

**AGREEMENT FOR THE PURCHASE AND SALE
OF REAL PROPERTY AND ESCROW INSTRUCTIONS**

THIS AGREEMENT FOR THE PURCHASE AND SALE OF REAL PROPERTY AND ESCROW INSTRUCTIONS (this "Agreement") dated February 21, 2017 (the "Effective Date") is entered into by and between the City of Redlands ("Seller"), and Brixton Redlands, LLC ("Buyer"). Seller and Buyer are sometimes individually referred to herein as a "Party" and, together, as the "Parties."

RECITALS

- A. Seller is the owner of certain real property, including all appurtenant and intangible interests, located in the City of Redlands, county of San Bernardino, State of California, which is more particularly described in **Exhibit A**, attached hereto and made a part hereof (the "Property"), more commonly known as the Redlands Mall property Parcel 3, county of San Bernardino Assessor's Parcel Number 0171-053-030000.
- B. Seller desires to sell the Property to Buyer and Buyer desires to purchase the Property from Seller, upon the terms and conditions set forth in this Agreement.
- C. Seller and Buyer further desire to appoint Ticor Title Company of California, whose address is 4120 Concours, Suite 400, Ontario, CA. 91764, as the Escrow Holder for the consummation of this purchase and sale transaction in accordance with the terms and conditions of this Agreement.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, Seller and Buyer hereby agree as follows:

1. SALE AND PURCHASE OF PROPERTY.

1.1 Sale and Purchase. Seller shall sell the Property to Buyer, and Buyer shall purchase the Property from Seller, for the purchase price, as defined in Section 1.2, below, and upon the terms and conditions set forth in this Agreement.

1.2 Purchase Price. The purchase price to be paid by Buyer to Seller for the Property shall be One Million Dollars (\$1,000,000.00) (the "Purchase Price"), in cash.

1.3 Payment of Purchase Price. Buyer shall pay the Purchase Price to Seller as follows:

1.3.1 Concurrently with its execution of this Agreement, Buyer shall

deliver to Escrow Holder the sum of One Thousand Dollars (\$1,000.00) (the "Deposit"). Escrow Holder shall deposit the Deposit in an interest-bearing, federally insured account. The Deposit shall be fully applicable to the Purchase Price. Seller shall not be bound by this Agreement unless and until Buyer delivers the Deposit to Escrow Holder.

1.3.2 The Deposit shall become non-refundable to Buyer if the Closing (defined in Section 3.4.2) fails to occur by reason of breach by Buyer.

1.3.3 Buyer shall pay the Purchase Price to Seller, through Escrow in immediately available federal funds. The Deposit shall apply against the Purchase Price.

2. TITLE.

2.1 Conveyance of Title. Seller shall convey to Buyer all of Seller's right, title and interest in and to the Property by grant deed (the "Grant Deed"), in the form of deed customarily used by the Escrow Holder.

2.2 Buyer's Title Policy. Buyer's obligation to consummate the purchase shall be conditioned upon the willingness, as of the closing, of Tigor Title Insurance of California (the "Title Company") to issue its CLTA Standard Coverage Policy the "Title Policy," with liability limits in the amount of the Purchase Price with such endorsements as Buyer may reasonably require, insuring title to the Property as vested in Buyer, free and clear of all liens and encumbrances and other matters of record affecting title to the Property except the following (the "Permitted Exceptions"):

2.2.1 Non-delinquent general and special real property taxes, bonds and assessments;

2.2.2 All matters provided for in this Agreement and all instruments recorded by Escrow Holder in accordance with the terms of this Agreement;

2.2.3 Preprinted CLTA Standard Coverage;

2.2.4 Such matters affecting title which have been approved by Buyer as provided in Section 4.3.

3. ESCROW.

3.1 Agreement to Constitute Escrow Instructions. This Agreement shall constitute escrow instructions and a fully executed copy or executed counterparts of this Agreement shall be deposited with Escrow Holder for this purpose.

3.2 Escrow Holder. Buyer and Seller shall deliver a fully executed copy or executed counterparts of this Agreement, and Buyer shall deliver the Deposit, to Escrow Holder

concurrently with the execution of this Agreement. If Escrow Holder requires further escrow instructions for the sale of the Property, then Escrow Holder shall prepare such escrow instructions on its usual form for the purchase and sale of the Property in accordance with this Agreement. Provided such further escrow instructions are consistent with this Agreement, Buyer and Seller shall promptly execute such further escrow instructions and deliver them to Escrow Holder within three (3) Business Days (defined in Section 10.11) after such Party's receipt of such further escrow instructions. In the event of any conflict between the terms and conditions of this Agreement and such further escrow instructions, the terms and conditions of this Agreement shall control.

3.3 Opening of Escrow. Escrow shall be deemed open on the date of delivery to Escrow Holder of both (i) a fully executed copy or executed counterparts of this Agreement and (ii) the Deposit. Escrow Holder shall promptly give written notice of such date to Buyer and Seller.

3.4 Close of Escrow.

3.4.1 Escrow shall close (“Closing” or “date of Closing”) on or before March 7, 2017, unless extended in accordance with Section 3.13 below

3.4.2 Closing shall be deemed to occur when the Grant Deed is recorded. Without limiting the provisions of Section 10.11, Buyer acknowledges that time is of the utmost essence with respect to close of Escrow and that Seller would not enter into this Agreement without Buyer's agreement to close Escrow on or before the date for Closing, if at all.

3.5 Buyer Required to Deliver. At least one Business Day before the Closing, Buyer shall deposit into Escrow the following (properly executed and acknowledged, if applicable):

3.5.1 The balance of the Purchase Price in immediately available federal funds as provided in Section 1.3.3; plus or minus any net debits or credits for costs and prorations.

3.5.2 All other documents and funds contemplated by this Agreement or required by Escrow Holder to be deposited by Buyer to close the Escrow.

