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3/5/15

CITY OF FRESNO
City Clerk's Office (Original)

**AGREEMENT FOR
PURCHASE OPTION AND RIGHT OF ACCESS
("AGREEMENT")**

This Agreement is made by and between Cesar Chavez Foundation, a California non-profit public benefit corporation ("CCF") and the City of Fresno, a municipal corporation ("City").

RECITALS

- A. City holds fee title to certain real property in the City of Fresno, California, commonly known as the 5100 block of E. Kings Canyon Road, Fresno, CA 93727, consisting of approximately 5.39 acres, Assessor's Parcel Numbers 472-021-58T; 472-021-60T; 472-021-61T, more specifically described in the attached **Exhibit A** ("Property").
- B. CCF desires an exclusive option to purchase the vacant undeveloped Property for Nine Hundred and Four Thousand Dollars and 00/100 (\$904,000.00). CCF also wants a right to access the Property during the option term to complete pre-purchase due diligence.
- C. City desires to grant CCF an option to purchase and develop the Property, with a right to access the Property during the option term.

AGREEMENT

NOW, THEREFORE, City and CCF agree as follows:

- 1. Grant of Option. City grants an exclusive right to CCF to purchase and develop the Property at the price and on the terms set forth in **Exhibit B** ("Disposition and Development Agreement").
- 2. Effective Date. The effective date of this Agreement is the date it is signed by CCF and the City after City Council's approval of this Agreement.
- 3. Consideration. For the rights granted by City, CCF will pay City Five Thousand Dollars (\$5,000.00) within thirty (30) days after the City approves this Agreement. The City Council's approval is a condition precedent to the effectiveness of this Agreement.
- 4. Original Term. This option and the right of access shall commence on the effective date of this Agreement and continue for one (1) year thereafter (the "Option Period"). CCF shall have a right to extend the Option Period for ninety (90) days upon providing written notice to the City no less than fifteen (15) days prior to the expiration of the Option Period.
- 5. Application of Consideration to Purchase Price or Retention by City. If CCF exercises this option, the consideration paid by CCF to City hereunder will apply to the purchase price. If CCF does not exercise this option, City will retain the consideration for grant of this option.
- 6. Exercise of Option. CCF may exercise this option by notification in writing. Within ten (10) business days after giving the notice, CCF and the City will sign a Disposition and Development Agreement, substantially in the form of **Exhibit "B,"** a copy of which is attached hereto and incorporated by reference herein and will

- open an escrow with a title company selected by City, subject to approval by City Council.
7. Automatic Termination. If CCF fails to exercise this option within the option period, this option and CCF's rights will automatically terminate without notice.
 8. Assignment. This Agreement is personal to CCF and there shall be no assignment of its rights or obligations under this Agreement without the prior written approval of the City Manager or his designee. Any attempted assignment by CCF, its successors or assigns, shall be null and void unless approved in writing by the City Manager or his designee.
 9. Right of Access. City grants to CCF, its agents or assigns, access to the Property during the original term upon twenty-four (24) hours' prior notice ("Access Notice"). The City herein agrees that CCF will be allowed to provide the City with Access Notice via facsimile, email, or via telephone. City will allow access to any part of the Property. CCF's rights of access will be exclusively for environmental review and inspection of the Property. If CCF or any of its agents damage the Property, CCF will repair the Property. CCF will access the Property in a way that does not interfere with City's use of the Property. City shall make available all documents in City's custody or control concerning any environmental condition of the Property.
 10. Warranties. City warrants that City has a marketable and insurable fee simple title to the Property.
 11. Risk of Loss. If any improvement on the Property is damaged or destroyed, the CCF will not be entitled to any refund of moneys paid. CCF, however, will be entitled on exercise of this option to offset against the purchase price the insurance proceeds City collects or has a right to collect for the loss or damage.
 12. Miscellaneous Provisions.

12.1 Notice. Unless otherwise provided in this Agreement and except for Access Notice as set forth above, any notice, tender, or delivery given by either party to the other may be by personal delivery or by United States mail, postage prepaid. Notices will be in writing. The notice, tender, or delivery will be deemed communicated or made as of delivery if personally given, or within twenty-four (24) hours after posting, if mailed. Mailed notices must be addressed as set forth below, but each party may change its address by written notice according to this paragraph.

Notice to the City:

City of Fresno
Attn: Renena Smith, Assistant City Manager
2600 Fresno Street
Fresno, CA 93721

Notice to CCF:

Cesar Chavez Foundation
Attn: Paul S. Park, Secretary, and General Counsel
P.O. Box 62
29700 Woodford-Tehachapi Road
Keene, CA 93531

12.2 Time of the Essence. Time is of the essence of this Agreement.

12.3 Exhibits; Entire Agreement. The exhibits referenced in this Agreement as attached are, by the reference, incorporated into this Agreement. This instrument and the attached Exhibits A, B and C are the entire agreement between the parties relating to the option and rights of access. This Agreement supersedes any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement. Any amendment to this Agreement must be in writing and signed by City and CCF to be effective.

12.4 Attorney's Fees. If either party brings any legal action or proceeding relating to this Agreement, the prevailing party will be entitled to recover from the other party, in addition to any other relief that may be granted, reasonable attorneys' fees, costs, and expenses.

12.5 Binding Effect. This Agreement will bind and inure to the benefit of the parties and their heirs, personal representatives, successors, and assigns.

12.6 Further Assurance. The parties will sign any additional documents and take any additional steps that may be necessary to carry out the intent and purpose of this Agreement.

12.7 Memorandum of Option. Following the execution of this Agreement, a Memorandum of Option to Purchase in substantially the form attached to this Agreement as **Exhibit C** shall be recorded with the official records of Fresno County, California.

12.8 Survival. The terms of this Agreement shall survive the close of escrow of the Property unless there is a contradiction between the Disposition and Development Agreement and this Agreement, in which event the Disposition and Development Agreement shall control.

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IN WITNESS WHEREOF the City and CCF have signed this Agreement on the dates and in the year set forth below.

CITY OF FRESNO, a municipal corporation

By: *Renana Smith*
BRUCE RUDD
for City Manager

Dated: 3/5, 2015

ATTEST:
YVONNE SPENCE, CMC
City Clerk

By: *Cindy Bruer*
Deputy

Dated: 3/6, 2015

APPROVED AS TO FORM:
DOUGLAS T. SLOAN
City Attorney

By: *Tracy Parvanian*
TRACY N. PARVANIAN
Deputy City Attorney

Dated: 3/5, 2015

CESAR CHAVEZ FOUNDATION:

By: *Paul S. Park*
PAUL S. PARK
Secretary

Dated: _____, 2015

Attachments:

- Exhibit A – Legal Description
- Exhibit B - Disposition and Development Agreement
- Exhibit C - Memorandum of Option

EXHIBIT A

Exhibit A

Legal Description

APN: 472-021-58T

Previously APN: 472-021-45T (portion)

That real property situated in the City of Fresno, County of Fresno, State of California, said real property being a portion of Lot 75 of Easterby Rancho, according to the map thereof recorded in Book 2, at Page 6 of Plats, Fresno County Records, said real property also being a portion of that parcel of land conveyed to the City of Fresno by a Grant Deed recorded August 30, 2007 as Document No. 2007-0163315, Official Records of Fresno County, hereinafter referred to as "Deeded Parcel", said real property being more particularly described as follows:

COMMENCING at the northwest corner of Lot 76 of said Easterby Rancho; thence S 89°27'54" E, along the north line of said Lots 75 and 76, a distance of 647.00 feet; thence S 0°45'49" W, parallel with the west line of said Lot 76, a distance of 29.00 feet to the northwest corner of said Deeded Parcel, said northwest corner being the TRUE POINT OF BEGINNING of this description; thence continuing S 0°45'49" W, parallel with the west line of said Lot 76 and along the west line of said Deeded Parcel, a distance of 137.00 feet; thence S 89°27'54" E, parallel with and 137.00 feet south of the north line of said Deeded Parcel, a distance of 288.59 feet to a point on the arc of a non-tangent curve concave to the south and having a radius of 45.00 feet, a radial to said point bears N 58°50'16" W; thence easterly, along the arc of said non-tangent curve, through a central angle of 118°44'43", an arc distance of 93.26 feet; thence

S 89°27'54" E, non-tangent to said curve and parallel with and 137.00 feet south of the north line of said Deeded Parcel, a distance of 255.47 feet to the east line of said Deeded Parcel; thence N 0°45'49" E, along said east line and parallel with the west line of said Lot 76, a distance of 137.00 feet to the northeast corner of said Deeded Parcel; thence N 89°27'54" W, along the north line of said Deeded Parcel, a distance of 621.50 feet to the TRUE POINT OF BEGINNING.

Contains an area of 1.93 Acres, more or less.

For the purposes of this description the north line of said Lot 76 is taken to be 30 feet south of the north line of the Northeast Quarter of Section 7, Township 14 South, Range 21 East, Mount Diablo Base and Meridian, and the west line of said Lot 76 is taken to be 20 feet east of the west line of said Northeast Quarter.

APN 472-021-60T

Previously APN 472-021-59T (portion)

That real property situated in the City of Fresno, County of Fresno, State of California, said real property being a portion of Lot 75 of Easterby Rancho, according to the map thereof recorded in Volume 2 of Plats at Page 6, Fresno County Records, said real property also being a portion of that parcel of land conveyed to the City of Fresno by the Grant Deed recorded August 30, 2007 as Document No. 2007-0163315, Official Records of Fresno County, hereinafter referred to as "Deeded Parcel", said real property being more particularly described as follows:

COMMENCING at the Northwest corner of Lot 76 of said Easterby Rancho; thence South $89^{\circ}27'54''$ East, 647.00 feet along the North line of said Lots 75 and 76; thence South $00^{\circ}45'49''$ West, 29.00 feet, parallel with the West line of said Lot 76 to the Northwest corner of said Deeded Parcel; thence continuing South $00^{\circ}45'49''$ West, 137.00 feet, parallel with the West line of said Lot 76 and along the West line of said Deeded Parcel to the TRUE POINT OF BEGINNING of this description, said point of beginning also being the Southwest corner of the land described in the Grant Deed recorded March 28, 2008 as Document No. 2008-0046264, Official Records of Fresno County; thence Easterly along the Southerly boundary of the land described in said Document No. 2008-0046264 the following two courses 1) South $89^{\circ}27'54''$ East, 288.59 feet along a line 137.00 feet South of and parallel with the North line of said Deeded Parcel to the beginning of a non-tangent curve concave to the Southeast having a radius of 45.00 feet and to which beginning a radial line bears North $58^{\circ}50'16''$ West; thence 2) Northeasterly, 46.21 feet along said curve through a central angle of $58^{\circ}49'58''$; thence South $00^{\circ}45'49''$ West, 269.40 feet on a non-tangent line to last said curve and parallel with the West line of said Lot 76, to a point on the Southerly boundary of said Deeded Parcel; thence Westerly along the Southerly boundary of said Deeded Parcel the following three courses 1) North $89^{\circ}24'52''$ West, 41.95 feet; thence 2) North $00^{\circ}32'24''$ East, 40.00 feet; thence 3) North $89^{\circ}29'37''$ West, 284.69 feet to the Southwest corner of said Deeded Parcel; thence North $00^{\circ}45'49''$ East, 207.44 feet, parallel with the West line of said Lot 76 and along the West line of said Deeded Parcel to the TRUE POINT OF BEGINNING.

Contains an area of 70,040 square feet, more or less.

For the purpose of this description the North line of said Lots 75 and 76 is taken to be a line 30.00 feet South of and parallel with the North line of the Northeast quarter of Section 7, Township 14 South, Range 21 East, Mount Diablo Base and Meridian, and the West line of said Lot 76 is taken to be a line 20.00 feet East of and parallel with the West line of the Northeast quarter of said Section 7.

