City of FRESNO

# REPORT TO THE FRESNO REDEVELOPMENT AGENCY

| AGENCY ITEM NO. 8:30 am "L" |
|---|
| AGENCY MEETING: 03/10/11 |
| APPROVED BY |
| (Executive Director) |

**DATE:** March 10, 2011

**FROM:** Marlene Murphey, Executive Director

**BY:** John Quiring, Project Manager

**SUBJECT:** Agency Board authorize the Executive Director to enter into a Purchase and Sale Agreement for the property APN 448-030-04; and to take all other actions as necessary and consistent with Agency Board approval. The property is located within the South Van Ness Industrial Revitalization Project Area (Property located in District 3)

## RECOMMENDATION

It is recommended that the Agency Board:

Grant authorization to the Executive Director to enter into a Purchase and Sale Agreement for the purchase of Assessor Parcel Number 448-030-04, located within the South Van Ness Industrial Revitalization Project Area; and to take the necessary actions to close escrow

## EXECUTIVE SUMMARY

The Agency is seeking authorization to make an acquisition of a blighted parcel and multiple blighted and structurally unsound structures located on an 11+ acre industrial parcel as per the attached Purchase and Sale Agreement The parcel located in the South Van Ness Industrial Revitalization Project Area, is located at a prominent intersection of Butler and East Avenues in the heart of the South Van Ness Industrial Project Area and is zoned M-3 (Heavy Industrial Use). The property also contains a Local Historic property (#83), California Products Company Farmhouse that is in a severely deteriorating condition.

The Agency received an appraisal effective December 1, 2010 by James G. Palmer , MAI, that values the property at $1,200,000, the agreed upon purchase price.

The acquisition of this property will help reduce conditions of extreme blight in the heart of this emerging industrial center, will increase the area's potential attraction of new investments, will improve the area's image and marketability to emerging employers requiring light and medium industrial locations. The acquisition of this property is done in conjunction with ongoing efforts to enhance the South Van Ness Industrial Target area and supports other private and public revitalization efforts being undertaken by surrounding property owners.

In addition to the acquisition costs, the Agency would incur nominal typical closing costs such as legal, title, escrow cost, relocation as required by the California Redevelopment Law

and site clearance. This project is consistent with the goals and objectives in the South Van Ness Industrial Redevelopment Project Area.

**BACKGROUND**

This parcel, containing multiple severely deteriorated structures has been identified for acquisition to reduce conditions of extreme blight in the heart of this emerging industrial center, will increase the area's potential attraction of new investments, will improve the area's image and marketability to emerging employers requiring light and medium industrial locations. The acquisition of this property is done in conjunction with ongoing efforts to enhance the South Van Ness Industrial Target area and supports other private and public revitalization efforts being undertaken by surrounding property owners. The acquisition furthers the South Van Ness Industrial Project Area Plan's goals and objectives.

The property is comprised of eleven acres of formerly used industrial buildings and miscellaneous industrial structures as well as a significant amount of bare property formerly used for storage and truck staging. At the front corner of Butler Avenue, the property also contains a small Local Historic structure (#83), California Products Company Farmhouse, built in 1898, that is in a severely deteriorating condition

The Agency retained and received an appraised value of $1,200,000, effective December 1, 2010 by James Palmer, MAI, for the property

Staff and the Sellers have negotiated the attached Purchase and Sale Agreement. The sellers have agreed to sell the property for its appraised amount of $1,200,000 to be adjusted subject to a professional survey being done at RDA expanse. Escrow conditions include provisions to ensure the property is not encumbered or clouded by lease/sublease and/or probate interests and rights. The property is will be vacated prior to close of escrow as per the terms for relocation specified in the purchase and sale agreement. The RDA has also entered into a Purchase Option agreement to the Pana-Pacific Corporation for a portion of the property subject to a successful close of RDA escrow with the current seller, appropriate parcelization of the site, demolition and clean-up of the subject property

This project is consistent with the goals and objectives in the South Van Ness Industrial Project Area Plan and has been assessed under the Final Program Environmental Impact Report No. 98-01.

A Phase I Environmental Site Assessment and Soil Assessment were performed and no significant contamination was present.

Funds are budgeted and available in the FY 10/11 budget.

The Housing and Community Development Commission is scheduled to consider this item at their March 7, 2011 scheduled meeting.