3.6 Seller Required to Deliver. At least one Business Day before the Closing, Seller shall deposit into Escrow the following (properly executed and acknowledged, if applicable):

3.6.1 One original of the Grant Deed;

3.6.2 One original of a Federal Non-Foreign Affidavit;

3.6.3 One original of a State Non-Foreign Affidavit; and

3.6.4 All other documents and funds contemplated by this Agreement or required by Escrow Holder to be deposited by Seller to close the Escrow.

3.7 Conditions to the Closing. Without limiting the respective obligations of Buyer and Seller under this Agreement and the other conditions to close of Escrow set forth in this Agreement, the Closing shall not occur unless and until both Parties have deposited with Escrow Holder all sums and documents required to be deposited for the Closing as provided in this Agreement.

3.7.1 If the Closing does not occur on or before the date for Closing by reason of failure of a condition provided for in Article 4, which failure is not caused by breach by either Party, then either Party may, at its option, terminate this Agreement and Escrow at any time thereafter upon written notice to Buyer and Escrow Holder, whereupon: (i) the Deposit shall be returned to Buyer; (ii) except for Buyer's obligations set forth in Sections 3.12 (escrow cancellation charges), 5.1(costs due to Buyer's access) and Seller's and Buyer's obligations set forth in Section 3.11 (broker commission claims), the Parties shall be released and relieved of all obligations to each other under this Agreement; and (iii) Buyer shall have no further right to purchase any of the Property, nor shall Buyer have any claims against either the Seller or the Property, nor shall Seller have any claims against Buyer.

3.7.2 If the Closing does not occur on or before the date for Closing by reason of breach by Buyer or by reason of failure of a condition provided for in Article 4, which failure is caused by breach by Buyer, then this Agreement shall terminate, whereupon: (i) the Deposit shall be disbursed to Seller; (ii) except for Buyer's obligations set forth in Sections 3.12 (escrow cancellation charges), 5.1(costs due to Buyer's access) and Seller's and Buyer's obligations set forth in Section 3.11 (broker commission claims), the Parties shall be released and relieved of all obligations to each other under this Agreement; and (iii) Buyer shall have no further right to purchase any of the Purchase Property or claims against Seller, the Property or in connection with this Agreement.

3.7.3 If the Closing does not occur on or before the date for Closing by reason of breach by Seller or by reason of failure of a condition provided for in Article 4, which failure is caused by breach by Seller, then this Agreement shall terminate, whereupon: (i) the Deposit shall be disbursed to Buyer; (ii) except for Buyer's obligations set forth in Sections 3.12 (escrow cancellation charges), 5.1(costs due to Buyer's access) and Seller's and Buyer's obligations set forth in Section 3.11 (broker commission claims), the Parties shall be released and relieved of all obligations to each other under this Agreement;

provided, however Seller shall not be released from any Seller obligations in connection with Buyer's exercise of any remedies as provided in Section 9.4.

3.8 Recordation and Distribution of Documents. To consummate the Closing, Escrow Holder shall immediately:

(i) Cause the Grant Deed to be recorded in the Official Records of the Recorder's Office for the county of San Bernardino;

(ii) Then, deliver to Seller: (a) the balance of the Purchase Price, plus or minus any net debits or credits for costs and proration's; (b) conformed copies of all documents recorded as part of the Closing; and (c) copies of any other documents delivered to Buyer pursuant to clause (iii) below; and

(iii) Then, deliver to Buyer: (a) conformed copies of all documents recorded as part of the Closing; (b) originals of all documents delivered by Seller pursuant to Section 3.6 above; and (c) copies of any other documents delivered to Seller pursuant to clause (ii) above.

3.9 Prorations. Real property taxes and installments of assessments allocable to the Property shall be prorated between Buyer and Seller as of the Closing based on the latest available information. Said prorations shall be based on a 30-day month and a 360-day year. Buyer shall be responsible for all taxes resulting from any supplemental assessments or reassessments resulting from the purchase of the Property by Buyer or any improvements made to the Property after the Closing.

3.10 Costs of Escrow. (i) Seller shall pay the cost of documentary transfer taxes and the cost of recording the Grant Deed; (ii) Seller shall pay the cost of any title insurance endorsements other than endorsements necessary to cure disapproved exceptions which Seller has agreed to eliminate; and (iii) Buyer and Seller shall each pay one-half of the Escrow Fee, and one half of the cost of CLTA title policy, and one half of any other closing fees. Any unspecified costs shall be borne by Buyer and/or Seller according to custom in the county of San Bernardino as determined by Escrow Holder.

3.11 Fees and Commissions. Both Seller and Buyer are not represented in this transaction by any broker. In the event of any claim for a broker's, agent's or finder's fee or commission in connection with this transaction, the Party upon whose alleged statement, representation or agreement such claim or liability arises shall indemnify, defend, protect and hold harmless the other Party from and against any losses, claims, actions, liabilities, obligations, damages, costs and/or expenses (including reasonable attorneys' fees and costs) arising from such claim.

3.12 Escrow Cancellation; Cancellation Charges. Upon termination of this Agreement and the Escrow, each Party shall execute and deliver to Escrow Holder Escrow

cancellation instructions within three (3) Business Days of such Party's receipt of such Escrow cancellation instructions from Escrow Holder. If the Escrow fails to close by reason of a breach, default or misrepresentation by either Party, then (without limiting the rights and remedies of the other Party) such Party shall pay all Escrow cancellation charges. If this Agreement and the Escrow fails to close for any other reason, then each Party shall pay one-half of all Escrow cancellation charges.

3.13 Extension of Closing Date. At any time prior to Closing, Buyer shall have the right to extend the date of Closing for one (1) 6-month extension by paying to Seller the sum of One Thousand Dollars (\$1,000.00). Such payment by Buyer shall be paid into Escrow and shall be immediately non-refundable. Such payment made by Buyer to extend the Closing shall be credited towards the Purchase Price at Closing. In the event of Seller's default of this Agreement, Seller shall repay to Buyer any payments made by Buyer pursuant to this Section 3.13, in addition to causing the return of the Deposit.