2010-037A
PLAT 2763

APN 472-021-61T

Previously APN 472-021-59T (portion)

That real property situated in the City of Fresno, County of Fresno, State of California, said real property being a portion of Lot 75 of Easterby Rancho, according to the map thereof recorded in Volume 2 of Plats at Page 6, Fresno County Records, said real property also being a portion of that parcel of land conveyed to the City of Fresno by the Grant Deed recorded August 30, 2007 as Document No. 2007-0163315, Official Records of Fresno County, hereinafter referred to as "Deeded Parcel", said real property being more particularly described as follows:

COMMENCING at the Northwest corner of Lot 76 of said Easterby Rancho; thence South $89^{\circ}27'54''$ East, 647.00 feet along the North line of said Lots 75 and 76; thence South $00^{\circ}45'49''$ West, 29.00 feet, parallel with the West line of said Lot 76 to the Northwest corner of said Deeded Parcel; thence continuing South $00^{\circ}45'49''$ West, 137.00 feet, parallel with the West line of said Lot 76 and along the West line of said Deeded Parcel to the TRUE POINT OF BEGINNING of this description, said point of beginning also being the Southwest corner of the land described in the Grant Deed recorded March 28, 2008 as Document No. 2008-0046264, Official Records of Fresno County; thence Easterly along the Southerly boundary of the land described in said Document No. 2008-0046264 the following three courses 1) South $89^{\circ}27'54''$ East, 288.59 feet along a line 137.00 feet South of and parallel with the North line of said Deeded Parcel to the beginning of a non-tangent curve concave to the South having a radius of 45.00 feet and to which beginning a radial line bears North $58^{\circ}50'16''$ West; thence 2) Northeasterly and Southeasterly, 93.26 feet along said curve through a central angle of $118^{\circ}44'43''$ to a point on a line 137.00 feet South of and parallel with the North line of said Deeded Parcel; thence 3) South $89^{\circ}27'54''$ East, 255.47 feet on a non-tangent line and along last said parallel line to a point on the East line of said Deeded Parcel; thence South $00^{\circ}45'49''$ West, 298.20 feet, parallel with the West line of said Lot 76 and along the East line of said Deeded Parcel to the Southeast corner of said Deeded Parcel; thence Westerly along the Southerly boundary of said Deeded Parcel the following five courses 1) North $89^{\circ}28'15''$ West, 142.15 feet; thence 2) North $00^{\circ}31'45''$ East, 50.75 feet; thence 3) North $89^{\circ}24'52''$ West, 194.29 feet; thence 4) North $00^{\circ}32'24''$ East, 40.00 feet; thence 5) North $89^{\circ}29'37''$ West, 284.69 feet to the Southwest corner of said Deeded Parcel; thence North $00^{\circ}45'49''$ East, 207.44 feet parallel with the West line of said Lot 76 and along the West line of said Deeded Parcel to the TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM all that portion of the above described real property more particularly described as follows:

COMMENCING at the Northwest corner of Lot 76 of said Easterby Rancho; thence South $89^{\circ}27'54''$ East, 647.00 feet along the North line of said Lots 75 and 76; thence South $00^{\circ}45'49''$ West, 29.00 feet, parallel with the West line of said Lot 76 to the Northwest corner of said Deeded Parcel; thence continuing South $00^{\circ}45'49''$ West, 137.00 feet, parallel with the West line of said Lot 76 and along the West line of said Deeded Parcel to the TRUE POINT OF BEGINNING of this description, said point of beginning also being the Southwest corner of the land described in the Grant Deed recorded March 28, 2008 as Document No. 2008-0046264, Official Records of Fresno County; thence Easterly along the Southerly boundary of the land described in said Document No. 2008-0046264 the following two courses 1) South $89^{\circ}27'54''$ East, 288.59 feet along a line 137.00 feet South of and parallel with the North line of said

Deeded Parcel to the beginning of a non-tangent curve concave to the Southeast having a radius of 45.00 feet and to which beginning a radial lines bears North 58°50' 16" West; thence 2) Northeasterly, 46.21 feet along said curve through a central angle of 58°49'58"; thence South 00°45'49" West, 269.40 feet on a non-tangent line to last said curve and parallel with the West line of said Lot 76, to a point on the Southerly boundary of said Deeded Parcel; thence Westerly along the Southerly boundary of said Deeded Parcel the following three courses 1) North 89°24 '52" West, 41.95 feet; thence 2) North 00°32'24" East, 40.00 feet; thence 3) North 89°29'37" West, 284.69 feet to the Southwest corner of said Deeded Parcel; thence North 00°45'49" East, 207.44 feet, parallel with the West line of said Lot 76 and along the West line of said Deeded Parcel to the TRUE POINT OF BEGINNING.

Contains an area of 80,752 square feet, more or less.

For the purpose of this description the North line of said Lots 75 and 76 is taken to be a line 30.00 feet South of and parallel with the North line of the Northeast quarter of Section 7, Township 14 South, Range 21 East, Mount Diablo Base and Meridian, and the West line of said Lot 76 is taken to be a line 20.00 feet East of and parallel with the West line of the Northeast quarter of said Section 7.

TNP:nd (67087nd/tnp)

EXHIBIT B

EXHIBIT B

RECORDED AT THE REQUEST OF
AND WHEN RECORDED RETURN TO:

City of Fresno
2600 Fresno Street
Fresno, CA 93721
Attention: City Manager

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

This Agreement is recorded at the request and for the benefit of the City of Fresno and is exempt from the payment of a recording fee pursuant to Government Code Section 6103.

CITY OF FRESNO, a municipal corporation

By: _____
Bruce Rudd
City Manager

Dated: _____

DISPOSITION AND DEVELOPMENT AGREEMENT

By and Between

THE CITY OF FRESNO
a municipal corporation

and

CESAR CHAVEZ FOUNDATION
a non-profit public benefit corporation

Kings Canyon Senior Apartments
5100 block of E. Kings Canyon Road
(APNs: 472-021-58T, 60T, 61T)
Fresno, California 93727

ATTACHMENTS

- Exhibit A Site Map
- Exhibit A-1 Legal Description
- Exhibit B Scope of Development and Basic Design
- Exhibit C Performance Schedule
- Exhibit D Certificate of Completion
- Exhibit E Grant Deed
- Exhibit F Escrow Instructions

DISPOSITION AND DEVELOPMENT AGREEMENT

This Disposition and Development Agreement ("**DDA**" or "**Agreement**") is entered into as of the _____ day of _____, _____ ("Effective Date"), between CITY OF FRESNO, a municipal corporation ("**City**") and CESAR CHAVEZ FOUNDATION, a California Nonprofit Public Benefit Corporation (the "**Developer**").

RECITALS

The parties enter this Agreement based on the following facts, understandings, and intentions:

A. The City currently owns real property located at the 5100 block of E. Kings Canyon Road, Fresno, California, more particularly described in Exhibits "A" (Site Map) and "A-1," (legal description) attached (the "**Property**").

B. Developer proposes to purchase the Property from City at fair market value and develop it privately to serve as a residential development for low-income residents consisting of 89 multi-family units and 46 units for senior households as set forth in the Scope of Development, attached as Exhibit "B" (hereinafter "the Project").

C. Developer agrees to undertake improvements in accordance with the Performance Schedule described in Exhibit "C" attached hereto and incorporated herein (the "**Performance Schedule**").

D. Developer intends to finance the purchase of the Property and construction of the Project with financing, in part, from Low Income Housing Tax Credit (LIHTC) equity investors or other available public and private mortgage/debt financing (collectively "**Tax Credit Financing**").

E. The City and the Developer intend that Developer's consummation of the Developer's approval of an independent appraisal as to the fair market value of the Property, acquisition of the Property and the Closing of Escrow (defined below), shall be subject to the Developer's receipt of an award of LIHTC from the State of California's Tax Credit Allocation Committee ("**CTCAC**"), and Developer's receipt of adequate equity and mortgage/debt financing from one or more investors and lenders ("**Lenders**") so as to construct the Project.

F. Developer agrees to commission the completion on the preparation of any required environmental assessment under the National Environmental Policy Act ("**NEPA**") and California Environmental Quality Act ("**CEQA**") for the Project. The CEQA findings shall be adopted prior to the execution of this Agreement

NOW, THEREFORE, in consideration of the mutual covenants and promises of the parties herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

In consideration of the mutual promises and covenants and upon the terms and conditions set forth in this Agreement, the parties agree as follows:

1. Definitions. Besides definitions contained elsewhere in this Agreement, the following definitions will govern the construction, meaning, application, and interpretation of the defined terms, as used in this Agreement.

1.1 ADA. "ADA" means the Americans with Disabilities Act of 1990.

1.2 Agreement. "Agreement" means this Disposition and Development Agreement between City and Developer.

1.3 Certificate of Completion. "Certificate of Completion" means that Certificate issued in the form attached as Exhibit "D" to Developer by City evidencing completion of the Project.

1.4 City. "City" means the City of Fresno, a municipal corporation, having its offices at 2600 Fresno Street, Fresno, California 93721-3605, and operating through its Council and its various departments.

1.5 Closing, Close or Close of Escrow. "Closing" "Close" or "Close of Escrow" mean the closing of the escrow in which the City conveys a fee interest in the Property to Developer.

1.6 Day. "Day," means whether or not capitalized, means a calendar day, unless otherwise stated.

1.7 Default. "Default" means a party's failure to timely perform any action or covenant required by this Agreement following notice and opportunity to cure.

1.8 Developer. "Developer" means Cesar Chavez Foundation.

1.9 Effective Date. "Effective Date" means the date that City signs this Agreement, after Developer signs it.

1.10 Environmental Laws. "Environmental Laws" means any federal, state, or local law, statute, ordinance or regulation concerning environmental regulation, contamination or cleanup of any Hazardous Materials or Waste including, without limitation, any state or federal lien or "superlien" law, any environmental cleanup statute or regulation, or any governmentally required permit, approval, authorization, license, variance or permission.

1.11 Escrow. "Escrow" means the escrow opened with Escrow Holder for City to convey a fee interest in the Property to Developer.

1.12 Escrow Holder. "Escrow Holder" means FNTG Concord Title Group Servicing, 2150 John Glenn Drive, Suite 400, Concord, California 94520, attn.: Jeff Martin, or another title company mutually satisfactory to both parties.

1.13 Hazardous Materials. "Hazardous Materials" means any substance, material, or waste, which is or becomes regulated by any local governmental authority, the State of California, or the United States Government including, without limitation, any material or substance, which is: (a) defined as a "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under Sections 25115, 25117, or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, (b) defined as a "hazardous substance"

under Section 25316 of the California Health and Safety Code, (c) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, (d) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, (e) petroleum, (f) friable asbestos, (g) polychlorinated biphenyl, (h) listed under Article 9 or defined as "hazardous" or "extremely hazardous" under Article 11 of Title 22, California Administrative Code, (i) designated as "hazardous substances" pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317), (j) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), or (k) defined as "hazardous substances" pursuant to Section of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. Section 9601, et seq.); provided, however, hazardous materials shall not include: (1) construction materials, gardening materials, household products, office supply products or janitorial supply products customarily used in the construction, maintenance, rehabilitation, or management of residential rental housing, mixed-use, or commercial developments or associated buildings or grounds, or typically used in household activities in a manner typical of other residential, mixed-use or commercial developments which are comparable to the Improvements; and (2) certain substances which may contain chemicals listed by the State of California pursuant to Health and Safety Code Section 25249, et seq., which substances are commonly used by a significant portion of the population living within the region of the Property, including, but not limited to, alcoholic beverages, aspirin, tobacco products, NutraSweet, and saccharine.

1.14 Improvements. "Improvements" means the development and construction of the Project on the Property, including, the development and construction of a separate parcel which shall serve as a common driveway for the Project.

1.15 Outside Date. "Outside Date" means the last date on which the parties are willing to Close Escrow with regard to the purchase of the Property and the commencement of construction with respect to the Project. The Outside Date shall occur no later than one hundred eighty (180) days from the date the Developer receives an award of Low Income Housing Tax Credits from CTCAC and any extensions thereof as defined in Section 2.3.2(B) of this Agreement. Unless agreed to otherwise in writing, in no event shall the Outside Date extend beyond October 30, 2016.

1.16 Performance Schedule. "Performance Schedule" means the schedule attached as Exhibit "C," setting forth the dates and times by which the parties must accomplish certain obligations with regard to the Project under this Agreement. The parties may revise the Schedule from time to time on mutual written agreement of Developer and City, but any delay or extension of the completion date is subject to the requirements in this Agreement.

1.17 Project. "Project" means the development that Developer is to complete on the Property and any off-site improvements, as generally described in the Scope of Development, attached as Exhibit "B." The Project includes, a

separate parcel which shall serve as a common driveway and the associated landscaping, parking improvements, on-site improvements, and any off-site improvements that the City may require as a condition to approving the Project. The Project may be developed and constructed in one or more Phases. Developer shall develop the Project substantially in the form and manner presented herein. Any changes, revisions, amendments, or alternations to the Project (including the number and type of residential units and amount of commercial space, and configuration or layout of the same) desired by Developer shall be subject to approval of the City Manager, which approval shall not be unreasonably withheld. In such event, Developer shall provide City Manager with a written request for a change to the Project accompanied by any supporting documentation the Developer deems necessary. The City Manager shall respond to the written request within forty-five (45) days. If no action is taken by the City Manager within the forty-five (45) day period, the request shall be deemed approved.

1.18 Project Completion Date. "Project Completion Date" means the date that City shall have determined the Project has reached completion in accordance with the plans and specifications in the Development Schedule, as evidenced by City's issuance of a Certificate of Completion.

1.19 Property. "Property" means the real property described in Exhibits "A" and "A-1."

1.20 Security Financing Interest. "Security Financing Interest" means a security interest, which Developer grants in its interest in the Property, before City issues and records a Release of Construction Covenants, to secure a debt, the proceeds of which Developer uses to construct the Project.

2. CONVEYANCE OF THE PROPERTY. City will convey the Property to Developer for the purchase price and on the conditions set forth herein.

2.1 Purchase Price. Developer will purchase the Property from City for a purchase price of **NINE HUNDRED FOUR THOUSAND DOLLARS AND NO CENTS (\$904,000.00)** ("**Purchase Price**"). Upon the Close of Escrow, Developer shall pay the Purchase Price, less any earnest money deposit, the consideration paid by Developer under the Agreement for Purchase Option and Right of access entered into by the parties hereto, and any other fees paid by Developer to City under this Agreement.

2.2 Escrow. Within fifteen (15) days after the Effective Date of this Agreement, City and Developer will open an Escrow with the Escrow Holder, and deposit a signed copy of this Agreement as their initial joint escrow instructions. Within five (5) business days of the opening of Escrow, Developer shall deposit **FIVE THOUSAND DOLLARS AND NO CENTS (\$5,000.00)** (the "**Earnest Money Deposit**") with the Title Company. City and Developer will sign escrow instructions as set forth in Exhibit "F" in addition to any supplemental escrow instructions, consistent with this Agreement that the Escrow Holder or either party hereto deems necessary or appropriate. This Agreement will control any inconsistency that may exist between this Agreement and the supplemental

escrow instructions. The parties authorize the Escrow Holder to act under the escrow instructions and, after the Escrow Holder accepts the instructions in writing, it will carry out its duties as Escrow Holder under this Agreement.