**Attachments:** 1 Purchase & Sales Agreement

# REAL PROPERTY PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

THE REDEVELOPMENT AGENCY, a public body, corporate and politic ("Buyer"), and St. Anthony's Bread Basket, INC., a California Non-Profit Corporation ("Seller"), enter into this Real Property Purchase and Sale Agreement and Joint Escrow Instructions (the "Agreement"), effective as of the date that the Buyer has executed it and the Agency Board has approved it.

## RECITALS

A. The Agency is responsible for implementing the redevelopment plan (the "Plan") governing the land area identified as the Southeast Fresno Redevelopment Revitalization Project a (the "Project Area"), in accordance with the California Community Redevelopment Law (Health and Safety Code Sections 33000, *et. seq.*, hereafter the "CRL"). The Plan and the CRL authorize the Agency to purchase property for redevelopment purposes.

B The Seller owns certain Real Property within the Project Area, and the City of Fresno, commonly known as 3000 E. Butler Avenue, Fresno, California 93721, and more particularly described in Exhibit A, attached, (the "Property").

C. To further redevelopment in the Project Area, the Buyer desires to purchase the Property on the terms and conditions set forth in this Agreement.

## AGREEMENT

1 **Purchase and Sale**. Seller will sell the Property to Buyer, and Buyer will purchase the Property from Seller on the terms and conditions set forth in this Agreement.

2 **Conditions Precedent**. Escrow Closing and each party's obligations hereunder, are subject to the satisfaction of the following conditions precedent. Each condition must be satisfied or waived in writing within a reasonable time. If any condition is not timely satisfied, the party benefitted by that condition may waive the condition and close escrow, or terminate this Agreement by giving the other party and the Title Company 10 days' written notice. After expiration of the 10 days, this Agreement, and any escrow will terminate. In addition, the parties may agree in writing to delay close of escrow to allow for satisfaction of the conditions. Upon termination of the Agreement, the Title Company will return any documents and money deposited into escrow to the depositor, after deducting any escrow cancellation fee, and Buyer will have no further obligation to Seller

2.1 **Buyer's Right to Enter and Inspect the Property.** Buyer shall have the right to enter, inspect, and conduct any due diligence tests on the property that Buyer deems advisable. Seller grants Buyer, and/or Buyer's agents, the right, upon 24 hours notice, to enter onto the Property to conduct tests and investigations, if all the following occur· (a) Buyer conducts tests and investigations at its sole cost and expense; (b) the tests and investigations do not unreasonably interfere with Seller's possession.

2.2 **Compliance with CEQA.** The Property shall be in compliance with the California Environmental Quality Act, as applicable.

2.3 **Seller's Location of Replacement Property**. Within thirty (30) days of execution of this Agreement, but by no later than the Closing Date, Seller shall relocate all personal property located on the Property to sellers property at 3035 east Butler Avenue. Buyer will agree to provide by lease or purchase at buyer discretion largest available storage containers for up to one year and place them on the sellers property at 3035 East Butler The number of storage containers will be determined by the seller as needed to vacate the property.. Buyer will pay all Seller's actual moving expenses pursuant to Cal. Gov Code § 7262(a). Seller hereby waives all rights to any further claim for relocation damages other than what is set forth in this Section.

**3.** **Purchase Price.** The purchase price for the Property is ONEMILLION, TWO HUNDRED THOUSAND DOLLARS ($1,200,000$^{.00}$) for 11 16 acres, the appraised value of the property, to be adjusted prior to close of escrow based upon completion of a professional survey done at Buyers expense. Buyer will pay the purchase price by depositing a check into the escrow in time to meet the Title Company's requirements regarding immediately available funds for Closing.

3 **Seller's Warranties**. Seller represents and warrants that: (a) Seller owns the Property, free and clear of all liens, licenses, claims, encumbrances, easements, encroachments on the Property from adjacent properties, encroachments from the Property onto adjacent properties, and any rights of way, other than those disclosed by the public record; (b) Seller has no knowledge of any pending litigation involving the Property; (c) Seller has no knowledge of any violations of, or notices concerning defects or noncompliance with any code, statute, regulation, ordinance, judicial order, or judicial holding concerning the Property; (d) Seller has no knowledge of any hazardous materials or substances stored, discharged, or otherwise present in, on, or affecting the Property; (e) Seller has no knowledge of any material defects in the Property These warranties shall survive the Closing and the recording of the grant deed.