4. CONDITIONS.

4.1 General. The provisions of this Article 4 are conditions to Closing and, unless otherwise provided expressly or by context, are covenants. If any of said conditions are not fulfilled by either the date stated, or, where no specific date is stated, on or before the date of Closing, then Section 3.7 shall apply. Unless otherwise expressly stated, each condition shall be deemed to be for the benefit of both Buyer and Seller.

4.2 Title. It shall be a condition of Closing, for Buyer's sole benefit, that Seller shall cause title to the Property to be conveyed to Buyer by Grant Deed subject only to the Permitted Exceptions. Escrow Holder must be ready and able to cause its underwriter to issue its CLTA standard coverage owner's policy of title insurance insuring title in Buyer with liability in the amount of the Purchase Price, with such endorsements as Buyer may reasonably require, and which Escrow Holder must have agreed to cause such policy of title to be issued at the Closing. The policy shall list only the foregoing taxes and exceptions in addition to any printed exceptions common to such form of policy. Seller's only covenants with respect to title shall be to remove items which Seller agrees or is deemed to agree to remove pursuant to Section 4.3.

4.3 Approval of Encumbrances.

4.3.1 With respect to existing encumbrances, Seller has ordered from Escrow Holder, a preliminary title report and legible copies of all documents referred to therein covering the Purchase Property (collectively the "Preliminary Report") to be delivered to Buyer, within five (5) days after the Effective Date. Buyer shall have five (5) days after receipt of the Preliminary Report within which to approve the exceptions listed therein. Failure to give written notice of approval to Seller of some or all of the exceptions listed in the report shall be deemed to be disapproval of all such exceptions and matters. If Buyer disapproves any exceptions or matters, Seller shall have five (5) days within which to agree to remove the exception or

otherwise cure in a manner reasonably satisfactory to Buyer. Failure to give written notice of such agreement to Buyer shall be deemed to be refusal, except that Seller shall automatically be deemed to agree to remove monetary liens (i.e., anything that can be removed by the payment of money as a matter of law) other than nondelinquent taxes and assessments. Without limiting the generality of the foregoing, Seller need not remove nondelinquent special taxes or assessments such as so-called Mello-Roos taxes, lighting and landscape district taxes or assessments, if any. If Seller does not agree to remove or cure any other exceptions or matters disapproved by Buyer, then this Agreement shall terminate without further liability to either Party (except for Sections 3.12, 5.1, and Article 9, and Seller's and Buyer's obligations set forth in Section 3.11, which shall survive any termination) unless Buyer waives its objection within a second five (5)-day period. If Seller shall agree to remove or cure any exception or matter objected to by Buyer, Seller shall then have until the date for the Closing within which to remove such exception.

4.3.2 If the Property lies within any Mello-Roos Community Facilities District ("CFD"), then the Property shall be subject to nondelinquent special taxes levied by that CFD.

4.3.3 Any matters that are placed of record after the issuance date of the Preliminary Report, but prior to the Closing shall be disclosed to Buyer via an Amended Preliminary Report. Within five (5) Business Days after Buyer's receipt of any Amended Preliminary Report containing items not contained in the original Preliminary Report, and legible copies of such items if writings or drawings, Buyer will review and approve or disapprove such items. Buyer shall deliver written notice to Seller within such period identifying any disapproved items. If Buyer does not timely give notice of disapproval as aforesaid, then Buyer shall be deemed to have approved the Amended Preliminary Report. Buyer shall not unreasonably disapprove exceptions listed in the Amended Preliminary Report. If Buyer disapproves any new exceptions listed in an Amended Preliminary Report, Seller, within five (5) Business Days after receipt by Seller of notice of Buyer's disapproval, shall agree or refuse to remove or modify such new exceptions objected to by Buyer. Failure to give written notice of agreement to Buyer and Escrow Holder shall be deemed to be refusal. If Seller does not agree to remove (or otherwise cure in a manner reasonably satisfactory to Buyer) new exceptions objected to by Buyer, then this Agreement shall terminate without further liability to either Party (except for Sections 3.12, 5.1, and Article 9, and Seller's and Buyer's obligations set forth in Section 3.11, which shall survive any termination) unless Buyer waives its objection within five Business Days after Seller refuses or is deemed to refuse. Buyer shall be entitled to the refund of the Deposit in the event of such termination. If Seller agrees to remove (or otherwise cure in a manner reasonably satisfactory to Buyer) the exceptions objected to by Buyer, Seller shall then have until the date for the Closing within which to do so. Notwithstanding the foregoing, Seller shall not voluntarily cause matters affecting the Property to be placed of record after the Effective Date without Buyer's approval, which will not be unreasonably withheld.

4.4 Truth of Representations. It shall be a condition of Closing, for Buyer's sole benefit, that Seller's representations, warranties and covenants in Article 6 shall be true and

correct and, where applicable, shall have been performed, and that Seller shall not be in default. It shall be a condition of Closing, for Seller's sole benefit, that Buyer's representations, warranties and covenants in Article 6 shall be true and correct and, where applicable, shall have been performed, and that Buyer shall not be in default. If this condition fails by reason of breach by a Party, the nonbreaching Party shall have all rights and remedies available to such Party under this Agreement and applicable law, subject to Article 9. If this condition fails for reasons other than breach by a Party, the sole remedy of the Party to which the representation, warranty or covenant is made shall be to terminate this Agreement without further liability to the other Party (except for Sections 3.12, 5.1, and Article 9 and Seller's and Buyer's obligations set forth in Section 3.11, which shall survive any termination), in which case Buyer shall be entitled to the return of the Deposit.