2.3 Conditions Precedent to Closing Escrow. The following are conditions precedent to City's obligations to close the Escrow and convey the Property to the Developer and the Developer's obligation to purchase and accept conveyance of the Property from City. These conditions must be satisfied or waived by the time stated or, if no time is stated, then by the Outside Date set for the Closing.

2.3.1 City Conditions. The Closing is subject to the fulfillment of each of the conditions precedent described below, which are solely for the benefit of City and which shall be fulfilled consistent with the Exhibit "C" Performance Schedule, or waived prior to close of escrow:

A. Insurance. Developer has delivered to City, and City has approved the form and content of, certificates of insurance for all insurance that this Agreement requires Developer to obtain and maintain.

B. Notice of Accepting Property Condition. Developer has given written notice to City that it has inspected the Property and accepts the Property in AS IS condition. If the Developer, after its inspection of the Property and review of any environmental reports, disapproves the Property's environmental or other condition, and City is either unwilling or unable to cure the condition to which the Developer objects, then the Developer or City may terminate this Agreement by written notice to the other party and without liability for breach or otherwise.

C. No Default. Developer is not in default of this Agreement and all representations and warranties of Developer contained herein are true and correct in all material respects.

2.3.2 Developer Conditions. The Closing is subject to the fulfillment or waiver by the Developer of each of the conditions precedent described below, which are solely for the benefit of the Developer and which shall be fulfilled consistent with the Exhibit "C" Performance Schedule, or waived prior to close of escrow.

A. Condition of Title. Developer has approved the condition of title to the Property pursuant to this paragraph A. City shall obtain a preliminary title report and transmit a copy to Developer not later than fifteen (15) days following the Effective Date. Developer shall notify City in writing within fifteen (15) days after receipt of a copy of the preliminary title report whether it approves the condition of title. Developer's failure to give such notice within fifteen (15) days will be deemed approval of the condition of title. If Developer notifies City that it disapproves any

title exception, City may, but is not obligated to, remove that title exception within fifteen (15) days after receipt of Developer's written notice. If City cannot or does not elect to remove any disapproved title exception or give assurance of removal satisfactory to Developer within that period, Developer will have ten (10) business days after the expiration of such fifteen (15) day period to either give City written notice that Developer elects to purchase the Property subject to the disapproved title exceptions or to terminate this Agreement. Developer hereby objects to all title defects, liens, encumbrances, and mortgages evidencing a monetary obligation, other than non-defaulted real property taxes and assessments. The exceptions to title approved by Developer as provided herein shall be referred to as the "Condition of Title." The Developer shall have the right to approve or disapprove any further exceptions reported by the title company after the Developer has approved the Condition of Title for the Property (which are not created by the Developer). The City shall not voluntarily create any new exceptions to title following the date of this Agreement and prior to the Closing.

B. Inspection. City will convey fee title of the Property to Developer "AS IS," with all faults. For a period of one hundred twenty (120) days after the Effective Date of this Agreement (the "Due Diligence Period"), Developer or its designated representatives may conduct tests, investigations and inspections of the Property in all matters relating to the Property, including, but not limited to, the physical condition or state of the Property and improvements thereon, environmental conditions, including Phase I Environmental Report and the Phase II Environmental Report assessments, and all other matters relating to the Property or any improvements thereon or affecting Developer or the feasibility of the Property for the Project ("Due Diligence Investigation"). If, for any reason, Developer is dissatisfied, in Developer's sole and absolute discretion, with the results of the Due Diligence Investigation, Developer shall provide written notice of disapproval of the Due Diligence Investigation to the City and Escrow Holder. Such written notice of disapproval shall be provided prior to the expiration of the Due Diligence Period, and will constitute Developer's notice to terminate pursuant to Section 2.3.3, below. In consideration of Developer's right to conduct the Due Diligence Investigation, including the opportunity to review, inspect and examine the Property in its sole and absolute discretion, Developer shall in all circumstances pay to the City ONE HUNDRED DOLLARS AND NO CENTS (\$100.00), which sum shall be applicable to the Purchase Price.

Developer has the right to enter the Property to conduct the Due Diligence Investigation on the following conditions: (a) the

tests, investigations and inspections are conducted by the Developer without cost or expense to City, (b) the tests, investigations and inspections do not unreasonably interfere with City's possession or use of the Property, and (c) Developer will assume responsibility for any loss or liability and for any damage to the Property to the extent resulting from conducting the tests, investigations or inspections.

Within ten (10) days from the Effective Date, City shall deliver to Developer any and all then-existing plans, engineering reports, surveys, maps, soil or seismic reports, grading plans, environmental reports and assessments, and other studies, reports, correspondence or materials concerning the Property or any improvements thereon (the "Materials"). The Materials may include, without limitation, the following: (i) copies of any environmental reports or environmental site assessments or any other report relating to toxic or hazardous materials or the environmental condition of the Property or improvements; (ii) engineering studies, maps and cost reports (sewer, water, hydrology, storm drain, flood control, FEMA, utilities, traffic and noise); (iii) soils, geology and seismic reports; (iv) covenants, conditions and restrictions, if any, regarding the Property; (v) archaeological studies and reports; (vi) to the extent not described above, grading, erosion control, water, sewer, storm drain, street improvement, landscape and utility improvement plans; (vii) any other documents or materials which City possesses or which are reasonably available to City and which Developer requests in writing or City determines, in its reasonable judgment, are significant to the evaluation or use of the Property.

City makes no representation or warranty concerning, and will have no liability or responsibility for, the Materials or the information contained therein.

C. Financing. Developer shall be allowed until October 30, 2016 (the "**Financing Contingency Date**") to secure an award of Low Income Housing Tax Credits from CTCAC ("**CTCAC Award**"), and other such necessary financing from one or more Lenders in an amount sufficient for the acquisition of the Property, development, and construction of the Project (the "**Financing Contingency Period**"). In the event that Developer has not received notice of a CTCAC Award by October 30, 2016, City, in its sole and good-faith discretion, shall have a right to terminate this Agreement, wherein Developer and City shall be released from any and all obligations under this Agreement.

D. Zoning. Developer shall have one hundred eighty (180) days from the Effective Date of this Agreement (the "**Zoning Contingency Date**") to apply and secure all appropriate zoning and

land-use entitlement approvals from the City ("**Entitlements**") for the purpose of utilizing the Property as a residential, multifamily development. In the event that Developer is unable to secure such Entitlements within the initial Zoning Contingency Date, for reasons beyond Developer's control, City agrees to extend the Zoning Contingency Date for an additional sixty (60) day period upon written notice by Developer to City seventy-two (72) hours prior to the expiration of the Zoning Contingency Date. If Developer is still unable to secure the Entitlements after the expiration of such extension, the Developer shall have a right to cancel this Agreement and receive a refund of its Earnest Money Deposit.

E. No Default. City shall not be in default of any provision of this Agreement and all representations and warranties of City contained herein are true and correct in all material aspects.

F. No Litigation. There shall be no litigation pending with respect to this Agreement, any land use, zoning, development or building permits or entitlements for the development contemplated by this Agreement or encumbering title to the Property, the outcome of which could materially interfere with the development of the Property as set forth herein.

2.3.3 Termination for Failure of Condition. In the event there is a failure of one or more conditions described in Section 2.3.1 or 2.3.2 that are not waived, the party for whose benefit the condition is established may terminate this Agreement by written notice to the other party prior to the Closing, in which event this Agreement shall terminate and no party shall have any further rights or liability to the other under this Agreement.

2.4 Escrow and Title Costs. Developer shall deposit the Earnest Money as set forth in Section 2.2. Thereafter, the Developer and City shall each pay fifty percent (50%) of escrow fees, recording fees, and documentary stamp taxes, if any, to convey the Property to Developer. City shall pay the portion of the premium for a CLTA standard owner's policy of title insurance with coverage not exceeding the Purchase Price, insuring the title to the Property as described herein. The Developer shall pay the portion of the premium for a CLTA extended owner's policy of title insurance or any special endorsements required by Developer. Any other costs associated with the Escrow shall be paid by City or the Developer according to the custom and practice in Fresno County, as declared by the Escrow Holder.

2.5 Prorations. The Escrow Holder will prorate all ad valorem taxes and assessments, if any, as of the Closing, between City and the Developer. If the then-current taxes and assessments are not ascertainable, the Escrow Agent will apportion the taxes and assessments based on the most recent statement of taxes and assessments. Escrow Holder will adjust the proration, if necessary, within thirty (30) days after the actual taxes and assessments are available. Developer will be solely responsible for ad valorem taxes or assessments on the

Property, or any taxes on this Agreement or any rights hereunder, which may be levied, assessed or imposed for any period after the Closing.

2.6 Form of Deed. City will convey the Property to the Developer by a Grant Deed, substantially in the form attached hereto as Exhibit "E." The conveyance and Developer's title will be subject to all conditions, covenants, restrictions and requirements set forth in this Agreement, and the Grant Deed.

2.7 Nonmerger. Prior to the issuance of a Certificate of Completion, the provisions of this Agreement will not merge with the Grant Deed. The Grant Deed will not affect, impair or limit the provisions, covenants, conditions or agreements of this Agreement.

2.8 Possession. City will deliver exclusive possession of the Property to Developer at or immediately following the Closing.

2.9 Sale "AS IS" – No Warranties. City will convey the Property "AS IS" with all faults, including, without limitation, the conditions disclosed in any toxic reports delivered to Developer, any conditions disclosed in the files of the regulators such as, but not limited to, the Fresno County Health Department, and the Regional Water Quality Control Board, and any environmental or other physical conditions on or under the Property, buried debris or structures, and soil compaction, presence of Hazardous Materials or the condition of the soil, its geology, the presence of known or unknown seismic faults, and the suitability of the Property for the development purposes intended hereunder.

2.10 Close of Escrow. Escrow will close within thirty (30) days after the parties satisfy all the conditions precedent to Closing as set forth in this Agreement, but not later than the "Outside Date," unless the parties mutually agree to extend the time for Closing. Should Developer determine that additional time is necessary to Close, Developer may request a maximum of two (2) thirty (30) day extensions periods upon issuance of written notice to City no later than seventy-two (72) hours prior to the initial closing date or to the expiration date of any extension thereof and upon depositing with the Title Company an additional FIVE THOUSAND DOLLARS AND NO CENTS (\$5,000.00), with each such extension (the "**Closing Extension Fee**"). The Closing Extension Fee shall be applicable to the Purchase Price, released to City, and considered non-refundable to Developer.

2.11 Authority of Escrow Holder. The parties authorize the Escrow Holder to, and the Escrow Holder will do the following:

2.11.1 Title Policy Premium. Pay and charge City and Developer, respectively, for the title insurance premiums described in Section 2.4 of this Agreement.

2.11.2 Pay Fees. Pay and charge the Developer and City equal 50% share of the escrow fees and closing costs, excluding any costs to correct title exceptions or cure property conditions.

2.11.3 Record Grant Deed and Disburse Funds. Disburse funds from the Purchase Price, and record and deliver the Grant Deed to the appropriate party when the conditions precedent to Closing are satisfied or waived.

2.11.4 Actions to Fulfill Obligations. Take any other action necessary to fulfill its obligations under this Agreement.

2.11.5 FIRPTA, and More. Direct the parties to deliver any instrument or to perform any act, necessary to comply with FIRPTA or any similar state act and regulation promulgated thereunder. City will sign a Certificate of Non-foreign Status, or a Certification of Compliance with Real Estate Reporting Requirement of the 1986 Tax Reform Act as the Escrow Holder may require.

2.11.6 Closing and Other Statements. Prepare and file with all appropriate governmental or taxing authorities a uniform settlement statement, closing statement, tax withholding forms including, without limitation, an IRS 1099-S form, and be responsible for withholding taxes, if the law so requires.

2.11.7 Closing Statements. Escrow Holder will forward to both Developer and City a separate accounting of all funds received and disbursed for each party, and copies of all signed and recorded documents deposited into Escrow, with the recording and filing date and information endorsed thereon.

2.11.8 Termination Without Close. If the Escrow is not in condition to close by the Outside Date, then any party that is not in default of this Agreement may demand the return of money or property and terminate this Agreement and the Escrow. If either party makes a written demand for return of documents or properties, this Agreement will not terminate until five (5) days after Escrow Holder has delivered copies of the demand to the other party at the respective addresses shown in this Agreement. If the other party objects within the five (5) day period, the parties authorize the Escrow Holder to hold all papers and documents until instructed by a court of competent jurisdiction or by mutual written instructions of the parties. Termination of this Agreement will be without prejudice to whatever legal rights either party may have against the other arising from this Agreement. If no party demands that the Escrow terminate, the Escrow Holder will proceed to Closing as soon as possible.

2.12 City's Authority to Sign Instructions and Documents. The City Manager or his designee is authorized to execute any supplemental escrow instructions for City that are not a material change hereto. The City Manager or his designee may make minor modifications, not constituting a material change,

to this Agreement, Exhibits and the documents referenced herein, to affect the opening and Close of the Escrow.