4 **Opening Escrow.** The parties will open an escrow with Chicago Title Company at 7330 N N Palm Avenue, Suite 101, Fresno, California 93711 ("Title Company"), Attention: Barbie Clothier

4.1 **Agreement as Joint Escrow Instructions.** This Agreement, when signed by Buyer and Seller and deposited into escrow with the Title Company, will be the parties' joint escrow instructions. Buyer and Seller will sign and deliver any other form instructions the Title Company may require that are consistent with this Agreement.

4.2 **Deposits into Escrow.** Buyer and Seller will deposit all instruments, documents, money, and other items into escrow with the Title Company that (i) this Agreement identifies or (ii) the Title Company may require that are consistent with the terms and purposes of this Agreement, and necessary to Closing. Within five days after the Agency Board approves this Agreement, Seller will deposit a recordable grant deed, substantially in the form attached as Exhibit "B," into the escrow with Title Company, or will conditionally deliver it to Buyer.

4.3 **Title.** Seller will convey title of the Property to Buyer free and clear of all title defects, liens, encumbrances, conditions, covenants, restrictions, leases or agreements, and other adverse interests of record or known to Seller, subject only to title exceptions numbered 1 to 6, 8 to 22, 24 to 25, 27 to 38, 40, 42 to 49, 52, and 54 to 60 in the preliminary title report, Order No. 10-45027598-JH, issued by Chicago Title Company, effective as of January 15, 2010 at 7:30am.

4.4 **Title and Closing Costs.** Seller will pay any costs of clearing and conveying title in the condition described in Section 4.3, above. Buyer will pay the costs of a CLTA owner's title policy insuring Buyer's title in the condition described in Section 4.3, escrow fees, and costs to record the grant deed. Buyer and Seller will pay any other costs according to the custom in Fresno County

4.5 **Closing.** The escrow will be considered closed ("Closing" or "Close" or the "Closing Date") on the date that the Title Company records the grant deed. The escrow will be in condition to Close when any conditions to Close are satisfied or waived, the Title Company is prepared to issue the title policy described herein, and the Title Company is otherwise able to record the grant deed. The parties shall close the escrow within 30 days after the opening of escrow. The escrow will continue in effect until Closing unless Buyer or Seller gives a 10-day written demand to terminate the escrow Unless that demand is waived on or before the end of that 10 day period, the Title Company will terminate the escrow and return all funds or all documents, less any termination fee, and this Agreement will be of no further effect except as herein provided.

4.6 **Disbursements.** At Closing, Title Company may disburse the purchase price, less Seller's costs to clear title, prorations, and other costs, if any, to Seller, when Title Company is committed to issue a standard CLTA owner's title insurance policy to Buyer insuring its fee title in the condition set forth in Section 4.3, above, for the purchase price or such lesser amount as Buyer may designate.

4 7 **Prorations.** At Closing, the Title Company will prorate the following, between Seller and Buyer, based on a 30-day month. real property taxes, special assessments, and rents, if any

4 8 **Risk of loss.** Any loss or damage, to the Property or any improvements on it, before Closing is at Seller's risk.

4 9 **Broker.** Seller shall pay a commission of 3% to Grubb & Ellis/Pearson Commercial at the close of escrow Payment of the commission is the sole responsibility of Seller Seller holds Buyer harmless and shall indemnify Buyer against any claims for commission.

5 **Delivery of Possession.** Seller shall deliver possession at Closing, in accordance with the terms and conditions set forth herein. Subsequent to Buyer taking possession of the Property, and at such time that Buyer shall deem fit to demolish any structures on the Property, Buyer agrees to deposit all salvageable brick onto the adjacent property owned by Seller (APN 468-020-65) (the "Adjacent Property"), and to provide fencing around the Adjacent Property. Seller hereby grants Buyer the right to enter and deposit any such brick on the Adjacent Property In the event Seller no longer wishes to receive the brick, Seller shall notify the Buyer in writing and Buyer may otherwise dispose of the brick.

6 **Miscellaneous Provisions.**

6.1 **Further Assurances.** Each party will sign and deliver further documents, or take any further actions required to complete the purchase and sale described herein.

6.2 **Notices.** All notices and other communications required or permitted under this Agreement shall be in writing and duly given on the date of service, if (a) served personally on the person to receive the notice, (b) delivered by depositing the notice or communication in the U S. mail, postage prepaid, and addressed to the relevant party at the address set forth below, or (c) by facsimile that provides a transmission confirmation showing the date and time transmitted.