5. ACCESS AND CONTACT WITH AGENCIES.

5.1 Access. Seller hereby consents to entry upon the Property by Buyer and its agents, consultants and contractors, after the Effective Date of this Agreement through March 1, 2017 in order to conduct, at Buyer's sole cost and expense, such engineering, environmental investigation, soils and geological surveying as Buyer deems appropriate in connection with Buyer's review. With respect to such entry, investigations, assessments and other tests upon the Property, Buyer shall: (i) keep the Property free and clear of any and all liens and encumbrances; (ii) comply with all applicable laws; (iii) indemnify, defend, protect and hold Seller, and the Property harmless from and against any claims, losses, costs (including actual attorneys', consultants' and experts' fees and costs), damages, liabilities, liens, encumbrances, actions or expenses arising out of such entry upon, and/or such investigations, assessments and other tests with respect to, the Property, provided that Buyer shall have no responsibility or liability for any act or omission of Seller or Seller's agents, employees or contractors and/or for any adverse condition or defect on or affecting the Property not caused by Buyer or its employees, agents, contractors, or subcontractors but discovered or impacted during their inspections; (iv) discharge any lien and/or encumbrance arising out of such entry, investigations, assessments and other tests within five (5) days of Seller's demand which shall be delivered to Seller, in writing, no later than March 2, 2017, whether or not such lien and/or encumbrance is considered valid by Buyer; and (v) promptly repair any alteration of the condition of the Property which resulted from such entry upon, and/or such investigations, assessments and other tests with respect to, the Property so as to restore the Property to the same condition in which it existed prior to such entry and/or activities. The obligations of Buyer and indemnification by Buyer provided for in this Section 5.1 shall survive the Closing and shall survive any termination of this Agreement.

5.2 Buyer's Contact with Agencies. Seller hereby consents to Buyer and/or Buyer's representatives meeting with any city, county or other governmental authority for any good faith, reasonable purpose in connection with its investigation of the Property.

6. REPRESENTATIONS AND WARRANTIES.

6.1 Seller's Representations and Warranties.

6.1.1 General/Disclaimer. BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, SELLER HAS NOT MADE ANY EXPRESS OR IMPLIED REPRESENTATIONS, WARRANTIES, GUARANTIES, PROMISES, STATEMENTS OR ASSURANCES WHATSOEVER, DIRECTLY OR THROUGH ANY REPRESENTATIVE OR AGENT, AS TO THE CONDITION OF THE PROPERTY, OR ANY MATTER, INCLUDING, BUT NOT LIMITED TO, HAZARDOUS MATERIALS. No knowledge of other persons shall be imputed to Buyer, and there shall be no implication of inquiry or investigation. To the best of Seller's knowledge, copies of any writings and other materials delivered to Buyer by Seller, or to be inspected by Buyer after being furnished by Seller, are or will be complete and faithful copies. Except for express representations and warranties made by Seller in this Agreement, Buyer shall rely solely upon its own investigation and inspection of the Property and the improvements thereon and upon the aid and advice of Buyer's independent expert(s) in purchasing the Property, and shall take title to the Property without any warranty, express or implied, by Seller or any employee or agent of Seller.

6.1.2 Seller's Authority. Seller represents and warrants that this Agreement and all other documents delivered by Seller, prior to or after the Close of Escrow, have been or shall be duly authorized and executed and delivered; and are legal, valid and binding obligations of Seller.

6.1.2A No Leases or Contracts. There are no leases, occupancy agreements or contracts of any type that will bind the Property after the Close of Escrow (other than those that may be Permitted Exceptions).

6.1.3 Seller's Knowledge. As used in this Agreement, "to the best of Seller's knowledge" or similar phrases shall mean the actual present and conscious awareness or knowledge of Seller as of the Effective Date of this Agreement without any obligation on any of its part to make any independent investigation of the matters being represented and warranted by Seller, or to make any inquiry of any other persons, or to search or examine any files, records, books, correspondence and the like.

6.1.4 Hazardous Materials. For purposes of this Agreement, "Hazardous Materials" includes, without limitation, any flammable materials, explosive, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as now or hereafter amended (42 U.S.C. Section 9601, *et seq.*), the Hazardous Materials Transportation Act, as now or hereafter amended (49 U.S.C. Section 1801, *et seq.*), the Resource Conservation and Recovery Act, as now or hereafter amended (42 U.S.C. Section 9601, *et seq.*), and in the regulations promulgated pursuant thereto, or any other federal, state or local governmental law, ordinance, rule or regulation.

Without limiting the generality of the foregoing, except for Buyer's rights under the express representations and warranties of Seller set forth in this Agreement, Buyer hereby

expressly waives and relinquishes any and all rights and remedies Buyer may now or hereafter have against Seller, at law, in equity or otherwise, whether known or unknown, with respect to any past, present or future presence or existence of Hazardous Materials on, in, under or about the Property or with respect to any past, present or future violations of any rules, regulations or laws, now or hereafter enacted, regulating or governing the use, handling, storage or disposal of Hazardous Materials, including, without limitation, (i) any and all rights Buyer may now or hereafter have to seek contribution from Seller under Section 113(f)(i) of the Comprehensive Environmental Response Compensation and Liability Act of 1980 ("CERCLA"), as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C.A. 9613), as the same may be further amended or replaced by any similar law, rule or regulation, (ii) any and all rights Buyer may now or hereafter have against Seller under the Carpenter-Presley-Tanner Hazardous Substance Account Act (California Health and Safety Code, Section 25300, et seq.), as the same may be further amended or replaced by any similar law, rule or regulation, and (iii) any and all claims, whether known or unknown, now or hereafter existing, with respect to the Property under Section 107 of CERCLA (42 U.S.C.A. 9607).