2.13 Access Prior to Conveyance. Prior to the conveyance of title from City, representatives of Developer shall have the right of access to the Property at all reasonable times for the purpose of obtaining data and making surveys and tests necessary to carry out this Agreement. The Developer shall hold City harmless for any injury or damages arising out of any activity pursuant to this Section. The Developer shall have access to all data and information on the Property available to City, but without warranty or representation by City as to the completeness, correctness or validity of such data and information. Any preliminary work, other than work in connection with Developer's Due Diligence Investigation, undertaken on the Property by the Developer prior to conveyance of title thereto shall be done only after written consent of City, satisfaction of City imposed conditions including without limitation evidence of reasonably required insurance coverage(s), all at the sole expense of the Developer. The Developer shall save and protect City against any claims or liens resulting from such preliminary work, access or use of the Property. Copies of the data, surveys and tests obtained or made by the Developer on the Property shall be filed with City. Any preliminary work by the Developer shall be undertaken only after securing any necessary permits from the appropriate governmental agencies.

3. PROJECT DEVELOPMENT

3.1 Private Development Project; Revision of Project. Developer will complete the Project as described in the Scope of Development using contractors licensed to do business in California. Except as may be expressly provided herein, Developer shall not begin construction or perform any other work on the Property until after Closing and subject to the clearance by any additional funding requirements. This Project Deed may be subordinated to certain approved financing subject to the following conditions: all financing proceeds must be used to provide construction or permanent financing, Developer must demonstrate to the City that subordination of the Deed is necessary to secure adequate construct or permanent financing to ensure the viability of the Project, and the subordination must provide the City will adequate rights to cure any defaults by CCF. Upon a determination by the City Manager that the conditions in this Section have been satisfied, the City Manager will be authorized to execute and approve subordination agreements or other documents as may be reasonably required by the lenders to evidence subordination to the Project financing without the necessity of any further action or approval and further provided that the City Attorney approves such documents as to form.

The parties agree that in the event that Developer shall fail to receive all or any material portion of the CTCAC Award or other such necessary financing from one or more Lenders in an amount sufficient for the acquisition of the Property, and the development and construction of the Project then the Project and Scope of Development contemplated by this Agreement may be renegotiated and redefined in a manner consistent with a scaled down Project and Scope of

Development (and the related Performance Schedule) taking into account the amount of the loan funds not received by Developer from necessary Lenders and the CTCAC Award. Any such change shall be set forth in a written amendment to this Agreement. If the parties cannot agree on a revised Project and Scope of Development within a reasonable period of time not to exceed one hundred twenty (120) days under such circumstances, the City, in its sole and good-faith discretion may rescind the purchase and sale of the real property. This Agreement shall be cancelled and the real property shall be reconveyed to the City and all funds previously paid by Developer to City or otherwise related to this Agreement or the Project shall concurrently be refunded to Developer such that the parties shall be restored to their original positions prior to the execution of this Agreement to the greatest extent possible.

3.2 Time for Completion of the Project. City will convey the Property to Developer for construction of the Project, and not for speculation in real estate. Therefore, the Developer will begin construction of the Project by the date provided in the Performance Schedule, and will diligently complete the Project according to the Performance Schedule or by any other date as the parties may agree in a written extension signed by the parties and subject to any extension of time provided for in Section 3.3.

3.3 Extension of Time for Completion. In addition to the specific provisions of this Agreement, performance by any party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor or supplier; acts of another party; acts or the failure to act of any public or governmental agency or entity or any other causes beyond the control or without the fault of the party claiming an extension of time to perform. An extension of time for any such cause shall only be for the period of the enforced delay, which period shall commence to run from the time of the commencement of the cause. If, however, notice by the party claiming such extension is sent to the other party more than thirty (30) days after the commencement of the cause, the period shall commence to run only thirty (30) days prior to the giving of such notice. Times of performance under this Agreement may also be extended in writing by City and the Developer. City Manager, on behalf of City, may grant extension(s) which cumulatively do not exceed one hundred eighty (180) days; any additional extension shall require City Council approval.

3.4 Certificate of Completion. After Developer has satisfactorily completed the Project according to this Agreement and after the completion of the Project, Developer shall submit to the City: 1) certification in writing to that the Project has been substantially completed in accordance with the plans and scope of work, approved by the City; 2) a recorded Notice of Completion; 3) a cost-certifying final budget where the Developer shall identify the actual costs of

construction of the Project. This final cost-certification shall identify costs in line-item format, consistent with the Project Budget; 4) a request for a recorded Certification of Completion. Upon a determination by the City that the Developer is in compliance with all of the Developer's obligations, as specified in this Agreement, the City shall furnish, within thirty (30) calendar days of a written request by the Developer, a recordable Certificate of Completion for the Project in the form attached hereto as EXHIBIT "D". The City will not unreasonably withhold or delay furnishing the Certificate of Completion. If the City fails to provide the Certificate of Completion within the specified time, it shall provide the Developer a written statement indicating in what respects the Developer has failed to complete the Project in conformance with this Agreement or has otherwise failed to comply with the terms of this Agreement, and what measures the Developer will need to take or what standards it will need to meet in order to obtain the Certificate of Completion. Upon the Developer taking the specified measures and meeting the specified standards, the Developer will certify to the CITY in writing of such compliance and the City shall deliver the recordable Certificate of Completion to the Developer in accordance with the provisions of this section Conditions to Issuing the Certificate of Completion. The following are all conditions precedent to City issuing the Certificate of Completion for the Project, and each submission will be in a form and substance satisfactory to City:

3.4.1 Evidence that all mechanics' liens or material men's liens and claims recorded against the Property, and the Project Improvements that are the subject of the Certificate of Completion have been unconditionally and finally released or, if not released, sufficiently bonded against as required by law.

3.5 Liens and Stop Notices. If a claim of lien or bonded stop notice is recorded against the Property or any Project improvements, the Developer, within ninety (90) days after that, or within five (5) days after City's demand, whichever last occurs, will do the following:

3.5.1 Pay or discharge the same; or

3.5.2 Effect the release of it by recording and delivering to City a surety's release bond in sufficient form and amount, or otherwise; or

3.5.3 Give City other assurance that City, in its sole discretion, deems satisfactory to protect City from the effect of the lien, claim or bonded stop notice.

3.6 Annual Proof of Insurance. Annually, beginning with commencement of construction of the Project, and continuing until the issuance of a Certificate of Completion for the Project, Developer shall submit proof of insurance as required by this Agreement.

3.7 Taxes and Assessments. The Developer will pay before delinquency all ad valorem real estate taxes and assessments on the Property, subject to the Developer's right to contest any taxes or assessments in good

faith. The Developer will remove any levy or attachment on the Property or any part of it, or assure the satisfaction of the levy or attachment within a reasonable time. Except as to property in public use and subject to the following sentence, Developer and those tenants/others holding or using the Property under Developer by lease or otherwise, shall not apply for or take advantage of or otherwise enable any exemption from property/possessory taxes. The Developer shall not allow a use, transfer or sale of the Property/portion thereof, whether prior to or following completion of the Improvements hereunder, to an entity that is exempt from property/possessory tax and/or which would allow a removal from the tax roll, absent prior notice to and written consent of City.

3.8 Compliance with Laws. In performing its obligations hereunder, Developer shall comply with all applicable laws, regulations, and rules of the governmental agencies having jurisdiction, including, without limitation, applicable federal and state labor standards and environmental laws and regulations. Developer, not City, is responsible for determining applicability of and compliance with all local, state and federal laws including, without limitation, the California Labor Code, Public Contract Code, Public Resources Code, Health & Safety Code, Government Code, the City Charter, and Fresno Municipal Code. City makes no representations regarding the applicability of any such laws to this Agreement, the Project, or the parties' respective rights or obligations hereunder including, without limitation, payment of prevailing wages, competitive bidding, subcontractor listing, or other matters. City shall not be liable or responsible, in law or equity, to any person for Developer's failure to comply with any such laws, whether City knew or should have known of the need for Developer to comply, or whether City failed to notify Developer of the need to comply.

4. INDEMNITY; INSURANCE.

4.1 Indemnity. Developer shall indemnify, hold harmless and defend the CITY and each of its officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage) incurred by the CITY, Developer or any other person, and from any and all claims, demands and actions in law or equity (including attorney's fees and litigation expenses), arising or alleged to have arisen directly or indirectly out of performance of this Agreement. Developer's obligations under the preceding sentence shall apply regardless of whether the CITY or any of its officers, officials, employees, agents or volunteers are passively negligent, but shall not apply to any loss, liability, fines, penalties, forfeitures, costs or damages caused by the active negligence or by the willful misconduct of the CITY or any of its officers, officials, employees, agents or volunteers. This section shall survive termination or expiration of this Agreement and the potential recordation of the Grant Deeds.

4.1.1 Action Arising Out of Approval of This Agreement. The Developer shall indemnify, defend and hold the City and each of their respective officers, officials, employees, agents, boards and volunteers harmless from any judicial action filed against the City by any third party

arising out of the City's approval of this Agreement or any permit, entitlement or other action required to implement this Agreement, including without limitation approvals under the Law, CEQA or the City's Municipal Code. The City will promptly notify the Developer of the action. Within fifteen (15) days after receipt of the notice, the Developer shall take all steps necessary and appropriate to assume defense of the action. The City will cooperate with the Developer in the defense of the action (at no cost to the City). Neither the Developer nor the City will compromise the defense of such action or permit a default judgment to be taken against the City without the prior written approval of the other party(ies).

4.1.2 Survival of Indemnification Provisions. Except as otherwise specifically stated herein, the indemnification provisions in this subsection and every other indemnification in this Agreement will survive any termination of this Agreement, will survive any Closing, will survive the expiration of any covenant herein and will not merge with any other document evidencing an interest in real property.

4.2 Insurance. After Closing and prior to the commencement of the construction and until City issues the Certificate of Completion and records it in the Official Records of Fresno County, Developer shall pay for and maintain, or cause to be paid and maintained, in effect all insurance policies required hereunder with insurance companies either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide; or (ii) authorized by the City's Risk Manager. The following policies of insurance are required and shall maintain limits of liability of not less than those amounts stated below. However, the insurance limits available to City, its officers, officials, employees, agents and volunteers as additional insureds, shall be the greater of the minimum limits specified therein or the full limit of any insurance proceeds to the named insured. The following policies of insurance are required, and Developer will deliver proof of these policies before starting construction:

4.2.1 Commercial General Liability Insurance. Commercial general liability Insurance, which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01 and shall include insurance for bodily injury, property damage, and personal and advertising injury with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, contractual liability (including indemnity obligations under this Agreement), with limits of liability of not less than the following: \$1,000,000 per occurrence for bodily injury and property damage, \$1,000,000 per occurrence for personal and advertising injury and \$2,000,000 aggregate for products and completed operations, and \$2,000,000 general aggregate applying separately to work performed under the Agreement.

Commercial Automobile Liability Insurance. Commercial automobile

liability insurance, which shall be at least as broad as the most current version of Insurance Services Office (ISO) Business Auto Coverage Form CA 00 01, and include coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Code 1-Any Auto) with limits of liability of not less than \$1,000,000 per accident for bodily injury and property damage.

4.2.2 Workers' Compensation Insurance. Workers' compensation insurance, as required under the California Labor Code.

4.2.3 Employee's Liability. Employee's liability coverage with minimum limits of liability of not less than \$1,000,000 each accident, \$1,000,000 disease policy limit and \$1,000,000 disease each employee.

4.2.4 Fire and Extended Coverage Insurance. Fire and extended coverage insurance for at least the full replacement cost of the Developer Improvements on the Property, excluding foundations, footings and excavations and tenant improvements, fixtures and personal property.

4.2.5 Builders Risk Insurance. Builders risk (Course of Construction) insurance, obtained by the Developer or subcontractor in an amount equal to the completion value of the Project with no coinsurance penalty provisions. (Only required if the project includes new construction of a building; or renovation of, or addition to, an existing building.) Contractor Pollution Liability. Contractor Pollution Liability (Unless waived in writing by the City's Risk Manager or his/her designee, is required, by the Developer or the Contractor for all environmental and water remediation work and for all work transporting fuel. Unless waived in writing by the City's Risk Manager or his/her designee, the Pollution Liability is also required for demolition, renovation, HVAC, plumbing or electrical (including, without limitation, lighting) work on any structure built prior to the year 1990) insurance with limits of liability of not less than the following:

\$1,000,000 per occurrence or claim
\$2,000,000 general aggregate per annual policy period

In the event the Developer purchases an Umbrella or Excess insurance policy(ies) to meet the minimum limits of insurance set forth above, this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies).

In the event the Developer involves any lead-based, mold or asbestos environmental hazard, either the Automobile Liability insurance policy or the Pollution Liability insurance policy shall be endorsed to include Transportation Pollution Liability insurance covering materials to be transported by the Developer pursuant to the Agreement.

In the event the Developer involves any lead-based environmental hazard (e.g., lead-based paint), the Developer's Pollution Liability insurance policy shall be endorsed to include coverage for lead based environmental hazards. In the event the Developer involves any asbestos environmental hazard (e.g., asbestos remediation), the

Developer's Pollution Liability insurance policy shall be endorsed to include coverage for asbestos environmental hazards. In the event the Agreement involves any mold environmental hazard (e.g., mold remediation), the Pollution Liability insurance policy shall be endorsed to include coverage for mold environmental hazards and "microbial matter including mold" within the definition of "Pollution" under the policy.

The Developer shall be responsible for payment of any deductibles contained in any insurance policies required hereunder and the Developer shall also be responsible for payment of any self-insured retentions. Any deductibles or self-insured retentions must be declared to, and approved by, the City's Risk Manager or his/her designee. At the option of the City's Risk Manager or his/her designee, either (i) the insurer shall reduce or eliminate such deductibles or self-insured retentions as it respects City, its officers, officials, employees, agents and volunteers; or (ii) the Developer shall provide a financial guarantee, satisfactory to City's Risk Manager or his/her designee, guaranteeing payment of losses and related investigations, claim administration and defense expenses. At no time shall City be responsible for the payment of any deductibles or self-insured retentions.

