harris

By: _____
Heather Harris