6.1.5 Change of Circumstances.

6.1.5.1 Except as provided below, the representations made by Seller in this Article 6 shall be deemed to be restated by Seller immediately prior to Close of Escrow, except for matters hereafter and theretofore disclosed by Seller to Buyer. If after the Effective Date Seller becomes aware of circumstances making any such representations and warranties untrue or incorrect, then Seller shall notify Buyer of the information or facts making Seller's representation and warranty set forth in this Section 6.1 untrue or incorrect (a "Notice of Change in Seller's Representations and Warranties"). If Seller gives Buyer a Notice of Change in Seller's Representations and Warranties before the Closing, then, except as provided below in this Section 6.1.5, Buyer shall elect by written notice to Seller and Escrow Holder within five (5) Business Days after being given a Notice of Change in Seller's Representations and Warranties to either: (i) proceed with knowledge of the facts and/or information contained in the Notice of Change in Seller's Representations and Warranties, in which event Seller shall have no liability to Buyer with respect to such change in Seller's representations and warranties, except if Seller's change of such representations and warranties is alleged by Buyer to be based upon facts intentionally caused by Seller, and is so determined to be intentional by a mediator pursuant to Section 10.23, the mediator shall also determine Buyer's remedies and/or damages for the same; or (ii) terminate this Agreement and the Escrow, whereupon (a) Escrow Holder and/or Seller, as the case may be, shall return to Buyer and Seller all funds and documents deposited by them (including without limitation returning to Buyer the Deposit); (b) except for Buyer's obligations set forth in Sections 3.12, and 5.1, and Seller's and Buyer's obligations set forth in Section 3.11, which shall survive any termination of this Agreement, Buyer and Seller shall be released and relieved of all other obligations to each other under this Agreement; and (c) Buyer shall have no further right to purchase the Property or claims against Seller or the Property under or in connection with this Agreement (including, but not limited to, any claim against Seller with respect to the change in Seller's representations and warranties).

6.1.5.2 If (i) Buyer fails to give Seller and Escrow Holder written notice of Buyer's election pursuant to this Section 6.1.5 within five (5) Business Days after being given a Notice of Change in Seller's Representations and Warranties, then Buyer shall be deemed to have elected to proceed to close Escrow with knowledge of the facts and/or information contained in the Notice of Change in Seller's representations and warranties as provided above.

6.2 Buyer's Representations and Warranties. Buyer warrants and represents to Seller as follows:

6.2.1 Status. Buyer is a limited liability company and is duly organized, existing and in good standing under the laws of the State of California.

6.2.2 Authority. Buyer has the full right and authority to enter into this Agreement and consummate the transactions contemplated herein; each of the persons signing this Agreement and exhibits attached hereto on behalf of Buyer is authorized to so sign; the execution, consent or acknowledgment of no other person or entity is necessary in order to validate the execution of this Agreement by Buyer; and all proceedings required to be taken by or on behalf of Buyer to authorize it to make, deliver and carry out the terms of this Agreement have been duly and properly taken.

6.2.3 No Breach. Entry into this Agreement, and the performance by Buyer of its obligations hereunder, does not contravene or constitute a breach of any agreement, contract or indenture to which Buyer is a party.

6.2.4 Buyer's Familiarity. Buyer is a developer doing business in the county of San Bernardino and the City of Redlands, and is fully familiar with the development approval process applicable to the Property and further is (or, during the course of its feasibility analysis, shall become) fully familiar with the Property and Buyer's contemplated development of the Property. Specifically, without limitation: Buyer has made (and during the course of the feasibility analysis, shall make) its own independent investigations of the Property (including, but not limited to, the environmental and physical condition of the Property, the development approval process and requirements applicable to the development of the Property for the purposes intended by Buyer, the costs of developing the Property, the real estate market as it pertains to the Property and Buyer's development thereof, all zoning regulations and other governmental requirements, and all other matters pertaining to the ownership and development of the Property); Buyer will have during its feasibility analysis and before close of Escrow, the opportunity to contact the City, County and all other governmental agencies as part of Buyer's own independent investigations regarding such matters; and Buyer is entering this transaction, and shall close the Escrow, in reliance upon Buyer's own independent investigations of such matters.

6.3 "AS-IS" Sale.

6.3.1 The Property is sold "AS-IS" as of the date of the Closing. Except for the representations and warranties of Seller set forth in Section 6.1, there are no representations or warranties by Seller or on Seller's behalf whatsoever, express or implied, either before or after the execution of this Agreement, with respect to the Property, the condition of the Property (including, but not limited to, the environmental or physical condition of the Property), whether the Property complies with applicable laws, the existence or absence of any permits or restrictions related to the development of the Property, the suitability of the Property for any purpose whatsoever, the cost of developing the Property or any other matter or thing affecting or relating to the Property, or this Agreement.

6.3.2 From and after the Close of Escrow, without limiting Seller's liability for breaches of this Agreement (including without limitation breaches of representations and warranties) Seller shall not be required to bear the cost of, any work with respect to the Property, or to pay any fees or other costs or expenses arising from or in connection with the Property and/or its development, any and all of which shall be the responsibility of, and borne by, Buyer.

7. RELEASE. Buyer hereby unconditionally releases Seller and Seller's representatives, agents, and attorneys (collectively, "Seller's Parties") from and against any and all liability, both known or unknown, present or future, for any loss, liability, obligation, damage, cost or expense arising out of or in connection with any presence or suspected presence of any Hazardous Materials in, on, under or about the Property (including, without limitation, claims arising under the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. Section 9601, et seq.). In connection with the release of Seller and Seller's Parties from liability as set forth in this Section 7, Buyer hereby waives and releases any right or benefit which it has or may have under the provisions of California Civil Code Section 1542, which provides:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor." The representatives of Buyer and Seller authorized to execute this Agreement shall each initial this provision at the time of such representative's execution of this Agreement.