All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after thirty (30) calendar day written notice has been given to City. Upon issuance by the insurer, broker, or agent of a notice of cancellation, non-renewal, or reduction in coverage or in limits, the Developer shall furnish CITY with a new certificate and applicable endorsements for such policy(ies). In the event any policy is due to expire during the work to be performed for City, the Developer shall provide a new certificate, and applicable endorsements, evidencing renewal of such policy not less than fifteen (15) calendar days prior to the expiration date of the expiring policy.

The General Liability and Automobile Liability insurance policies shall be written on an occurrence form. The Pollution Liability insurance policy shall be written on either an occurrence form, or a claims-made form. The General Liability, Automobile Liability and Pollution Liability insurance policies shall name City, its officers, officials, agents, employees and volunteers as an additional insured. All such policies of insurance shall be endorsed so the Developer's insurance shall be primary and no contribution shall be required of City. The coverage shall contain no special limitations on the scope of protection afforded to City, its officers, officials, employees, agents and volunteers. If the Developer maintains higher limits of liability than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits of liability maintained by the Developer. The General Liability insurance policy shall also name the City, its officers, officials, agents, employees and volunteers as additional insureds for all ongoing and completed operations. The Builders Risk (Course of Construction) insurance policy shall be endorsed to name the City as loss payee. Any Workers' Compensation insurance policy shall contain a waiver of subrogation as to City, its officers, officials, agents, employees and volunteers.

The Developer shall furnish City with all certificate(s) and applicable endorsements effecting coverage required hereunder. All certificates and applicable endorsements are to be received and approved by the City's Risk Manager or his/her designee before work commences. Upon request of City, the Developer shall immediately furnish City with a complete copy of any insurance policy required under this Agreement, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy. This requirement shall survive expiration or termination of this Agreement.

Claims-Made Policies - If any coverage required is written on a claims-made coverage form:

- (i) The retroactive date must be shown, and must be before the effective date of the commencement of work by the Developer.
- (ii) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the work or termination of the Agreement, whichever first occurs.
- (iii) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of the Agreement, or work commencement date, the Developer must purchase extended reporting period coverage for a minimum of five (5) years after completion of the work or termination of the Agreement, whichever first occurs.
- (iv) A copy of the claims reporting requirements must be submitted to City for review.
- (v) These requirements shall survive expiration or termination of the Agreement.

If at any time during the life of the Agreement or any extension, the Developer, its contractor, or any of its subcontractors fail to maintain any required insurance in full force and effect, all work under this Agreement shall be discontinued immediately, and all payments due or that become due to the Developer shall be withheld until notice is received by City that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to City. Any failure to maintain the required insurance shall be sufficient cause for City to terminate the Agreement. No action taken by City hereunder shall in any way relieve the Developer of its responsibilities under the Agreement. The phrase "fail to maintain any required insurance" shall include, without limitation, notification received by City that an insurer has commenced proceedings, or has had proceedings commenced against it, indicating that the insurer is insolvent.

The fact that insurance is obtained by the Developer shall not be deemed to release or diminish the liability of the Developer, including, without limitation, liability under the indemnity provisions of the Agreement. The duty to indemnify the City shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by the Developer. Approval or purchase of any insurance contracts or policies shall in

no way relieve from liability nor limit the liability of the Developer, its principals, officers, agents, employees, persons under the supervision of the Developer, vendors, suppliers, invitees, consultants, sub-consultants, subcontractors, or anyone employed directly or indirectly by any of them.

In the event of a partial or total destruction by the perils insured against of any or all of the work and/or materials herein provided for at any time prior to the final completion of the Agreement and the final acceptance by the City of the work or materials to be performed or supplied thereunder, the Developer shall promptly reconstruct, repair, replace, or restore all work or materials so destroyed or injured at his/her sole cost and expense. Nothing herein provided for shall in any way excuse the Developer or his/her insurance company from the obligation of furnishing all the required materials and completing the work in full compliance with the terms of the Agreement.

If the Developer should subcontract all or any portion of the services to be performed under the Agreement, the Developer shall require each subcontractor to provide insurance protection in favor of City, its officers, officials, employees, agents and volunteers in accordance with the terms of each of the preceding paragraphs, except that the subcontractors' certificates and endorsements shall be on file with the Developer and the City prior to the commencement of any work by the subcontractor.

A. The above described policies of insurance shall be endorsed to provide an unrestricted thirty (30) day written notice in favor of the City, of policy cancellation, change or reduction of coverage. In the event any policy is due to expire during the term of this Agreement, a new certificate evidencing renewal of such policy shall be provided not less than fifteen (15) days prior to the expiration date of the expiring policy(ies). Upon issuance by the insurer, broker, or agent of a notice of cancellation, change or reduction in coverage, Developer or its contractors, as the case may be, shall file with the City a certified copy of the new or renewal policy and certificates for such policy.

B. Developer shall furnish the City with the certificate(s) and applicable endorsements for ALL required insurance prior to the City's execution of this Agreement. Developer shall furnish the City with copies of the actual policies upon the request of the City at any time during the life of the Agreement or any extension.

At all times hereunder Developer shall maintain the required insurance in full force and effect.

4.2.6 Insurance for Project Design Work. Developer shall maintain for its Project design work, or if Developer subcontracts any of the Project design work Developer shall require each design subcontractor to maintain, professional liability insurance (errors and omissions) with a limit of not less than \$1,000,000 per occurrence.

If claims made forms are used for any Professional Liability Coverage, either (i) the policy shall be endorsed to provide not less than a five (5) year discovery period, or (ii) the coverage shall be maintained for a

minimum of five (5) years after the Release of Construction Covenants is recorded. The requirements of this section relating to such coverage shall survive termination or expiration of this Agreement.

4.2.7 Bond Obligations. The Developer or its General Contractor shall obtain, pay for and deliver good and sufficient payment and performance bonds along with a Primary Obligee, Co-Obligee or Multiple Obligee Rider in a form acceptable to the City from a corporate surety, admitted by the California Insurance Commissioner to do business in the State of California and Treasury-listed, in a form satisfactory to the City and naming the City as Obligee.

A. The "Faithful Performance Bond" shall be at least equal to 100% of the Developer's estimated construction costs as reflected in the Developer's pro forma budget, attached hereto as EXHIBIT "C", to the guarantee faithful performance of the Project, within the time prescribed, in a manner satisfactory to the CITY, consistent with this Agreement, and that all material and workmanship will be free from original or developed defects.

B. The "Payment Bond" shall be at least equal to 100% of construction costs approved by the CITY to satisfy claims of material supplies and of mechanics and laborers employed for this Project. The bond shall be maintained by DEVELOPER in full force and effect until the Project is completed and until all claims for materials and labor are paid and as required by the applicable provisions of Chapter 7, Title 15, Part 4, Division 3 of the California Civil Code.

C. The "Material and Labor Bond" shall be at least equal to 100% of the DEVELOPER's estimated construction costs as reflected in the DEVELOPER's pro forma budget to satisfy claims of material supplies and of mechanics and laborers employed for this Project. The bond shall be maintained by the Developer in full force and effect until the Project is completed, and until all claims for materials and labor are paid, released, or time barred, and shall otherwise comply with any applicable provision of the California Code.

D. In lieu of the bonds required above, the City, in its sole discretion, may accept from the Developer an Irrevocable Standby Letter of Credit issued with the City named as the sole beneficiary in the amounts(s) of the bonds required above. The Standby Letter of Credit is to be issued by a bank, and in the form, acceptable to the City. This Irrevocable Standby Letter of Credit shall be maintained by the Developer in full force and effect until the City is provided with a recorded Notice of Completion for the

construction of the Project and shall be subject to and governed by the laws of the State of California.

5. SECURITY FINANCING INTERESTS AND RIGHTS OF HOLDERS.

5.1 Prohibition Against Transfer of Property, the Buildings or Structures Thereon and Assignment of Agreement. After conveyance of title and prior to the issuance by City of a Certificate of Completion for the Project, the Developer shall not, except as expressly permitted by this Agreement, sell, transfer, convey, assign, or lease the whole or any part of the Property or the buildings or improvements thereon without the prior written approval of City. This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the development of the Property or to prohibit or restrict the leasing of any part or parts of a building or structure when said improvements are completed.

5.1.1 Permitted Transfers. Notwithstanding the foregoing, the following events ("**Permitted Transfers**") shall not be deemed a transfer for the purposes of requiring City's consent:

- A. Creation of Security Financing Interests;
- B. A sale, conveyance, or transfer of the Property at foreclosure (or a deed in lieu of foreclosure) resulting from a Security Financing Interest;
- C. The conveyance or dedication of parts of the Property to the City or the grant of easements or permits solely to facilitate the development of the Property before the Certificate of Completion is recorded;
- D. Sale or rental of Project units/space in accordance with this Agreement; or
- E. Sale or assignment to an entity such as a California limited partnership or limited liability company managed and or controlled by or in common control with Developer. Developer shall submit all sale or assignment documents to the City for review and approval. City's approval shall not be unreasonably withheld.

5.2 Approval or Consent of City. When a request for transfer or assignment is submitted to City for consideration, approval will be conditioned on the following:

5.2.1 Financial Strength and Business Experience. Except as provided in Section 5.1.1E above, the proposed transferee will demonstrate to City's reasonable satisfaction that the proposed transferee has sufficient financial strength and the business experience in planning, financing, development, ownership, and operation of similar projects to complete the Project, or portion thereof, competently.

5.2.2 Assumption Agreement. Any transferee, by recordable instrument acceptable to City, shall expressly assume all the unfulfilled or

ongoing obligations of the Developer under this Agreement, and agree to be subject to all the conditions and restrictions to which the Developer is subject with respect to the Property or applicable portion thereof.

5.2.3 Transfer Documents. The Developer or its successors shall submit all documents, proposed to effect any transfer or assignment, to City for review and approval. Such approval shall not be unreasonably withheld.

5.2.4 Other Information. Developer or its successors shall deliver all information to City that City may reasonably request to enable it to evaluate the proposed transfer or assignment. City shall approve, conditionally approve, or disapprove a request for assignment within fifteen (15) days after receiving the request and all supporting documentation.

5.2.5 Developer's Release. City's approval of any transfer, assignment, or sale will not relieve the Developer or any successor from any unfulfilled or ongoing obligations of Developer under this Agreement with respect to any portion of the Property not transferred. The provisions of this subsection are intended to discourage land speculation, and these provisions shall be liberally interpreted to accomplish that end.

5.3 Security Financing; Rights of Holders.

5.3.1 No Encumbrances Except Mortgages, Deeds of Trust, Sales and Lease-Back or Other Financing for Development. Notwithstanding Section 5.1 of this Agreement, mortgages, deeds of trust, sales and leases-back, restrictive use covenants and land use regulatory agreements, or any other form of conveyance required for any reasonable method of financing are permitted before issuance of a Certificate of Completion but only for the purpose of securing loans of funds to be used for financing the acquisition of the Property, the construction of improvements on the Property and any other expenditures necessary and appropriate to develop the Property under this Agreement. To this end, if the Developer and the Developer's construction lender provide a written request to the City Manager for the City to subordinate its interests in this Agreement to the interests of the construction lender, and the lender provides a written proposed subordination agreement, then the City Manager, or his designee, shall consider and approve the subordination agreement if the following conditions are met: (1) the lender states in writing a necessity for the requested subordination; (2) the terms of the requested subordination are commercially reasonable under the circumstances; (3) the Developer provides to the City Manager a statement of all material terms of the sources of equity and loans for construction of the project and that information demonstrates continued financial viability of the project through completion of construction; (4) the funds disbursed from each construction loan shall be used only for costs

and charges associated with the loan and construction of the Improvements; (5) the interest on each construction loan shall be at a reasonable rate based on all the facts and circumstances; (6) Developer shall provide City with evidence of Developer's ability to satisfy any equity requirements of each construction loan; and (7) the City Attorney approves the subordination as to form. Any requested subordination shall be deemed approved by the City Manager if the above conditions have been met and the City Manager or his designee has not approved or rejected the terms of the subordination within thirty (30) days of the conditions having been met. The Developer shall promptly notify City of any mortgage, deed of trust, sale and lease-back or other financing conveyance, encumbrance or lien that has been created or attached thereto prior to completion of the construction of the improvements on the Property whether by voluntary act of the Developer or otherwise. The words "mortgage" and "deed of trust," as used herein, include all other appropriate modes of financing real estate acquisition, construction and land development.

5.3.2 Holder Not Obligated To Construct Improvements. The holder of any mortgage, deed of trust or other security interest authorized by this Agreement shall in no way be obligated by the provisions of this Agreement to construct or complete the improvements or to guarantee such construction or completion, nor shall any covenant or any other provision in the grant deed for the Property be construed so to obligate such holder. Nothing in this Agreement shall be deemed to construe, permit or authorize any such holder to devote the Property to any uses or to construct any improvements thereon other than those uses or improvements provided for or authorized by this Agreement.