**To Seller:**

James Johnson
4831 E. Clinton Ave
Fresno, CA 93703

**With a copy to:**

Lou Ginise,
Grubb & Ellis/Pearson Commercial

7480 N. Palm Avenue, Ste 101
Fresno, California 93711

**To Buyer:**

Redevelopment Agency of the City of Fresno
Attention. Executive Director
2344 Tulare Street, Suite 200
Fresno, CA 93721
Fax No.: (559) 498-1870

6 3 **Entire Agreement.** Each Exhibit referred to in this Agreement is by that reference incorporated into and made a part of this Agreement. This Agreement is the entire agreement between the parties regarding the purchase and sale of the Property, and supersedes all prior discussions, negotiations, commitments or understanding, written or oral.

6.4 **Amendment or Cancellation.** Buyer and Seller may amend or cancel this Agreement only by mutual written consent of the parties, unless otherwise expressly provided herein.

6 5 **Successors and Assigns.** This Agreement is binding upon and shall inure to the benefit of each party, and each party's heirs, successors, assigns, transferees, agents, employees or representatives. The Buyer may assign this agreement and its rights hereunder

6.6 **Time of the Essence.** Time is of the essence of each term in this Agreement.

6 7 **Attorneys' Fees**. If any party to this Agreement or the Title Company begins any action, proceeding, or arbitration arising out of this Agreement, then as between Buyer and Seller, the prevailing party shall be entitled to receive from the other party, besides any other relief that may be granted, its reasonable attorneys' fees, costs, and expenses incurred in the action, proceeding, or arbitration.

6 8 **Governing Law** This Agreement and the legal relations between the parties shall be governed by and construed according to California law Venue for the filing of any action to enforce or interpret this Agreement or any rights and duties hereunder shall be in Fresno, California.

6 9 **Headings**. The section headings in this Agreement are for convenience only The headings are not part of this Agreement and shall not be used to construe it.

6 10 **Waiver** If Buyer or Seller waives a breach of any provision herein, the waiver will not be a continuing waiver The waiver will not constitute a waiver of any subsequent breach, or a waiver of a breach of any other provision hereof

6 11 **Severability.** The provisions of this Agreement are severable. The invalidity or unenforceability of any provision in this Agreement will not affect the other provisions.

6 12 **Interpretation.** This Agreement is the result of the combined efforts of the parties. If any provision of this Agreement is found ambiguous, the ambiguity will not be resolved by construing this Agreement in favor or against any party, but by construing the terms according to their generally accepted meaning.

6.13 **Precedence of documents.** If any conflict exists between the body of this Agreement and any Exhibit or Attachment to it, the provisions of the body of this Agreement will control and take precedence over the Exhibit or Attachment.

6 14 **Counterparts.** This Agreement may be executed in counterparts, each of which when executed and delivered will be deemed an original, and all of which together will constitute one instrument.

6 15 **Survival.** All representations and warranties, indemnifications, and other provisions which, by their nature are intended to continue, shall survive Closing and delivery of the grant deed.

7 **Environmental Indemnity.** Seller shall indemnify, hold harmless, and defend the Buyer, its officers, agents, employees, and volunteers from any liability, loss, fines, penalties, forfeitures, claims, expenses, and costs, whether incurred by the Seller, Buyer, or any other third party, arising directly or indirectly from the release, presence or disposal of any hazardous substances or materials (as now or hereafter defined in any law, regulation, or rule) in, on, or about the Property on or before Closing. This indemnity shall include, without limitation, any claims under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (CERCLA), or any other federal, state or local law whether statutory or common law, ordinance, or regulation. Costs or losses covered will include, without limitation, consultants, engineering, investigator fees, clean up or disposal costs and attorneys' fees, and damages. Upon written notice from the Buyer, the Seller, at Seller's sole cost and expense, shall immediately assume the defense of any claims, suit or action brought against the Agency by any public body, individual, partnership, corporation or other legal entity, relating to any matter covered by this paragraph. Seller's obligations under this indemnity shall survive the close of escrow and the recording of the grant deed.

IN WITNESS WHEREOF the Seller and Buyer have signed this Agreement on the dates and

in the year set forth below

BUYER.

REDEVELOPMENT AGENCY OF
THE CITY OF FRESNO

MARLENE MURPHEY
Executive Director

Dated. _____, 2010

SELLER

St. Anthony's Bread Basket, INC., a California Non-Profit Corporation

_____
By: James Johnson, President

Dated _____, 2010

The Redevelopment Agency of the City of Fresno has signed this Agreement pursuant to authority granted by the Redevelopment Agency Board on _____.