Buyer's Initials: _____

The waivers and releases by Buyer herein contained shall survive Close of Escrow and the recordation of the Grant Deed and shall not be deemed merged into the Grant Deed upon its recordation.

8. INSURANCE.

8.1 Liability Insurance. Before any entry upon the Property by Buyer, its employees, consultants, agents or contractors, Buyer, shall procure at its sole cost and expense, and keep in effect until the earlier of (i) termination of this Agreement or (ii) the Closing, a commercial general liability insurance policy issued by an insurer permitted to write insurance in the State of California and rated no less than B+ X by A. M. Best, covering (i) the activities of Buyer, and Buyer's agents, contractors, subcontractors and employees on or upon the Property, and (ii) Buyer's defense, indemnity and hold harmless obligations set forth in this Agreement. Such insurance policy shall have a per occurrence limit of at least One Million Dollars (\$1,000,000.00); pursuant to ISO CG2010-11/85 or its equivalent, shall name Seller and its members as additional insureds; shall be primary and non-contributing with any other insurance available to any such additional insureds and provide that such coverage shall be primary and that any other insurance maintained by or for Seller shall be excess insurance only; shall contain a full waiver of subrogation clause; and shall be written on an occurrence (and not a claims made) basis. Such insurance shall: (i) include Broad Form Contractual liability insurance coverage; (ii) be written to apply to bodily injury, property damage, personal injury and other covered loss, however occasioned, occurring during the policy term; and (iii) include a broad form property damage endorsement.

All such insurance shall also provide for severability of interests; shall provide that a claim or suit against one of the named insureds shall not reduce or avoid coverage to the other named insureds; and shall afford coverage for covered claims based on acts, omissions, injury and damage arising from the activities by or on behalf of Buyer, its employees, agents, contractors, and/or representatives, which claims occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period. Such coverage shall also be endorsed to waive the insurer's rights of subrogation against Seller. All coverages described in this Section 8.1 shall be endorsed to provide Seller with five (5) days' prior written notice of cancellation or change in terms. The limits of the insurance required by this Agreement or as carried by Buyer shall not limit the liability of Buyer nor relieve Buyer of any obligation under this Agreement.

8.2 Form of Policies. All insurance policies required to be carried under this Agreement shall be written by insurance companies and be in a form and content reasonably satisfactory to Seller. Prior to any entry by Buyer, its employees, agents or contractors upon the Property, Buyer shall deliver to Seller evidence of insurance reasonably acceptable to Seller and endorsements naming Seller as an additional insured, evidencing that such insurance is in effect and is in compliance with Section 8.1.

9. DEFAULT; REMEDIES.

9.1 Termination upon Breach. If, prior to the close of Escrow, either Buyer or Seller fails to comply with or perform their respective obligations under this Agreement, and fails to cure such breach within five (5) days of such Party's receipt written of written notice from the other Party of such breach, then the Escrow and this Agreement shall terminate (except for Sections 3.12, 5.1 and Article 9, and Seller's and Buyer's obligations set forth in Section 3.11, which shall survive any termination). Termination pursuant hereto shall not be deemed a waiver of such breach, and the Party not in breach shall be entitled to all appropriate relief at law or in equity, except to the extent limited by Sections 9.2 and 9.3.

9.2 LIQUIDATED DAMAGES.

9.2.1 IF BEFORE THE CLOSING BUYER FAILS TO COMPLY WITH OR PERFORM BUYER'S OBLIGATIONS UNDER THIS AGREEMENT, AND FAILS TO CURE SUCH BREACH WITHIN FIVE (5) DAYS OF BUYER'S RECEIPT OF WRITTEN NOTICE FROM SELLER OF SUCH BREACH, THEN SELLER MAY THEREAFTER: (I) TERMINATE THIS AGREEMENT; (II) RECEIVE AND RETAIN THE DEPOSIT AS LIQUIDATED DAMAGES IF SUCH DEFAULT OCCURS AFTER BUYER'S NOTICE OF FEASIBILITY APPROVAL; AND (III) EXERCISE THE OTHER RIGHTS AND REMEDIES RESERVED BY SELLER AS PROVIDED IN THIS SECTION 9.2. IN THE EVENT SELLER TERMINATES THIS AGREEMENT BY REASON OF BUYER'S DEFAULT, BUYER AND SELLER SHALL BE RELIEVED OF ANY FURTHER OBLIGATION TO EACH OTHER WITH RESPECT TO THIS AGREEMENT AND THE PROPERTY, EXCEPT THAT, IN ADDITION TO SELLER'S RECEIPT OF THE DEPOSIT AS PROVIDED HEREIN BUYER'S OBLIGATIONS UNDER SECTIONS 3.12, 5.1, 5.2 AND THIS SECTION 9.2 AND SELLER'S AND BUYER'S OBLIGATIONS SET FORTH IN SECTION 3.11, SHALL CONTINUE AND SURVIVE THE TERMINATION OF THIS AGREEMENT; AND (2) IF BUYER DOES NOT PROMPTLY PERFORM ITS OBLIGATIONS PURSUANT TO, AND COMPLY WITH, SECTIONS 3.12, 5.1, 5.2 AND THIS SECTION 9.2, AND/OR BUYER DOES NOT PROMPTLY COOPERATE WITH SELLER IN TAKING SUCH ACTION AS IS NECESSARY OR APPROPRIATE TO CAUSE THE ESCROW TO BE CANCELED AND THE DEPOSIT TO BE PAID TO SELLER AS PROVIDED HEREIN, THEN, IN ADDITION TO RETAINING THE DEPOSIT, SELLER SHALL BE ENTITLED TO RECOVER FROM BUYER ALL ACTUAL ATTORNEYS' FEES, FEES OF EXPERT WITNESSES AND COSTS INCURRED BY SELLER IN COMPELLING BUYER TO PERFORM SAID OBLIGATIONS AND IN OBTAINING SUCH CANCELLATION AND DEPOSIT.