5.3.3 Notice of Default to Mortgage, Deed of Trust, or Other Security Interest Holders; Right to Cure. Whenever City shall deliver any notice or demand to the Developer with respect to any breach or default by the Developer in completion of construction of the Improvements, City shall at the same time deliver a copy of such notice or demand to each holder of record of any mortgage, deed of trust, or other security interest authorized by this Agreement who has previously made a written request to City therefor default of the Developer under this Section 5.3.3. Nothing contained in this Agreement shall be deemed to permit or authorize such holder to undertake or continue the construction or completion of the Improvements (beyond the extent necessary to conserve or protect the Improvements or construction already made) without first having expressly assumed the Developer's obligations to City by written agreement reasonably satisfactory to City. The holder in that event must agree to complete, in the manner provided in this Agreement, the Improvements to which the lien or title of such holder relates and submit evidence reasonably satisfactory to City that it has the qualifications and financial responsibility necessary to perform such obligations. Any such holder

properly completing such Improvements shall be entitled, upon written request made to City, to a Certificate of Completion from City.

5.3.4 Failure of Holder to Complete Improvements. In any case where, six (6) months after default by the Developer in completion of construction of Improvements under this Agreement, the holder of any mortgage, deed of trust, or other security interest creating a lien or encumbrance upon the Property has not exercised the option to construct, or if it has exercised the option and has not proceeded diligently with construction, City may purchase the mortgage, deed of trust, or other security interest by payment to the holder of the amount of the unpaid debt, plus any accrued and unpaid interest. If the ownership of the Property has vested in the holder, City, if it so desires, shall be entitled to a conveyance of the Property from the holder to City upon payment to the holder of an amount equal to the sum of the following:

A. The unpaid mortgage, deed of trust, or other security interest debt at the time title became vested in the holder (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings);

B. All expenses with respect to foreclosure;

C. The net expenses, if any (exclusive of general overhead), incurred by the holder as a direct result of the subsequent management of the Property;

D. The costs of any authorized improvements made by such holder; and

E. An amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts become part of the mortgage or deed of trust debt and such debt had continued in existence to the date of payment by City.

5.3.5 Right of City to Cure Mortgage, Deed of Trust or Other Security Interest Default. In the event of a default or breach by the Developer on a mortgage, deed of trust or other security interest with respect to the Property prior to the completion of the Project, and the holder has not exercised its option to complete the Project, City may cure the default prior to completion of any foreclosure. In any such event, City shall be entitled to reimbursement from Developer of all costs and expenses incurred by City in curing the default. City shall also be entitled to a lien upon the Property to the extent of such costs and disbursements. Any such lien shall be subject to mortgages, deeds of trust or other security interests executed for the sole purpose of obtaining funds to purchase and develop the Property as authorized herein.

6. REPRESENTATIONS AND WARRANTIES.

6.1 Developer Representations and Warranties.

6.1.1 Representations and Warranties of Developer.
Developer represents and warrants that:

A. Developer is a California non-profit public benefit corporation duly formed and existing under the laws of the State of California, in good standing, and authorized to do business in the State of California, County of Fresno, and City of Fresno.

B. Developer has all requisite power and authority to carry out its business as now and hereafter conducted and to enter and perform its obligations under this Agreement.

C. The person or persons signing this Agreement for Developer have been duly authorized to execute and deliver this Agreement and to legally bind Developer to its terms and conditions.

D. Developer's execution and performance of this Agreement does not violate any provision of any other agreement to which Developer is a party.

E. Except as may be specifically set forth in this Agreement, no approvals or consents not heretofore obtained by Developer are necessary to Developer's execution of this Agreement.

F. Developer has or will have sufficient funds available to fund the Project and to pay all costs assumed by Developer hereunder.

G. This Agreement is valid, binding, and enforceable against Developer in accordance with its terms, except as such enforceability may be limited by principals of public policy and subject to the laws of general application relating to bankruptcy, insolvency and the relief of debtors, and rules of law governing specific performance, injunctive relief or other equitable remedies.

H. Developer has made no contract or arrangement of any kind the performance of which by the other party thereto would give rise to a lien on the Property.

6.2 Survival of Representations and Warranties. The parties are relying upon the above representations and warranties in entering this DDA. The foregoing representations are and shall be continuing in nature and shall remain in full force and effect until all obligations under this DDA are met or this DDA is terminated in a manner provided herein.

7. DEFAULT, REMEDIES AND TERMINATION.

7.1 Default. Failure or delay by either party to perform any term of this Agreement shall be a default under this Agreement if not cured within the time set forth herein. Any failure or delay by a party in asserting any right or remedy will not constitute a waiver, and will not deprive the party of its right to institute

and maintain any action or proceeding necessary to protect or enforce any right or remedy.

7.2 Legal Actions. A party may institute a legal action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purposes of this Agreement. City may enforce this Agreement in any manner available at law or in equity. Except as provided in Section 8.6 entitled "Attorney's Fees," in no event shall City or its officers, agents, or employees be liable in damages for any breach or violation of this Agreement, it being expressly understood and agreed Developer's sole legal remedy for breach of violation of this Agreement by City shall be a legal action in mandamus, specific performance or other injunctive or declaratory relief to enforce the provisions of this Agreement. Such legal action shall be brought in the Fresno County Courts or the Fresno Division of the Federal District Court for the Eastern District of California.

7.3 Rights and Remedies are Cumulative. Except as may be expressly stated otherwise in this Agreement, the rights and remedies of the parties are cumulative. The exercise by either party of one or more of its rights or remedies shall not preclude the exercise by it, at the same or a different time, of any other rights or remedies for the same default or any other default. In addition to the specific rights and remedies herein, the parties may resort to any other rights or remedies available at law or in equity, including, without limitation, specific performance.

7.4 Notice and Cure Periods. If either party fails to perform under any provision of this Agreement including documents incorporated herein, the non-defaulting party shall serve written notice of the default on the defaulting party, describing the default, and the actions necessary to cure the default. A defaulting party will have thirty (30) days from the date of the notice to cure the breach or failure unless a different time period is provided in this Agreement in which case the latter shall apply. If the default is not susceptible to cure within the thirty (30) days, the defaulting party shall begin to cure the default within the thirty (30) days and after that diligently prosecute the cure to completion. Failure of the defaulting party to cure within these times shall entitle the non-defaulting party to enforce any right or remedy provided in this Agreement, at law, or in equity. This provision is not intended to modify or extend any other notice or cure period specifically provided for in this Agreement. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default.

8. GENERAL PROVISIONS.

8.1 Notice, Demands and Communication. All notices, elections, requests, acceptances, demands, instructions or other communications ("notice" or "notices") to be given to any party under this Agreement shall be in writing and shall be deemed to have been duly given (i) on the date of service if personally served on the party to whom notice is to be given; (ii) within forty-eight (48) hours after mailing, if mailed to the party to whom notice is to be given, by first class

mail which is either registered or certified, postage prepaid, return receipt requested; (iii) within twenty-four (24) hours after being deposited with a recognized private courier service (e.g., Federal Express), if delivered by a private courier service to the party to whom notice is to be given, all charges prepaid; or (iv) when sent, if given by electronic format that provides verification of successful transmission. All notices shall be properly addressed to the party receiving notice as follows:

8.2

To Seller: City of Fresno
Attn: Renena Smith, Assistant City Manager
2600 Fresno Street, Room 2097
Fresno, CA 93721-3600
Telephone: (559) 621-7770
Facsimile: (559) 621-7776
E-mail: Renena.Smith@fresno.gov

Buyer: Cesar Chavez Foundation
Attn: Paul S. Park, Secretary & General Counsel
P.O. Box 62
29700 Woodford-Tehachapi Road
Keene, CA 93531
Telephone: (213) 362-0260 Ext. 261
Facsimile: (213) 362-0265
E-mail: ppark@chavezfoundation.org

With a copy to: FNTG Concord Title Group Servicing
Attn: Jeff Martin
2150 John Glenn Drive, Suite #400
Concord, CA 94520
Telephone: (925) 288-8062
Facsimile: (925) 288-6413
E-mail: Jeff.Martin@titlegroup.fntg.com

With a copy to: Alfredo Ismajtovich
Executive Vice President
Housing and Economic Development Fund
Cesar Chavez Foundation
316 W. 2nd Street, Suite 600
Los Angeles, CA 90012
Telephone: (213) 362-0260 Ext. 222
Facsimile: (213) 362-0265
E-mail: alfredoi@chavezfoundation.org

Emilio J. Huerta
Law Office of Emilio J. Huerta
P.O. Box 2244
Bakersfield, CA 93303
Telephone: (661) 326-8000
Facsimile: (661) 326-8038
E-mail: ejhuerta@huertalaw.org

A party may change its address by notice given according to this subsection.

8.3 Conflict of Interests. No member, official, officer or employee of the Developer or City shall have any direct or indirect interest in this Agreement, or shall participate in any decision relating to this Agreement where such interest or participation is prohibited by law. No officer, employee, or agent of City who exercises any function or responsibility concerning the planning and carrying out of the Project, or any other person who exercises any function or responsibility concerning any aspect of this Agreement or the Project, shall have any personal financial interest, direct or indirect, in this Agreement or the Project.

8.3.1 Developer represents and warrants that it has not paid or given, and will not pay or give, to any third party any money or other consideration for obtaining this Agreement, other than normal costs of conducting business and costs of professional services such as architects, consultants, engineers and attorneys.

8.3.2 No contractor, subcontractor, mechanic, material man, laborer, vendor or other person hired or retained by Developer shall be, nor shall any of them be deemed to be, third-party beneficiaries of this Agreement, rather each such person shall be deemed to have agreed (a) that they shall look to Developer as their sole source of recovery if not paid; and (b) except as otherwise agreed to by City and any such person in writing, they may not enter any claim or bring any such action against City under any circumstances. Except as provided by law, or as otherwise agreed to in writing between City and any such person, each such person shall be deemed to have waived in writing all right to seek redress from City under any circumstances whatsoever.

8.4 Nonliability of Officials, Employees and Agents. No member, official, officer, employee or agent of City shall be personally liable to the Developer, or any successor in interest, for any default or breach by City.

8.5 Counterparts. This Agreement may be executed in counterparts, and together each executed counterpart shall constitute one Agreement.

8.6 Waiver. A party's waiver of the other's breach of any provision of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of the same or a different provision of this Agreement. No provision of this Agreement may be waived except in a writing signed by all the

parties. Waiver of any one provision shall not be deemed to be a waiver of any other provision herein.

8.7 Attorneys' Fees. If a party initiates or defends litigation or any legal proceeding regarding the enforcement of this Agreement, the prevailing party in such litigation or proceeding, in addition to any other relief that may be granted, shall be entitled to reasonable attorneys' fees. Attorneys' fees shall include attorneys' fees on any appeal. A party entitled to attorneys' fees shall be entitled to all other reasonable costs for investigating the action, retaining expert witnesses, taking depositions and discovery, and all other necessary costs incurred with respect to the action. All such fees shall be deemed to have accrued on commencement of the action and shall be enforceable whether or not such action is prosecuted to judgment.

8.8 Governing Law. This Agreement shall be interpreted and enforced, and the rights and duties of the parties under this Agreement (both procedural and substantive) shall be determined according to California law.

8.9 Further Assurances. Each party will take any further acts and will sign and deliver any further instruments required to carry out the intent and purposes of this Agreement.

8.10 Entire Understanding of the Parties. The exhibits referenced as attached are by such references incorporated into this Agreement. This Agreement, including exhibits, is the entire understanding and agreement of the parties. All prior discussions, understandings, and written agreements are superseded by this Agreement. This Agreement shall not be modified except by written instrument duly approved as required by law and executed by authorized representatives of the parties. Should the terms of any exhibit conflict with the body of this Agreement, the body of this Agreement shall govern.

8.11 Consent, Reasonableness. Unless this Agreement specifically authorizes a party to withhold its approval, consent or satisfaction in its sole discretion, any consent, or approval, or satisfaction to be requested or required of a party, shall not be unreasonably withheld, conditioned or delayed.

8.12 Partial Invalidity. If any part of this Agreement is held to be invalid, void or unenforceable in any legal, equitable or arbitration proceeding, the remainder of the Agreement shall continue in effect, unless not giving effect to the invalid or unenforceable part would prevent effecting the purposes of the Project and this Agreement.

8.13 Ambiguity. This Agreement is the result of the combined efforts of the parties. Should any provision of this Agreement be found ambiguous, the ambiguity shall not be resolved by construing this Agreement in favor of or against any party, but by construing the terms according to their generally accepted meaning, considering the objective of the Agreement.

8.14 Number and Gender. Masculine, feminine or neuter gender terms and singular or plural numbers will include others when the context so indicates.

8.15 Headings. All headings are for convenience only, are not a part of this Agreement, and are not to be used in construing this Agreement.

8.16 Binding Upon Successors. This Agreement shall bind and inure to the benefit of the successors in interest, personal representatives, and assigns of each party, subject to the limitation on transfer and assignment contained in this Agreement. Any reference in this Agreement to a specifically named party shall be deemed to apply to any successor, heir, administrator, executor, representative, or assign of the party who has acquired an interest in compliance with the terms of this Agreement, or under law.

8.17 Relationship of the Parties. Nothing in this Agreement, the Grant Deed, or any other document executed in connection with this Agreement shall be construed as creating a partnership, joint venture, agency, employment relationship, or similar relationship between City and the Developer or any of the Developer's contractors, subcontractors, employees, agents, representatives, transferees, successors-in-interest or assigns. Nothing in this Agreement establishes a principal and agent relationship between the parties.

8.18 Nature of the Project. The Project is a private undertaking of the Developer. After City conveys title or possession of the property to Developer, the Developer shall have exclusive control over the Property, subject to the terms of this Agreement and all applicable Federal, State and local laws, ordinances, codes, regulations, standards and policies.