ATTEST
REBECCA E. KLISCH
Ex-officio Clerk

By_____
Deputy

Dated: _____, 2010

APPROVED AS TO FORM
JAMES C SANCHEZ
Ex-officio Attorney

By_____
Deputy/Sr Deputy/Assistant

Dated: _____, 2010

Attachments:

Exhibit A: Legal Description

## LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS

Insert legal description for parcel 3

**EXHIBIT "A"**

prolongation and last said Southeasterly line, 263.43 feet to a point in the Northeasterly line of said "O" Street; thence North 41° 32' 30" West along last said Northeasterly line, 258.00 feet to the most Westerly corner of that certain parcel of land described as Parcel No. 2 in said deed to Fresno Cold Storage Co., Inc.; thence North 48° 27' 30" East along the Northwesterly line of said Parcel No. 2, a distance of 206.60 feet to the most Northerly corner of said Parcel No. 2; thence North 41° 32' 30" West along the Northwesterly prolongation of the Northeasterly line of said Parcel No. 2, a distance of 539.56 feet to a point in said parallel line; thence South 0° 10' 00" West along said parallel line 400.70 feet to point of beginning;

EXCEPTING THEREFROM that portion described as follows: Beginning at the intersection of a line that is parallel with and distant Easterly 50.00 feet at right angles from the Westerly line of said Tract No. 2 with the Northeasterly line of "O" Street (60 feet in width); thence North 0° 10' 00" East (bearing assumedfor the purpose of this description) along said parallel line 310.52 feet to the Southwesterly line of Walker Street (60.00 feet in width); thence South 41° 32' 30" East along said Southwesterly street line 539.56 feet to the Northwesterly line of that certainparcel of land described as Parcel No. 2 in the deed to Fresno Cold Storage Official Records of said County; thence South et line; thence North 41° 32' 30" West thereon

St. Anthony's Bread Basket, INC., a California Corporation

_____

By James Johnson

Dated· _____, 2010

**EXHIBIT "B"**

# PURCHASE OPTION AGREEMENT

This Purchase Option Agreement (the "Agreement") is made and entered into as of this ___ day of _____, 2011, by and between the **Redevelopment Agency of the City of Fresno**, a public body (the "Owner") and **Pana-Pacific Corporation**, a California corporation (the "Corporation") and its assigns, with reference to the following recitals of fact:

## RECITALS:

A. **WHEREAS**, Owner owns that certain real property located in the City of Fresno, State of California and more particularly described as 3000 East Butler Avenue, Fresno, CA, (APN# 468-030-04) on "**Exhibit A**" attached hereto and incorporated herein by this reference (the "Property");

B. **WHEREAS**, Owner has agreed to grant to the Corporation an option to purchase an approximately four (4) acre portion located on the southern end of the Property as shown on Exhibit A OR the entire 11.16 acre parcel less an historic structure. The final parcel boundaries will be set by professional survey and appropriate parcelization process at Owners expense prior to close of any escrow; and

C. **WHEREAS**, the parties hereto desire to set forth the terms of the option granted herein from Owner to the Corporation to purchase the Property.

**NOW, THEREFORE**, the parties hereto agree as follows:

**1. Grant of Option**. Owner hereby grants to the Corporation an option (the "Option") to purchase the Property, on the terms and conditions set forth in this Agreement.

**2. Consideration for Option** As consideration for this Option, Corporation has delivered to Owner the sum of $1.00, and Owner acknowledges the receipt thereof.

**3. Term of Option**. The term of the Option (the "Option Term")shall commence on the date hereof, and shall expire at 11:59 p.m. (Pacific Standard Time) 18 months later (the "Option Termination Date").

**4. Manner of Exercising Option**. The Corporation may exercise the Option by delivering to Owner, at any time during the Option Term, written notice of such exercise. The notice of exercise shall state that the Option is exercised without condition or qualification*.

**5. Purchase Price**. The purchase price for the Property pursuant to the Option shall be a sum equal to a per acre price of $100,000.00 per acre based upon a professional survey to be paid by the Owner.

*In the event this Option is exercised, the consideration paid by Corporation for this Option (as stated in Paragraph 2, above) shall be applied against and be deemed to be payment credited against the Purchase Price.

6. **Completion of Sale**.