9.2.2 IT IS EXPRESSLY UNDERSTOOD AND AGREED BY BUYER AND SELLER THAT SELLER WILL INCUR SUBSTANTIAL DAMAGES AS A RESULT OF ANY FAILURE BY BUYER TO COMPLY WITH OR PERFORM BUYER'S OBLIGATIONS UNDER THIS AGREEMENT IN THE FORM OF, AMONG OTHER THINGS, ADDITIONAL INTEREST COSTS, MARKETING COSTS, OPPORTUNITY COSTS AND OTHER RELATED EXPENDITURES; THAT IT IS EXTREMELY DIFFICULT AND IMPRACTICAL TO CALCULATE AND ASCERTAIN AS OF THE EFFECTIVE DATE OF THIS AGREEMENT THE ACTUAL DAMAGES WHICH WOULD BE SUFFERED IN SUCH EVENT BY SELLER; AND THAT THE LIQUIDATED DAMAGES AMOUNTS PROVIDED FOR HEREIN ARE REASONABLE

ESTIMATES OF THE EXTENT TO WHICH SELLER MAY BE DAMAGED BY BUYER'S DEFAULT IN LIGHT OF THE DIFFICULTY THE PARTIES WOULD HAVE IN DETERMINING SELLER'S ACTUAL DAMAGES AS A RESULT OF SUCH DEFAULT BY BUYER. EXCEPT AS EXPRESSLY PROVIDED IN SECTIONS 9.2.1 AND 9.2.2, DELIVERY TO AND RETENTION OF LIQUIDATED DAMAGES BY SELLER SHALL BE SELLER'S SOLE AND EXCLUSIVE REMEDY AGAINST BUYER IN THE EVENT OF A MATERIAL DEFAULT OR BREACH BY BUYER WHICH RESULTS IN BUYER'S FAILURE TO PURCHASE, AND SELLER WAIVES ANY AND ALL RIGHT TO SEEK OTHER RIGHTS OR REMEDIES AGAINST BUYER. THE PAYMENT AND RETENTION OF SUCH AMOUNTS AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. THE REPRESENTATIVES OF BUYER AND SELLER AUTHORIZED TO EXECUTE THIS AGREEMENT SHALL EACH INITIAL THIS PROVISION AT THE TIME OF SUCH REPRESENTATIVE'S EXECUTION OF THIS AGREEMENT.

SELLER'S INITIALS

BUYER'S INITIALS

9.3 Seller's Default. If Seller fails to perform its obligations pursuant to this Agreement for any reason except failure by Buyer to perform hereunder, or if prior to Closing any one or more of Seller's representations or warranties are breached in any material respect, Buyer shall elect, as its sole remedy, either to (i) terminate this Agreement by giving Seller timely written notice of such election prior to the date for Closing and recover the Deposit, and damages up to a maximum of Fifty Thousand Dollars (\$50,000.00) plus any attorneys' fees awarded pursuant to Section 10.4, (ii) enforce specific performance, or (iii) waive said failure or breach and proceed to Closing. Notwithstanding anything herein to the contrary, Buyer shall be deemed to have elected to terminate this Agreement if Buyer fails to deliver to Seller written notice of its intent to file a claim or assert a cause of action for specific performance against Seller on or before five (5) business days following the date for Closing or, having given such notice, fails to file a lawsuit asserting such claim or cause of action in the county of San Bernardino within two (2) months following the date for Closing. Buyer's remedies shall be limited to those described in this Section 9.3. If, however, the equitable remedy of specific performance is not available, Buyer may seek any other right or remedy available at law or in equity; provided, however, that in no event shall Seller's liability exceed the lesser of (i) \$50,000.00 or (ii) the actual reasonable out-of-pocket expenses incurred by Buyer and paid (a) to Buyer's attorneys in connection with the negotiation of this Agreement and (b) to unrelated and unaffiliated third party consultants in connection with the performance of examinations, inspections and/or investigations. For purposes of this provision, specific performance shall be considered not available to Buyer only if a court of competent jurisdiction determines conclusively that Buyer is not entitled to specific performance on the merits of its claim.

10. GENERAL PROVISIONS.

10.1 Possession. All of Seller's rights to possession of the Property shall be delivered to Buyer immediately upon the Close of Escrow, free and clear of all claims of rights of possession whatsoever, subject to the Permitted Exceptions.

10.2 Incorporation of Recitals and Exhibits. All recitals set forth at the beginning of this Agreement and all exhibits attached to and referred to in this Agreement are incorporated into and made a part of this Agreement as though fully set forth in this Agreement.

10.3 Attorneys' Fees. In any action is commenced between Buyer and Seller involving this Agreement (including any exhibits to this Agreement) or the Property, and subject to Section 9.3, the prevailing Party shall be entitled to recover from the other Party, in addition to damages, injunctive or other relief, if any, all costs and expenses (whether or not allowable as "cost" items by law) reasonably incurred at, before and after trial or on appeal, or in any bankruptcy proceeding, including without limitation attorneys' fees, witness fees (expert and otherwise), deposition costs, copying charges and other expenses.

10.4 Notices. All notices, requests, demands and other communications given or required to be given hereunder shall be in writing and personally delivered or sent by United States registered or certified mail, return receipt requested, or sent by nationally recognized courier service such as Federal Express, duly addressed to the Parties as follows:

IF TO SELLER:

City of Redlands
Attention: City Clerk
35 Cajon Street, Suite 4
Redlands, CA 92373

IF TO BUYER:

BRIXTON REDLANDS, LLC
Attention: Travis King, CEO
4435 Eastgate Mall Suite 310
San Diego, CA. 92121

Delivery of any notice or other communication hereunder shall be deemed made on the date of actual delivery thereof to the address of the addressee, if personally delivered, and on the date indicated in the return receipt or courier's records as the date of delivery or as the date of first attempted delivery to the address of the addressee, if sent by mail or courier service. Notice may also be given by facsimile to any Party having a facsimile machine compatible with the facsimile machine of the Party sending the notice. Any notice given by facsimile shall be deemed delivered when received by the facsimile machine of the receiving Party if received before

7:00 p.m. (Pacific Time) on the Business Day received, or if received after 7:00 p.m. (Pacific Time) or on a day other than a Business Day, then such notice shall be deemed delivered on the next following Business Day. The transmittal confirmation receipt produced by the facsimile machine of the sending Party shall be prima facie evidence of such receipt. Any Party may change its address or facsimile number for purposes of this Section 10.4 by giving notice to the other Party and to Escrow Holder as provided in this Section 10.4.