8.19 Time of Essence. Time is of the essence of each term, condition, and covenant contained in this Agreement.

8.20 Survival of Provisions. Those provisions expressly surviving expiration or earlier termination, including each indemnification provision, shall survive the Closing and expiration or earlier termination of this Agreement, and shall not merge with the Grant Deed or other document evidencing any interest in real property.

[SIGNATURES APPEAR ON NEXT PAGE]

IN WITNESS WHEREOF, City and Developer have executed this Agreement on the dates set forth below.

DEVELOPER:
CESAR CHAVEZ FOUNDATION
A California Non-Profit Public
Benefit Corporation

CITY:
CITY OF FRESNO,
A Municipal Corporation

By: _____
PAUL S. PARK, Secretary

By: _____
BRUCE RUDD, City Manager

Dated: _____

Dated: _____

The above persons to execute this agreement before a Notary Public and attach the notary acknowledgments.

ATTEST:
YVONNE SPENCE, CMC
City Clerk

By _____
Deputy

APPROVED AS TO FORM:
DOUGLAS T. SLOAN
City Attorney

By _____
TRACY N. PARVANIYAN, Deputy

Attachments:	Exhibit A	Site Map
	Exhibit A-1	Legal Description
	Exhibit B	Scope of Development and Basic Design
	Exhibit C	Performance Schedule
	Exhibit D	Certificate of Completion
	Exhibit E	Grant Deed
	Exhibit F	Escrow Instructions

TNP:nd (67084nd/tnp) 02/26/15

EXHIBIT A
SITE MAP

EXHIBIT A-1
LEGAL DESCRIPTION

APN: 472-021-58T

Previously APN: 472-021-45T (portion)

That real property situated in the City of Fresno, County of Fresno, State of California, said real property being a portion of Lot 75 of Easterby Rancho, according to the map thereof recorded in Book 2, at Page 6 of Plats, Fresno County Records, said real property also being a portion of that parcel of land conveyed to the City of Fresno by a Grant Deed recorded August 30, 2007 as Document No. 2007-0163315, Official Records of Fresno County, hereinafter referred to as "Deeded Parcel", said real property being more particularly described as follows:

COMMENCING at the northwest corner of Lot 76 of said Easterby Rancho; thence S 89°27'54" E, along the north line of said Lots 75 and 76, a distance of 647.00 feet; thence S 0°45'49" W, parallel with the west line of said Lot 76, a distance of 29.00 feet to the northwest corner of said Deeded Parcel, said northwest corner being the TRUE POINT OF BEGINNING of this description; thence continuing S 0°45'49" W, parallel with the west line of said Lot 76 and along the west line of said Deeded Parcel, a distance of 137.00 feet; thence S 89°27'54" E, parallel with and 137.00 feet south of the north line of said Deeded Parcel, a distance of 288.59 feet to a point on the arc of a non-tangent curve concave to the south and having a radius of 45.00 feet, a radial to said point bears N 58°50'16" W; thence easterly, along the arc of said non-tangent curve, through a central angle of 118°44'43", an arc distance of 93.26 feet; thence

S 89°27'54" E, non-tangent to said curve and parallel with and 137.00 feet south of the north line of said Deeded Parcel, a distance of 255.47 feet to the east line of said Deeded Parcel; thence N 0°45'49" E, along said east line and parallel with the west line of said Lot 76, a distance of 137.00 feet to the northeast corner of said Deeded Parcel; thence N 89°27'54" W, along the north line of said Deeded Parcel, a distance of 621.50 feet to the TRUE POINT OF BEGINNING.

Contains an area of 1.93 Acres, more or less.

For the purposes of this description the north line of said Lot 76 is taken to be 30 feet south of the north line of the Northeast Quarter of Section 7, Township 14 South, Range 21 East, Mount Diablo Base and Meridian, and the west line of said Lot 76 is taken to be 20 feet east of the west line of said Northeast Quarter.

APN 472-021-60T

Previously APN 472-021-59T (portion)

That real property situated in the City of Fresno, County of Fresno, State of California, said real property being a portion of Lot 75 of Easterby Rancho, according to the map thereof recorded in Volume 2 of Plats at Page 6, Fresno County Records, said real property also being a portion of that parcel of land conveyed to the City of Fresno by the Grant Deed recorded August 30, 2007 as Document No. 2007-0163315, Official Records of Fresno County, hereinafter referred to as "Deeded Parcel", said real property being more particularly described as follows:

COMMENCING at the Northwest corner of Lot 76 of said Easterby Rancho; thence South $89^{\circ}27'54''$ East, 647.00 feet along the North line of said Lots 75 and 76; thence South $00^{\circ}45'49''$ West, 29.00 feet, parallel with the West line of said Lot 76 to the Northwest corner of said Deeded Parcel; thence continuing South $00^{\circ}45'49''$ West, 137.00 feet, parallel with the West line of said Lot 76 and along the West line of said Deeded Parcel to the TRUE POINT OF BEGINNING of this description, said point of beginning also being the Southwest corner of the land described in the Grant Deed recorded March 28, 2008 as Document No. 2008-0046264, Official Records of Fresno County; thence Easterly along the Southerly boundary of the land described in said Document No. 2008-0046264 the following two courses 1) South $89^{\circ}27'54''$ East, 288.59 feet along a line 137.00 feet South of and parallel with the North line of said Deeded Parcel to the beginning of a non-tangent curve concave to the Southeast having a radius of 45.00 feet and to which beginning a radial lines bears North $58^{\circ}50'16''$ West; thence 2) Northeasterly, 46.21 feet along said curve through a central angle of $58^{\circ}49'58''$; thence South $00^{\circ}45'49''$ West, 269.40 feet on a non-tangent line to last said curve and parallel with the West line of said Lot 76, to a point on the Southerly boundary of said Deeded Parcel; thence Westerly along the Southerly boundary of said Deeded Parcel the following three courses 1) North $89^{\circ}24'52''$ West, 41.95 feet; thence 2) North $00^{\circ}32'24''$ East, 40.00 feet; thence 3) North $89^{\circ}29'37''$ West, 284.69 feet to the Southwest corner of said Deeded Parcel; thence North $00^{\circ}45'49''$ East, 207.44 feet, parallel with the West line of said Lot 76 and along the West line of said Deeded Parcel to the TRUE POINT OF BEGINNING.

Contains an area of 70,040 square feet, more or less.

For the purpose of this description the North line of said Lots 75 and 76 is taken to be a line 30.00 feet South of and parallel with the North line of the Northeast quarter of Section 7, Township 14 South, Range 21 East, Mount Diablo Base and Meridian, and the West line of said Lot 76 is taken to be a line 20.00 feet East of and parallel with the West line of the Northeast quarter of said Section 7.

2010-037A
PLAT 2763

APN 472-021-61T

Previously APN 472-021-59T (portion)

That real property situated in the City of Fresno, County of Fresno, State of California, said real property being a portion of Lot 75 of Easterby Rancho, according to the map thereof recorded in Volume 2 of Plats at Page 6, Fresno County Records, said real property also being a portion of that parcel of land conveyed to the City of Fresno by the Grant Deed recorded August 30, 2007 as Document No. 2007-0163315, Official Records of Fresno County, hereinafter referred to as "Deeded Parcel", said real property being more particularly described as follows:

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EXCEPTING THEREFROM all that portion of the above described real property more particularly described as follows:

COMMENCING at the Northwest corner of Lot 76 of said Easterby Rancho; thence South 89°27'54" East, 647.00 feet along the North line of said Lots 75 and 76; thence South 00°45'49" West, 29.00 feet, parallel with the West line of said Lot 76 to the Northwest corner of said Deeded Parcel; thence continuing South 00°45'49" West, 137.00 feet, parallel with the West line of said Lot 76 and along the West line of said Deeded Parcel to the TRUE POINT OF BEGINNING of this description, said point of beginning also being the Southwest corner of the land described in the Grant Deed

recorded March 28, 2008 as Document No. 2008-0046264, Official Records of Fresno County; thence Easterly along the Southerly boundary of the land described in said Document No. 2008-0046264 the following two courses 1) South $89^{\circ}27'54''$ East, 288.59 feet along a line 137.00 feet South of and parallel with the North line of said Deeded Parcel to the beginning of a non-tangent curve concave to the Southeast having a radius of 45.00 feet and to which beginning a radial lines bears North $58^{\circ}50'16''$ West; thence 2) Northeasterly, 46.21 feet along said curve through a central angle of $58^{\circ}49'58''$; thence South $00^{\circ}45'49''$ West, 269.40 feet on a non-tangent line to last said curve and parallel with the West line of said Lot 76, to a point on the Southerly boundary of said Deeded Parcel; thence Westerly along the Southerly boundary of said Deeded Parcel the following three courses 1) North $89^{\circ}24'52''$ West, 41.95 feet; thence 2) North $00^{\circ}32'24''$ East, 40.00 feet; thence 3) North $89^{\circ}29'37''$ West, 284.69 feet to the Southwest corner of said Deeded Parcel; thence North $00^{\circ}45'49''$ East, 207.44 feet, parallel with the West line of said Lot 76 and along the West line of said Deeded Parcel to the TRUE POINT OF BEGINNING.

Contains an area of 80,752 square feet, more or less.

For the purpose of this description the North line of said Lots 75 and 76 is taken to be a line 30.00 feet South of and parallel with the North line of the Northeast quarter of Section 7, Township 14 South, Range 21 East, Mount Diablo Base and Meridian, and the West line of said Lot 76 is taken to be a line 20.00 feet East of and parallel with the West line of the Northeast quarter of said Section 7.

EXHIBIT B
SCOPE OF DEVELOPMENT AND BASIC DESIGN

135 unit low-income housing development of which 89 will be for multi-family residents and 46 will be for senior households.

**EXHIBIT C
PERFORMANCE SCHEDULE**

<u>Items To Be Completed</u>	<u>Estimated Time for Performance</u>	<u>Estimated Date of Award/Allocation</u>
State of California Housing and Community Development Funding Application	Fall of 2015	
State of California Tax Credit Allocation Committee Funding Application	March 2016 or October 2016	June 2016
Property Acquisition Closing	Outside Closing Date No later than October 30, 2016	
Construction Financing Closing	October 2016	Completion of Construction January 2018
Stabilized Occupancy		June 2018
Permanent Loan Conversion to Fixed Rate Debt Financing		September 2018

EXHIBIT D
CERTIFICATE OF COMPLETION

RECORDED AT THE REQUEST OF
AND WHEN RECORDED RETURN TO:

City of Fresno
Attention: City Manager
2600 Fresno Street
Fresno, CA 93721

No Fee-Govt. Code Sections 6103-27383

APNs: []

SPACE ABOVE THIS LINE FOR RECORDER'S USE)

This **Release of Construction Covenants and Certificate of Completion** is recorded at the request and for the benefit of the City of Fresno.

- A. As agreed in a Disposition and Development Agreement including covenants, conditions and restrictions, ("DDA") dated [], 20__ entered by the CITY OF FRESNO, a municipal corporation, ("CITY"), and Cesar Chavez Foundation, a non-profit public benefit corporation, ("DEVELOPER"), CITY conveyed certain real property to DEVELOPER under a Grant Deed, dated [], recorded in the Official Records of Fresno County on [] as Document No. [] (the "DEED"), and the DEVELOPER agreed to complete/cause the completion of the of construction of certain improvements described therein (the "Project") upon the premises described therein as the "Property" according to the terms and conditions of the DDA and the documents and instruments referenced therein, incorporated herein.
- B. The DDA or a memorandum of it was recorded [] 20__ as Instrument No. [] in the Official Records of Fresno County, California.
- C. Under the terms of the DDA, after DEVELOPER completes/causes completion of construction of the Project on the Property DEVELOPER may ask CITY to record an instrument certifying that DEVELOPER has completed the required improvements for such development in the form of a Release of Construction Covenants and Certificate of Completion.
- D. DEVELOPER has asked CITY to furnish DEVELOPER with a recordable Release of Construction Covenants and Certificate of Completion for of the development for the Project.
- E. CITY'S issuance of this Release of Construction Covenants and Certificate of Completion is conclusive evidence that DEVELOPER has completed the construction on a Phase of development of the Property to terminate and release DEVELOPER from the construction/improvement covenants in the DDA pertaining to such Phase.

NOW THEREFORE:

1. As provided in Section 3.4 of the DDA, the Agency does hereby certify that construction of all of the improvements required by the DDA on the portion of the Property described in Attachment A, attached hereto and incorporated herein by this reference, has been satisfactorily completed.
2. The DDA is therefore of no further force and effect as to such Phase of Development of the Property (as to the construction requirements for the Project on the Property), and all rights, duties, obligations and liabilities of the Agency and the Developer thereunder with respect to such Phase of Development (with respect to the construction of the Project shall cease to exist. Any continuing and existing rights, duties, obligations and liabilities of the Agency and the Developer (and its successors) pertaining such Phase of development [the Project] are provided in the Grant Deed conveying the Property from the Agency to the Developer.
3. This Release of Construction Covenants and Certificate of Completion shall not be deemed or construed to constitute evidence of compliance with or satisfaction of any obligation of the Developer to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the construction of the improvements on the Property. This Release of Construction Covenants and Certificate of Completion, is not a notice of completion as referred to in Section 3093 of the California Civil Code.

IN WITNESS WHEREOF, AGENCY has executed this Release of Construction Covenants and Certificate of Completion as of this ____ day of [_____, 20__.]

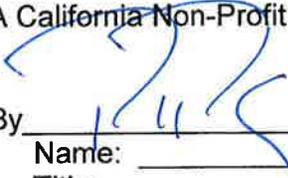
CITY OF FRESNO,
A municipal corporation

By: _____
Its: _____

Owner hereby consents to recording this Certificate of Completion against the Property described herein.