**6.1** Prior to the close of escrow on the Property following exercise of the Option, the Corporation shall cause a title company to issue, upon close of escrow, an ALTA standard owner's policy of title insurance dated as of the close of escrow, in an amount equal to the purchase price for the Property, showing title to the Property vested in the Corporation and showing as exceptions all encumbrances of record as of the date hereof

**6.2** Escrow for the sale of the Property shall close on the date selected by the Corporation, which date shall be no later than the Option Termination Date, at which time the purchase price shall be due and payable in cash. Owner shall convey the Property to the Corporation by means of a grant deed. The costs of such sale shall be apportioned between Owner and the Corporation according to the custom then in effect in Fresno County, California.

**6.3** Owner shall deliver the Property, either the four acre portion or the entire parcel, at the discretion of the Corporation, as a legal parcel with all appropriate zoning for Light to General Industrial uses, and clear of structures, debris or environmental encumbrances. Owner further agrees to retain ownership of the historic small farmhouse located on the far, northwest corner of the Property on a one-half acre parcel (150 feet X150 feet) parcel to be created and remain in the ownership of the Owner Corporation further agrees that any property offered for sale over the four acre option, would be first offered to adjacent industrial companies and at a price no greater that the original purchase price. This restriction would last for two years from the date of execution of the purchase agreement.

7. **Quitclaim Deed and Termination of Option** Upon termination of the Option Term, the Corporation agrees, upon Owner's request, to (a) execute and deliver to Owner a quitclaim deed, releasing all of the Corporation's right, title and interest in and to the Option within thirty (30) days after termination of the Option Term, and (b) execute, acknowledge and deliver such other documents as may be reasonably required by Owner's title company to remove the cloud of the Option from title to the Property

8. **Notices**. Notices, demands and communications between the parties shall be in writing and shall be served personally or by depositing the same in the certified United States mail, return receipt requested, post prepaid, and, if intended for Owner shall be addressed to

The Redevelopment Agency of the City of Fresno
2344 Tulare Street, Suite 200
Fresno, CA 93721
Attn: Marlene Murphey, Executive Director

if intended for the Corporation shall be addressed to:

Pana Pacific Corporation.
80 Van Ness Avenue
Fresno, CA 93721
Attn: John Trenberth, President

or to such address as either party may have furnished to the other in writing as a place for the service or notice. Any notice so mailed shall be deemed to have been given on the delivery date, or the date that delivery is refused by the addressee, as shown on the return receipt.

**9. Attorney's Fees**. In the event of any action or proceeding at law or in equity between any of the parties hereto to enforce any provision of this Agreement or to protect or establish any right or remedy of either party hereunder, the unsuccessful party to the litigation shall pay to the prevailing party all costs and expenses, including, without limitation, reasonable attorneys' fees incurred therein by the prevailing party, and if the prevailing party recovers judgment in any action or proceeding, the costs, expenses and attorney's fees shall be included in and as part of the judgment.

**10. Miscellaneous.**

**10.1** Owner and the Corporation each represent and warrant that neither has had or will have any dealings with any person, firm, broker or finder in connection with the negotiation of this Agreement and/or the consummation of the transactions contemplated hereby. Each party hereto hereby agrees to indemnify and hold harmless the other party from and against costs, expenses of liabilities for compensation, commissions or charges which may be claimed by any broker, finder or similar party by reason of any actions of the indemnifying party.

**10.2** The rights and obligations of Owner and the Corporation under this Agreement shall inure to the benefit of, and bind the respective successors and assigns.

**10.3** The captions used herein are for convenience of reference only and are not part of this Agreement and do not in any way limit or amplify the terms and provisions hereof

**10.4** Time is of the essence of each and every agreement, covenant and condition of this Agreement.

**10.5** This Agreement shall be interpreted in accordance with, and governed by, the laws of the State of California.

**10.6** This Agreement constitutes the entire agreement by and among Owner and the Corporation with respect to the subject matter hereof, and supersedes all prior offers and negotiations, oral and written. This Agreement may not be amended or modified in any respect whatsoever except by an instrument in writing signed by Owner and the Corporation.

**10.7** Owner and the Corporation shall subordinate this Agreement to the lien of any deed of trust necessary to develop the Property.

**10.8** The parties shall not record a Memorandum of Purchase Option Agreement in the Official Records of Fresno County, California.

**IN WITNESS WHEREOF**, Owner and the Corporation have executed this Agreement as of the date first above written.

OWNER:

[The Redevelopment Agency of the City of Fresno]

By: _____
Name._____
Title. _____

CORPORATION:

Pana Pacific Corporation., a California corporation

By: _____
John Trenberth, President

Exhibit A

Legal Description

(to be attached)

Exhibit B

Map of the Property