10.5 Assignment. Seller and Buyer shall not have the right to assign this Agreement or delegate any duties under this Agreement, without the prior written consent of the other Party. Notwithstanding the foregoing, Buyer shall have the right to assign this Agreement, and all rights under this Agreement, to an affiliated entity in which the principals of Buyer (Edward and Gerald Tessier or either of them) will retain a majority ownership interest.

10.6 Binding Effect. Subject to Section 10.5, this Agreement shall be binding upon and inure to the benefit of the Parties and their successors and assigns.

10.7 Entire Agreement; Amendments. This Agreement and the exhibits and related documents referred to in this Agreement contain all of the agreements of the Parties with respect to the matters contained herein and all prior or contemporaneous agreements or understandings, oral or written, pertaining to any such matters are merged herein and shall not be effective for any purpose. No provision of this Agreement may be amended or added to except by an agreement in writing which is signed by the Parties or their respective successors in interest and indicates that it is an amendment to this Agreement.

10.8 Headings. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of the provisions of this Agreement.

10.9 Survival. Each of the covenants, agreements, and indemnifications contained in this Agreement shall survive the Closing of Escrow and the transfer of title to the Property to Buyer.

10.10 Time of the Essence. Time is of the essence with respect to each and every provision of this Agreement. A day shall mean a calendar day, but a "Business Day" is a day other than a Saturday, Sunday or holiday observed by Escrow Holder or the San Bernardino County Recorder.

10.11 Further Assurances. Each of the Parties to this Agreement shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all acts and things reasonably necessary in connection with the performance of their obligations under this Agreement and to carry out the intent and agreements of the parties to this Agreement.

10.12 Joint and Several Liability. If Buyer consists of more than one person or entity, the liability of each such person or entity signing the Agreement as Buyer shall be joint and several.

10.13 No Partnership or Joint Venture. Nothing contained in this Agreement shall be deemed or construed as creating a partnership or joint venture between Buyer and Seller or between either Buyer or Seller and any third party, or cause either Buyer or Seller to be responsible in any manner for the debts or obligations of the other, or any third party.

10.14 Interpretation. This Agreement is made and entered into in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California, disregarding the conflicts of laws principles of such State. The language in all parts of this Agreement shall be in all cases construed as a whole according to their fair meaning and not strictly for or against either Seller or Buyer.

10.15 No Third Party Beneficiaries. No parties other than Seller and Buyer and their permitted successors and assigns shall have any rights or remedies under or by reason of this Agreement.

10.16 Severability. If any term, provision, condition or covenant of this Agreement or its application to any Party or circumstance shall be held, to any extent, invalid or unenforceable, then the remainder of this Agreement, or the application of such term, provision, condition or covenant to any Party or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected and shall be valid and enforceable to the fullest extent permitted by law.

10.17 Time Periods. Except as otherwise provided in this Agreement, all references to days contained in this Agreement shall mean calendar days.

10.18 Remedies Cumulative. Except to the extent limited by Sections 9.2 and 9.4, all rights and remedies of the Buyer and Seller pursuant to this Agreement are cumulative with one another and with any other rights or remedies that may be available under applicable law, and the exercise or failure to exercise any right or remedy shall not preclude the exercise of that right or remedy at any other time or of any other right or remedy at any time.

10.19 Backups. So long as Buyer is not in default hereunder, Seller shall not have the right to solicit and obtain backup offers from, or to enter into backup agreements with, third parties to purchase the Property.

10.20 Authority. Each person signing this Agreement represents and warrants that he or she is duly authorized to bind the Party on whose behalf he or she signs.

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

10.22 Attorneys' Fees. In the event any action is commenced to enforce or interpret any of the terms or conditions of this Agreement the prevailing Party shall, in addition to any costs and other relief, be entitled to the recovery of its reasonable attorneys' fees, including fees for the use of in-house counsel by a Party.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year first written above.

BUYER:

BRIXTON REDLANDS, LLC

By _____
Travis King, CEO

SELLER:

CITY OF REDLANDS

By _____
Paul W. Foster, Mayor

ATTEST:

Jeanne Donaldson, City Clerk

ACCEPTANCE BY ESCROW HOLDER

Escrow Holder acknowledges receipt on _____, 2017, of a fully executed copy (or counterparts) of the foregoing "Agreement and Escrow Instructions for the Purchase and Sale of Real Property" (the "Agreement") signed by Seller and Buyer.

Escrow Holder shall (i) accept the foregoing Agreement, (ii) act as Escrow Holder under the Agreement, and (iii) be bound by the Agreement in the performance of its duties as Escrow Holder. However, Escrow Holder shall have no obligation, liability or responsibility under any amendment to the Agreement, unless and until the amendment is accepted by the undersigned in writing.

The Escrow is assigned Escrow No. _____.

ESCROW HOLDER:

BY:

NAME: _____

TITLE: ESCROW OFFICER

EXHIBIT A

DESCRIPTION OF PURCHASE PROPERTY

Assessor Parcel No: 0171-053-030000

LEGAL DESCRIPTIONS

All that real property in the City of Redlands, County of San Bernardino,
described as:[add legal from title report]