Dated: _____, 201__.

CESAR CHAVEZ FOUNDATION
A California Non-Profit Corporation

By  _____
Name: _____
Title: _____

THE ABOVE PARTIES ARE TO SIGN THIS INSTRUMENT BEFORE A NOTARY PUBLIC.

ATTEST:
CITY CLERK

APPROVED AS TO FORM:
DOUGLAS T. SLOAN
CITY ATTORNEY

By: _____
Deputy

By: _____
Deputy

Dated: _____

Dated: _____

EXHIBIT E

FREE RECORDING REQUESTED BY AND
AFTER RECORDATION RETURN TO:

City of Fresno
Attention: City Manager
2600 Fresno Street
Fresno, CA 93721
Attn: Bruce Rudd

(Space Above This Line For Recorder's Office Use Only)

GRANT DEED

For valuable consideration, the receipt of which is hereby acknowledged,

CITY OF FRESNO, a municipal corporation ("Grantor"), hereby grants to CESAR CHAVEZ FOUNDATION, a California non-profit public benefit corporation ("Grantee"), the real property ("Property") legally described in Attachment No. 1 attached hereto and incorporated herein by this reference.

Consistent with the Disposition and Development Agreement including covenants, conditions and restrictions, ("DDA") dated [__, 20__] entered by Grantor and Grantee, all incorporated herein by this reference, the Grantee herein covenants by and for itself and its successors, transferees, vendees, administrators, and assigns, and all persons claiming under or through it that:

1. There shall be no discrimination against or segregation of, any person or group of persons on account of any bases listed in subdivision (a) or (d) of Section 12995 of the Government Code, as those bases are defined in Section 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall Developer or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property.

2. a. Grantee will take all commercially reasonable precautions to prevent the release into the environment of any Hazardous Materials (as defined in the DDA) in, on or under the Property. Grantee will comply with all governmental requirements with respect to Hazardous Materials.

b. Until a Certificate of Completion is recorded as to the Property/portion thereof, Grantee will notify Grantor and give Grantor a copy or copies of all environmental permits, disclosures, applications, entitlements or inquiries relating to the Property including, without limitation, notices of violation, notices to comply, citations, inquiries, clean-up or abatement orders, cease and desist orders, reports filed

pursuant to self-reporting requirements, and reports filed or applications made pursuant to any governmental requirement relating to Hazardous Materials and underground tanks. Immediately after each incident, Grantee will report any unusual or potentially important incidents respecting the environmental condition of the Property to Grantor.

c. If a release of any Hazardous Materials into the environment occurs, Grantee will, as soon as possible after the release, furnish Grantor with a copy of any reports relating thereto and copies of all correspondence with governmental agencies relating to the release. Upon request, Grantee will furnish Grantor with a copy of any other environmental entitlements or inquiries relating to or affecting the Property, including, without limitation, all permit applications, permits and reports, including reports and other matters, which may be characterized as confidential.

d. Grantee will indemnify, defend, and hold Grantor harmless from any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage or expense (including, without limitation, attorneys' fees), arising out of (i) the presence, release, use, generation, discharge, storage or disposal of any Hazardous Materials on, under, in or about the Property, or the transportation of any Hazardous Materials to or from the Property, or (ii) the violation, or alleged violation of any statute, ordinance, order, rule, regulation, permit judgment or license relating to any use, generation, release, discharge, storage, disposal, or transportation of Hazardous Materials on, under, in or about, to or from the Property. This indemnity will include, without limitation, any damage, liability, fine, penalty, parallel or cross indemnity occurring after conveyance, cost or expense arising from or out of any claim, action, suit or proceeding for personal injury (including sickness, disease or death) tangible or intangible property damage, compensation for lost wages, business income, profits or other economic loss, damage to the natural resource or the environment, nuisance, contamination lease, spill, release or other adverse effect on the environment. The indemnity covers, without limitation, (a) all foreseeable and unforeseeable consequential damages, (b) the cost of any required or necessary repair, clean-up, or detoxification and the preparation of any closure or other required plans, and (c) costs of legal proceedings and attorneys' fees.

e. Grantee releases Grantor from all claims Grantee may have against, resulting from, or connected with the environmental condition of the Property. Such claims include, without limitation, all claims Grantee may have against Grantor 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 concerning the release of Hazardous Materials or substances into the environment from or at the Property, and the presence of such materials in, on, under or about the Property. Grantee expressly waives the benefits of Civil Code section 1542, which reads as follows:

A general release does not extend to claims which the creditor does not know or expect to exist in his favor at the time of executing the release which if known by him must have materially affected settlement with the debtor.

3. Grantor is the beneficiary of the covenants running with the land for itself and for protecting the interest of the community and other parties, public or private, in whose favor and for whose benefit the covenants are provided, without regard to whether Grantor has been, remains, or is in ownership of any land on the Property/portion thereof. Grantor may exercise all rights and remedies, and maintain any actions or suits at law or in equity or other proceedings to enforce the covenants for itself or any other beneficiaries. The provisions of the DDA which by their terms or nature are intended to survive completion of the Project are fully enforceable under and shall not merge with this Deed.

4. If a conflict exists or arises between the provisions of this Deed and the DDA, the DDA shall control.

The obligations of the Grantee hereunder are covenants or conditions running with the land enforceable by Grantor through a reserved right to re-entry and reverter.

IN WITNESS WHEREOF, the Grantor has caused this instrument to be executed on its behalf by its respective officers thereunto duly authorized, this _____ day of _____, 2015.

“GRANTOR”

CITY OF FRESNO
a municipal corporation

By:
Its:

Date: _____

**ATTACHMENT NO. 1 GRANT DEED
CESAR CHAVEZ FOUNDATION**

LEGAL DESCRIPTION OF THE PROPERTIES

APN: 472-021-58T

Previously APN 472-021-45T (portion)

That real property situated in the City of Fresno, County of Fresno, State of California, said real property being a portion of Lot 75 of Easterby Rancho, according to the map thereof recorded in Book 2, at Page 6 of Plats, Fresno County Records, said real property also being a portion of that parcel of land conveyed to the City of Fresno by a Grant Deed recorded August 30, 2007 as Document No. 2007-0163315, Official Records of Fresno County, hereinafter referred to as "Deeded Parcel", said real property being more particularly described as follows:

COMMENCING at the northwest corner of Lot 76 of said Easterby Rancho; thence S 89°27'54" E, along the north line of said Lots 75 and 76, a distance of 647.00 feet; thence S 0°45'49" W, parallel with the west line of said Lot 76, a distance of 29.00 feet to the northwest corner of said Deeded Parcel, said northwest corner being the TRUE POINT OF BEGINNING of this description; thence continuing S 0°45'49" W, parallel with the west line of said Lot 76 and along the west line of said Deeded Parcel, a distance of 137.00 feet; thence S 89°27'54" E, parallel with and 137.00 feet south of the north line of said Deeded Parcel, a distance of 288.59 feet to a point on the arc of a non-tangent curve concave to the south and having a radius of 45.00 feet, a radial to said point bears N 58°50'16" W; thence easterly, along the arc of said non-tangent curve, through a central angle of 118°44'43", an arc distance of 93.26 feet; thence

S 89°27'54" E, non-tangent to said curve and parallel with and 137.00 feet south of the north line of said Deeded Parcel, a distance of 255.47 feet to the east line of said Deeded Parcel; thence N 0°45'49" E, along said east line and parallel with the west line of said Lot 76, a distance of 137.00 feet to the northeast corner of said Deeded Parcel; thence N 89°27'54" W, along the north line of said Deeded Parcel, a distance of 621.50 feet to the TRUE POINT OF BEGINNING.

Contains an area of 1.93 Acres, more or less.

For the purposes of this description the north line of said Lot 76 is taken to be 30 feet south of the north line of the Northeast Quarter of Section 7, Township 14 South, Range 21 East, Mount Diablo Base and Meridian, and the west line of said Lot 76 is taken to be 20 feet east of the west line of said Northeast Quarter.

APN 472-021-60T

Previously APN 472-021-59T (portion)

That real property situated in the City of Fresno, County of Fresno, State of California, said real property being a portion of Lot 75 of Easterby Rancho, according to the map thereof recorded in Volume 2 of Plats at Page 6, Fresno County Records, said real property also being a portion of that parcel of land conveyed to the City of Fresno by the Grant Deed recorded August 30, 2007 as Document No. 2007-0163315, Official Records of Fresno County, hereinafter referred to as "Deeded Parcel", said real property being more particularly described as follows:

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For the purpose of this description the North line of said Lots 75 and 76 is taken to be a line 30.00 feet South of and parallel with the North line of the Northeast quarter of Section 7, Township 14 South, Range 21 East, Mount Diablo Base and Meridian, and the West line of said Lot 76 is taken to be a line 20.00 feet East of and parallel with the West line of the Northeast quarter of said Section 7.

2010-037A
PLAT 2763

APN 472-021-61T

APN 472-021-59T (portion)

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recorded March 28, 2008 as Document No. 2008-0046264, Official Records of Fresno County; thence Easterly along the Southerly boundary of the land described in said Document No. 2008-0046264 the following two courses 1) South $89^{\circ}27'54''$ East, 288.59 feet along a line 137.00 feet South of and parallel with the North line of said Deeded Parcel to the beginning of a non-tangent curve concave to the Southeast having a radius of 45.00 feet and to which beginning a radial lines bears North $58^{\circ}50'16''$ West; thence 2) Northeasterly, 46.21 feet along said curve through a central angle of $58^{\circ}49'58''$; thence South $00^{\circ}45'49''$ West, 269.40 feet on a non-tangent line to last said curve and parallel with the West line of said Lot 76, to a point on the Southerly boundary of said Deeded Parcel; thence Westerly along the Southerly boundary of said Deeded Parcel the following three courses 1) North $89^{\circ}24'52''$ West, 41.95 feet; thence 2) North $00^{\circ}32'24''$ East, 40.00 feet; thence 3) North $89^{\circ}29'37''$ West, 284.69 feet to the Southwest corner of said Deeded Parcel; thence North $00^{\circ}45'49''$ East, 207.44 feet, parallel with the West line of said Lot 76 and along the West line of said Deeded Parcel to the TRUE POINT OF BEGINNING.

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For the purpose of this description the North line of said Lots 75 and 76 is taken to be a line 30.00 feet South of and parallel with the North line of the Northeast quarter of Section 7, Township 14 South, Range 21 East, Mount Diablo Base and Meridian, and the West line of said Lot 76 is taken to be a line 20.00 feet East of and parallel with the West line of the Northeast quarter of said Section 7.

EXHIBIT F
ESCROW INSTRUCTIONS

(Standard form of escrow instructions)

EXHIBIT C

EXHIBIT "C"

FORM OF MEMORANDUM OF OPTION

RECORDING REQUESTED BY:

**FNTG Concord Title Group Servicing
2150 John Glenn Drive, Suite 400
Concord, California 94520
Escrow NO.**

WHEN RECORDED RETURN TO:

**Cesar Chavez Foundation
316 W. 2nd Street, Suite 600
Los Angeles, California 90012**

SPACE ABOVE THE LINE FOR RECORDER'S USE ONLY

MEMORANDUM OF OPTION AGREEMENT

THIS MEMORANDUM OF OPTION AGREEMENT (this "Memorandum") is made to be effective as of _____ ("Effective Date") by and between the CITY OF FRESNO, a municipal corporation ("Optionor") and CESAR CHAVEZ FOUNDATION, a California non-profit public benefit corporation ("Optionee") pursuant to the following recitals:

RECITALS:

WHEREAS, this Memorandum is made pursuant to the terms and conditions of an AGREEMENT FOR PURCHASE OPTION AND RIGHT OF ACCESS between Optionor and Optionee dated effective _____, 201_ (the "Option Agreement"), the terms and conditions of which are incorporated herein by reference; and

WHEREAS, Optionor owns those parcels of real property situated in the City of Fresno, County of Fresno, State of California commonly identified as APN 472-021-58T; 60T; and 61T and described in Exhibit "A" hereto (the "Property"); and

WHEREAS, under the terms of the Option Agreement, Optionor has granted Optionee an option to purchase and develop the Property; and

WHEREAS, it is the intention of Optionor and Optionee that this Memorandum be filed of record in the Office of the Recorder of Fresno County, California, to give notice to any and all persons of Optionee's rights under the Option Agreement.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, and including the Recitals set forth above, Optionor and Optionee agree as set forth below and execute this Memorandum to provide notice of the following:

1. Term. The term of the Option Agreement commenced on _____, 201_ and expires one (1) year after the commencement date, unless extended as set forth in the Option Agreement.

2. Option Rights. Optionor has granted Optionee an exclusive option to purchase and develop the Property on the terms and conditions more particularly described in the Option Agreement.

3. Addresses: All notices or requests for information shall be given to Optionor and Optionee at the following addresses:

If to the City	City of Fresno Attention: Assistant City Manager 2600 Fresno Street Fresno, CA 93721-3623
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If to Seller	Cesar Chavez Foundation 316 W. 2 nd Street, Suite 600 Los Angeles, CA 90012
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IN WITNESS WHEREOF, the undersigned parties have each caused this Memorandum to be executed as of the day and year first above written.

OPTIONOR

OPTIONEE

CITY OF FRESNO, a California municipal corporation

CESAR CHAVEZ FOUNDATION, a California non-profit public benefit corporation

By: _____
RENENA SMITH
Assistant City Manager

By: _____
PAUL S. PARK
Secretary

TNP:nd (67086nd/tnp)

